PROJECT SUCCESS GUIDE

Delivering Value & Impact with Your Cloud ERP Implementation.

Successful Transformation Depends on Successful Project Execution

KEY FINDINGS

Cloud ERP Implementation | Project Execution

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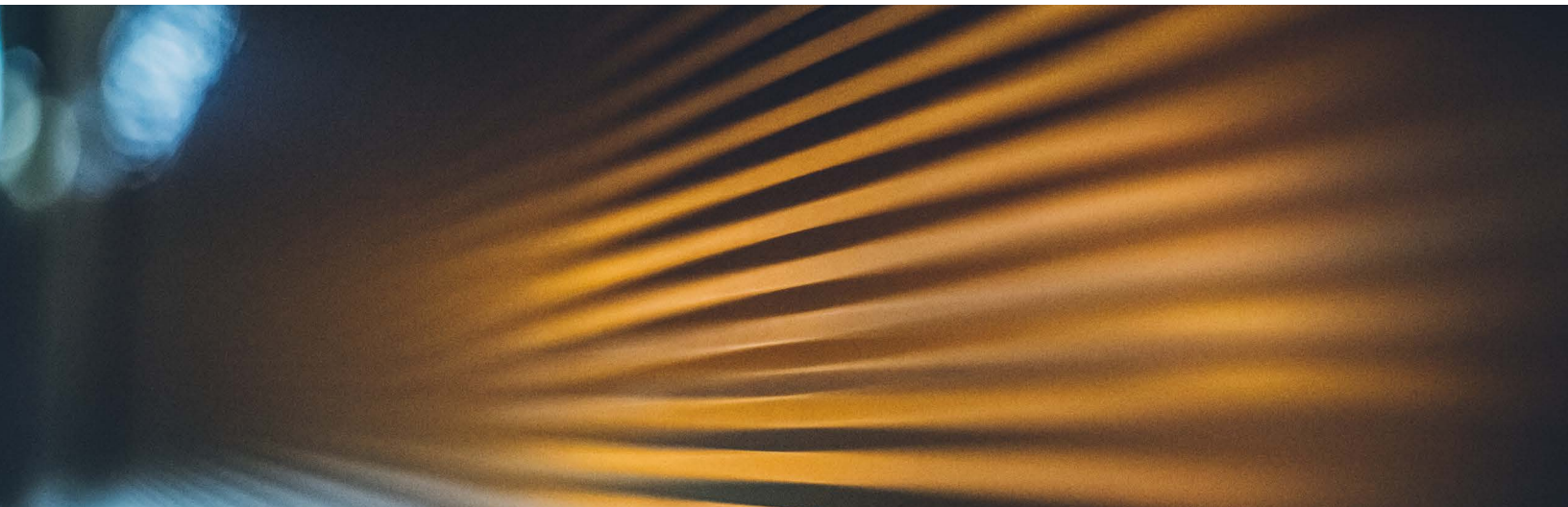

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Expert project managers bring clarity, rigor and a "sleeves-up" mindset to cloud ERP implementation. Effective ERP Program and Project Management aligns strategy to execution, working to mitigate transformation risks while ensuring the project delivers the expected ROI.

Implementation Methodology.

Choosing Your Migration Path

ERP implementations call for specific methodologies aligned to project management best practices. Large, global enterprises often have their own implementation methodologies, as do many of the ERP software providers like Oracle and SAP as well as some system integrators.

There are benefits to each approach. Internal program and project managers are intimately familiar with their own organization's methodology, while the software vendors' methodologies are specialized to account for all the intricacies of their systems.

Regardless of whose approach you follow, the methodology should be defined prior to the start, in tandem with setting up the program management office. And it should be documented in the development guidelines, with training on the migration method provided to everyone on the team.

Getting the Right Experience On Board

Managing a transformation of this scope and complexity requires an extraordinary level of both technical and functional expertise, as well as hands-on experience with the specific systems and processes you're implementing and the implementation methodology that's being used.

According to RGP research1, companies that are most successful in orchestrating transformation initiatives such as cloud ERP implementation take advantage of a "Dynamic Workforce" model. This innovative workforce strategy brings together a mix of both in-house and external talent, curating the specific skills that are needed to achieve mission-critical goals.

Although the pandemic spurred wider adoption of the Dynamic Workforce model, it has long been a hallmark of RGP's project consulting approach, which we have used to support hundreds of cloud ERP system implementations, upgrades and optimizations.

Keriann Christensen, VP Finance Transformation, says it's important for the PM team to adapt to the specific needs of the client. "We see the most success when we're able to bring our outside perspective and bridge the gap, partnering with our client's business, system integrator and PMO."

Project Tracks & Workstreams

Although project tracks and workstreams are sometimes based on functional areas (Record to Report, Procure to Pay, etc.), we recommend organizing them around cross-functional needs:

- PMO Oversight
- Business Processes
- Reporting Strategy
- Data Migration and Governance
- Integrations
- Testing and QA
- Change Management and Training

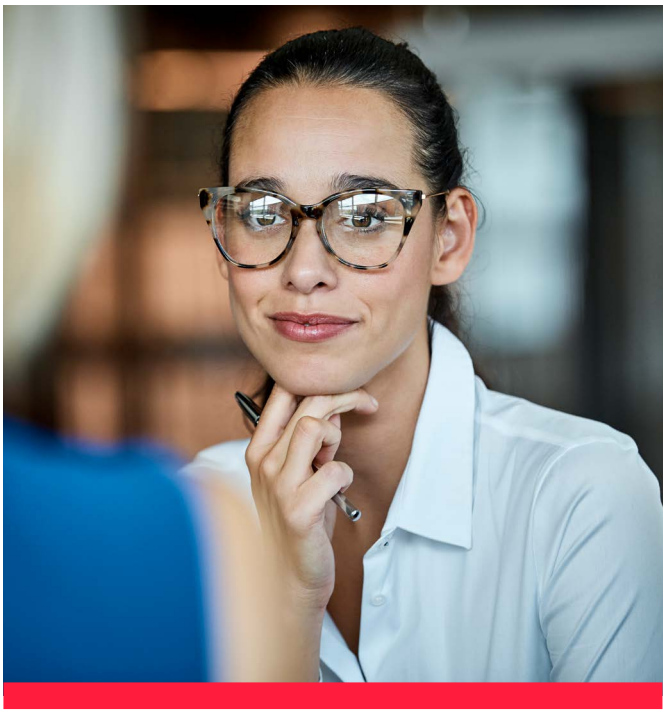
Tip: If you're not using the software company's implementation methodology, then make sure you tailor the chosen methodology to that system and provide training.

PMO Leadership & Support

A successful PMO establishes a strong governance structure for synchronized execution, applying templates, processes and standards for all projects and programs within the portfolio. The PMO quantifies needs, manages demand, prioritizes efforts, coordinates dependencies, assesses and reports on execution, and mitigates risk across projects.

To maintain the organizational alignment you established in the strategy phase, the PMO should be composed of both business and IT resources and should have C-level support to align and prioritize parallel projects. And ensure that change management (including leadership alignment), communications and data analytics are an integral part of the PMO capability.

Tip: Using a central, customized, digital project management tool makes it easier to track the progress of each workstream and provide a meaningful visualization of the program.



Case Study: Digital Project Management

A Fortune 100 global entertainment company was implementing SAP BRIM for their streaming services' subscription order management, charging, invoicing and contract accounting. As a long-time trusted partner to our client, RGP applied our digital PPM tools and templates to lead a successful project execution:

- Streamlined the testing process to enable five releases in less than a year, all of which were on time and under budget.
- Defined project metrics that provided leadership with clear lines of sight for potential issues and roadblocks.
- Created a custom, cross-project dashboard to easily track all releases in a single view.

System Integration & Implementation Support.

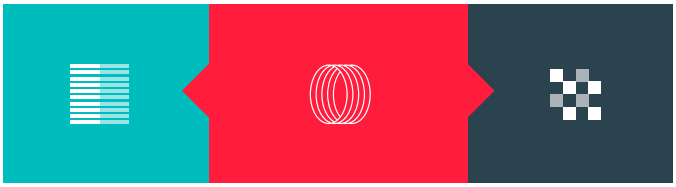
During the course of a cloud ERP transformation, multiple interconnected workstreams are engaged concurrently across business and IT functions that cross processes. This requires unique expertise and experience to ensure successful project execution and deliver the expected ROI, including:

- Project and program management
- Process design and documentation
- Data migration and governance
- System and user acceptance testing
- Internal control oversight
- Training and change management

RGP's Kathy Pazely says change management used to be the first line-item on a project budget that companies would cut, but they now know that you can't do that and still have a successful project. The same is true for data migration and governance.

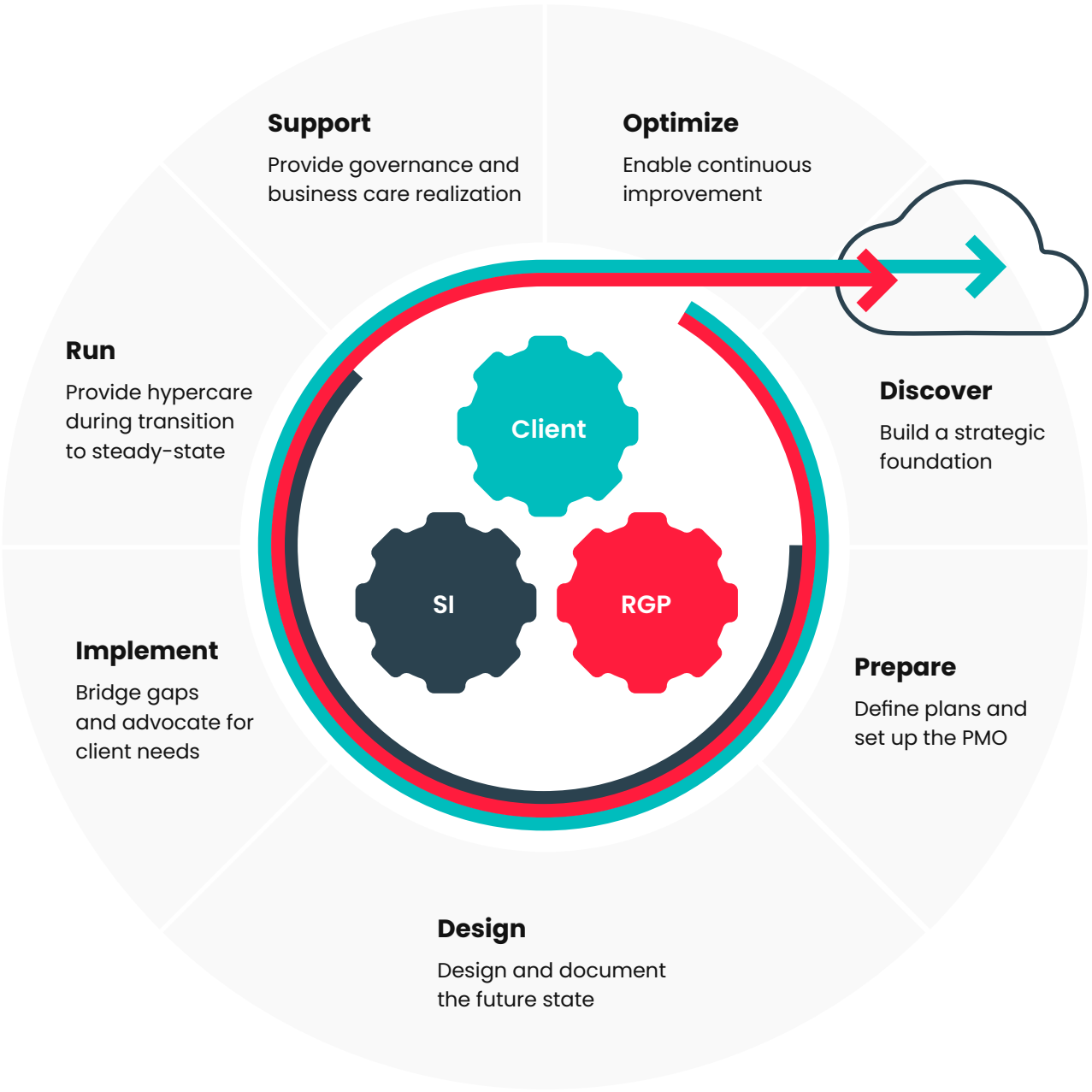
"One of the easiest things to do is design and configure the application—even building the interfaces is pretty easy to do," she says. "But getting the data right and getting it cleansed and uploaded and reconciled—that's usually the longest pole in the tent when you're looking at your project timeline."

Don't assume the system integrator will be willing or able to manage every aspect of a cloud ERP implementation. Like floor mats and paint protection when you're buying a new car, key responsibilities such as project management, governance and change management are considered client-centric activities by the SI — and are typically not included in the sticker price. Engaging outside resources like RGP to oversee project planning and execution as well as change management and training frees the SI to focus on what they do best.



"One of the easiest things to do is design and configure the application."

Kathy Pazely
RGP VP Business Technology



5 Key Questions to Ask Before You Start

1. Who is your system integrator (SI)?
2. What is the scope of their role? Where do their responsibilities end and yours begin?
3. How is the role of your IT organization defined for the implementation?
4. What does your implementation team structure look like? Will you utilize dedicated resources or take a hybrid approach?
5. Are your requirements detailed and signed-off on prior to the project kickoff?

Requirements & Design.

It may seem obvious, but before you begin implementing a cloud ERP system, you must first have a crystal-clear understanding of the business, data and technical requirements. Changing course once the project is underway is expensive and risky. So it's essential to understand the operational impact of the cloud ERP implementation and carefully define the scope, strictly prioritizing what is included in the first release.

Beginning with the End in Mind

RGP VP, Business Technology Kathy Pazely says you have to start with the end in mind and work backwards. "What key business decisions and analytics do we want to enable?

And then how do we move upstream and make sure we're capturing the necessary business and data requirements?"

It's critically important for business and IT stakeholders to collaborate on defining the requirements and ensuring they're met. A large oil and gas client's initial implementation of Oracle Cloud failed because they lacked sufficient integration and collaboration around requirements, design and system testing. As a result, they were unable to achieve business expectations and had to restart the project.

'Big Bang' vs. Phased Approach

RGP's Balaji Bondapalati says many cloud ERP implementations get into trouble because of scoping issues. "Just because a system integrator would like you to invest in a full-scale implementation all at once does not mean your organization can successfully do so," he says. "In a worst-case scenario, companies can spend millions of dollars and then end up scrapping the entire implementation because they thought they could execute it all at once—but couldn't."

Taking a phased rather than "big bang" approach can help you avoid that type of failure. That may mean starting by implementing a single module, such as Finance and Accounting or Supply Chain, and then prioritizing additional modules from there based on your particular business needs or utilizing a geographic or functional deployment approach.

"In a worst-case scenario, companies can spend millions of dollars and then end up scrapping the entire implementation because they thought they could execute it all at once—but couldn't."

Balaji Bondapalati
RGP VP, Business Technology

But no matter which approach you take, Balaji recommends gathering all the requirements at once, not on a piecemeal basis. Otherwise, you risk missing critical steps and dependencies that are difficult and costly to correct.

Key Objectives Include:

Address user requirements in the process design and get sign-off during user acceptance testing.

Communicate redesigned business processes, update job descriptions, and provide adequate user training.

Address new operational procedures and manual workarounds in the system requirements.

Develop KPIs for new processes to monitor system processing status, system degradation, late processing, failed transactions, etc.

Document anticipated functional impacts to understand the amount of change each stakeholder will be asked to accept and adopt.

Risks & Controls

Finally, be sure to include risks and controls in your process design and requirements. Otherwise, key controls may be missing from changed business processes and the new processes could be ineffective, poorly implemented or not fully adopted. For example, if users are frustrated with reporting capabilities, they may still develop their own reporting using spreadsheets and other workarounds. Also, don't underestimate the effort to update existing control documentation such as SOX narratives.

Tip: Blueprint the business requirements globally, then execute locally based on the strategy.

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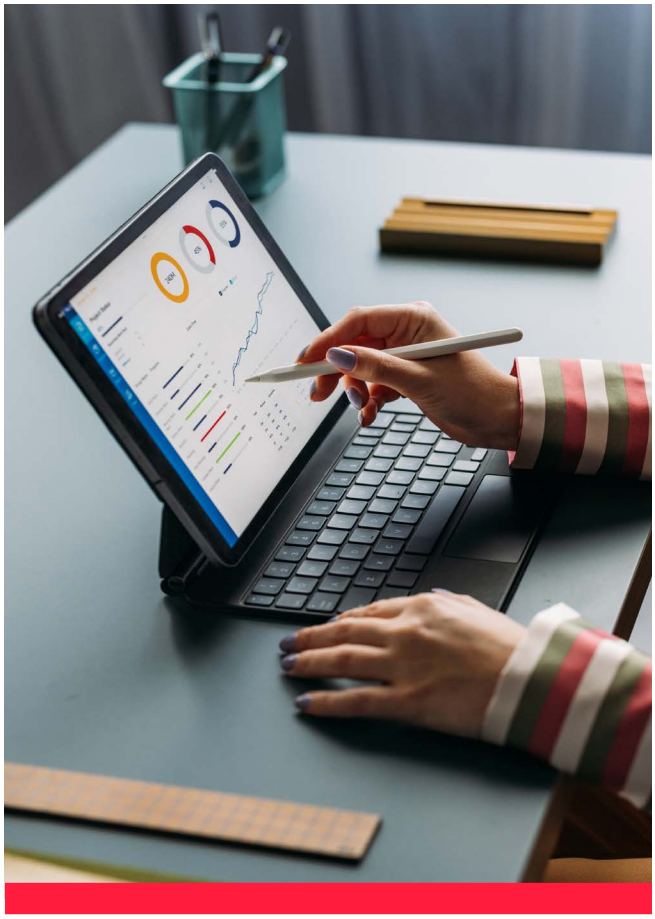
Data Migration & Governance.

Data migration is the backbone of any ERP implementation. And your data analytics, governance, management and quality can make or break post-go-live results. You're integrating disparate and often outdated legacy platforms and processes. And, in some cases, you're also migrating manual, spreadsheet-based processes and automating them in the cloud.

Treat data migration as an opportunity to clean up your data records and processes from top to bottom:

- **Reporting**: Regardless of what vendors may promise, don't assume built-in, out-of-the-box reporting capabilities will meet all of the business needs. In other words, trust, but verify.
- **Conversion**: You need to not only define what will get converted, but also understand how and when it will get converted, who will validate the conversion, etc.
- **Governance**: Define data governance processes and conversion strategies to support the initial system deployment by defining data standards for the new system—and support the ongoing health and quality of your data assets.
- **Analytics**: Ensure your strategy supports the delivery of insights to provide real analysis and support for sound business decisions.
- **Testing**: Plan to allocate at least one-third of your testing effort to data and reporting. It's critical to ensure the data flow is working the way you specified in your data strategy.
- **Archiving**: It's unlikely that you'll migrate 100% of the data required to run your business to the new system, so have a plan for how this data will be managed.



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Kathy Pazely
RGP VP Business Technology

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Data Needs its Own Workstream & Team

Too often, data and reporting responsibilities get buried within functional workstreams such as finance, procurement and manufacturing, resulting in a disjointed data strategy. Assigning one or more data specialists who are dedicated to that cross-functional data workstream—from strategy to golive and beyond—helps maintain data integrity across business processes and ensure that all downstream reporting and data requirements are met.

Tip: Ensure you test your data through its full lifecycle, from creation through reporting and analytics.

Case Study: Master Control for Data Migration

After an acquisition, a leading space technology company launched an initiative to upgrade their legacy Oracle ERP system to SAP S/4HANA Cloud and bring the acquired company's older SAP system onto the new common platform.

Merging two business units creates data mapping complexities and challenges when creating a master data set. After mapping out the data migration strategy and process details, RGP acted as clientside advisor while collaborating with the SI team to execute highquality SAP S/4HANA solution deliverables.

By automating many of the data and analytics processes, we were able to dramatically accelerate the timeline, minimize costs and enable a scalable, repeatable process.

Read The Full Story

Testing & Optimization.

Before going live, you have to verify that all the systems, processes and data are working the way they should to meet both the business and technical requirements. You're connecting the dots all the way from your Project Charter to post-production support, using a traceability matrix to document that everything works as expected.

Build your test scripts during your design phase to ensure that you have not only captured all the relevant functionality but also defined the data that will be needed to support testing.

- **Testing scripts**: Follow a step-by-step process to test the specified scenarios and validate that the new system performs as expected.
- **Unit testing**: Verify that the system was designed and built to support all of the requirements that were specified and that there's a traceability matrix to document that everything works as expected.
- **Integration testing**: Thoroughly test specific end-to-end scenarios for transactions across multiple applications to ensure data and integrations with system interfaces are generating error-free results.
- **User acceptance testing**: This is the final, most critical step — when users test the system for their required functionality to ensure all is working properly to support the business needs.be managed.

When it comes to data, don't shortchange the testing process — and don't wait till after go-live. Once your system is up and running, and you have orders flowing through, it's difficult, if not impossible, to go back and retroactively fix the data.

> "Testing is critical, because a lot can be lost in translation."

Keriann Christensen
RGP VP, Finance Transformation

Testing Checklist: Risks & Controls

- System development and customization and testing performed in a controlled environment and subject to change control procedures.
- User acceptance testing (UAT) executed with adequate participation from the user community, representing all impacted individuals and teams.
- System interfaces, data processing and end-user reports designed and tested appropriately.
- System issues logged/tracked and resolved and verified through retesting.
- Documentation maintained on logic and conditions tested.
- Users fully engaged up front in development of test scenarios as well as system testing to verify their requirements are being met.
- Users performed signoff to indicate acceptance of system functionality.
- User management approved final system design before implementation.
- User access roles and information security rules are included in testing.

Tip: Automated testing can be a key advantage in shortening implementation times.

Go-Live.

This is the point in your cloud ERP journey where, after completing the pre-flight checklist, you taxi down the runway and power up the engines for takeoff. But rather than simply "flipping a switch," it's important to orchestrate this process in a controlled sequence of users and transactions during cutover. Timing of your cutover is a strategic decision that is unique to your business requirements.

Ideally, you have a detailed cutover plan that has been part of the testing phase with mock cutover or dress rehearsal exercises to confirm the timing and sequence of events. This should also include risk mitigation options for critical steps that may take longer than expected or fail. It's like conducting a full orchestra through a weekend marathon. Continuous communication and feedback are critical through the cutover period and go-live, to ensure an informed and coordinated effort across all impacted groups.

Timing Makes a Difference.

"By going live the first month of the quarter, you can give yourself a buffer for those critical quarter-end reports and minimize risk," advises Keriann Christensen. "Ideally, you finish your close in the prior system, then cut over and convert to the new system as quickly as you can."

Post Go-Live Support

Set the right expectations and plan for adequate post go-live support. For example, it's not unusual to see a spike in support cases before they come down and the system stabilizes. To prepare your organization in advance to expect a bell curve in support demands and plan for how you'll manage that.

Create a “Center of Excellence” plan in coordination with your SI. How will you capture and track issues? Define clear roles and responsibilities for hypercare support expectations with your SI.

Sample Support Plan:

Ensure that the system integrator provides at least three to six months of post go-live support.

Set up a daily cadence to review support tickets.

Deliver adequate knowledge transfer so the IT team and business can become self-sufficient as quickly as possible.

Provide the necessary capacity of internal resources and external consultants to enable the best support model.

Tip: Go live the first month of a quarter.

Workforce Engagement via Communication & Training.

The ultimate success of any implementation comes down to user adoption. "Make sure stakeholders and their teams understand how the change benefits and impacts them," advises Richard Klein, VP, Training and Strategic Communications for RGP. "For example, don't just create one-size-fits-all training and communications. Instead, customize that information to stakeholders based on their job roles."

Key steps:

- Provide a detailed onboarding process for all new team members for seamless transition.
- Provide training on new tools, technologies, and concepts creating ambassadors for knowledge sharing.
- Build frequent communication into the project plan.
- Identify advocates and activate a "change agent" network.
- Establish a learning and knowledge base during the project that will persist long after go-live, into steady-state operations.

Develop a Robust Training Strategy

Don't wait till go-live to develop a strong learning environment with the right mix of training and performance support, including a tailored learning needs analysis and learner curriculum.

Workforce learning and development is complex and challenging. At the same time, learner expectations have never been higher. Tap your internal SMEs to help you customize a role-based training plan, using a "train-the-trainer" approach to enable the right capabilities and performance.

You can reach the next level with best-inclass formal and informal learning strategies, dynamic content, gamification and other tailored experiences.

Drive Acceptance & Adoption

Investing in performance support will help your workforce along their learning journey, plus maximize productivity in the future state. Because it's about your people and how they get their jobs done—and whether they have a desire to learn and adopt a new way of working. A performance support plan offering a self-service option, access to SMEs and other tools can turn learning into ability.

Training alone is not enough. Your workforce needs the ongoing structure, resources and tools to operate effectively after go-live. Access to the support of internal business SMEs combined with common user scenarios can help you drive understanding of new business processes and workflow.

Tying new desired behaviors to each person's individual goals, managed through your performance management system, is the best way to drive adoption and use of the new processes and systems. Carefully defining individual objectives is a major catalyst for culture change, including taking ownership of continual operational improvement.

Tip: Implement a continuous improvement strategy and structure post-go-live to optimize new ways of working and attain maximum benefits.

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Case Study: Rapid Adoption & Early ROI for a Global SAP Rollout

A global Fortune 500 company was rolling out a global SAP system and needed to ensure system adoption and user process understanding by job role. They brought RGP on board to develop a strategic training plan and comprehensive curriculum for all employees globally.

RGP provided a team of instructional designers to develop all of the needed training assets, including instructor-led training, job aids, performance support tools, e-learning and quick reference help, saving time and money in deploying the training solution.

- Enabled a successful go-live, allowing business to continue without interruption.
- Saved time and money by using a templated approach to develop training
- Improved communication across the organization and set expectations.

The full ROI of the system rollout was realized early on through productive adoption, and the organization saw significant gains in productivity and reduced rework.

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Partnering for Sustainable Success.

Successful transformation involves more than just implementing the technology, from data quality and governance to project and change management. RGP brings a tailored, client-centric approach to support large global deployments, offering customized, blended solutions that provide both solution leadership oversight and subject-matter expertise.

Whether it's part of a comprehensive transformation effort or upgrade of existing applications, RGP can help you at every step of the end-to-end process of planning, selecting and implementing business technology initiatives. We work collaboratively with clients and system integrators, bridging the gap between functional stakeholders and technical design teams and supporting key activities and deliverables that are not typically provided by your SI.

With our holistic framework for driving project success, RGP provides improved visibility into your transformation project's actual progress and risk — and acts as a force multiplier to ensure your objectives are realized.

RGP Project Consulting Services and On-Demand Talent for Cloud ERP Transformation:

- System Assessment and Selection
- Program and Project Management
- Business Process Design
- Data and Reporting
- System and User Testing
- Internal Controls
- Change Management, Communications and Training

600+
system implementation projects

300+
system upgrades and technology optimization initiatives

100+
software selection engagements

1000+
successful change management initatives with 500+ clients

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More Resources:

Visit rgp.com/cloud-erp to access other useful resources to help your organization plan, execute and sustain a successful cloud ERP implementation.

Chief Future Officer

The Cloud ERP Imperative

Planning Guide

Preparing for a Smooth Move to the Cloud

Tip Sheet

Key Considerations for System Selection

Checklist

10 Critical Risk Factors to Avoid

Survey

Change Readiness Assessment

RGP Solutions

Delivering Expert Project Execution for Cloud ERP

Sources:

1. The Transformational Impact of the Dynamic Workforce. RGP, October 2023 https://rgp.com/now/research/dynamic-workforce/transformational-impact/

About RGP

RGP empowers businesses globally with flexible talent solutions and expertise in on-demand talent, next generation consulting and outsourced services, delivering impactful results for long-term success.