



# Successful SAP implementation strategy

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## Introduction

In today's time as organizations are growing larger and bigger, the processes and business functions are also multiplying rapidly. To streamline all this complex workflow structure, companies are now drifting towards ERP implementation to simplify their things. Since the market is flooded with different ERP flavors (SAP, JD Edwards, PeopleSoft... to name a few) one needs to be wise and careful in choosing a correct ERP system that suits their business needs.

Talking about SAP in specific – any SAP implementation is considered as a vital organizational ERP process because it integrates varied organizational systems, facilitates error-free transactions and reduces effort in production stage. A successful SAP implementation offers amazing benefits to the organization as well as shares an attractive array of features with their customers. Few of the perks, the organization loves to enjoy are: reduction in costs (which includes inventory, raw materials and production), customer lead time and resource management.

In general, implementing a SAP system is not a simple task by itself because, typically, companies who deploy SAP are either categorized as large scale or too big and very often, such organizations possess several heterogeneous and distributed units all across the globe. This brings in a lot of diversity among the system stakeholders – who significantly exacerbates the

problems of SAP system development since there is varied and conflicting needs and requirements most of the time.

As per the survey done, the projected statistics reveal astonishing facts

- 35% of the projects are successfully completed
- 45% are unsuccessful either due to budget overrun or unable to deliver the required functionality within the stipulated time frame, or else completely fail to deliver
- 20% of the projects are cancelled prior to the completion stage.

Hence, it is highly recommended for the companies as well as the stake holders to sincerely consider these factors, such as – client's requirement, existing business processes and organization's vision for growth as they plan to implement any flavor of ERP into their line of businesses.

In this document, we will briefly discuss over the following points:

- Understand the key inputs for successful SAP implementation
- See how the constraints/challenges can be identified, isolated, assigned and addressed
- Learn about the strategy of successful implementation
- Get an overview of the various measures undertaken for implementation and more

As per the survey done, the projected statistics reveal astonishing facts – Only 35% of the projects are successfully completed whereas 45% are unsuccessful either due to budget overrun or unable to deliver the required functionality within the stipulated time frame, or else completely failed to deliver and rest 20% of the projects are cancelled prior to the completion stage.

## Overview

An organization aims to adopt SAP implementation to meet these following objectives

- An integrated system that operates in (or near) real time without relying on periodic updates
- A common database that supports all applications
- A consistent look and feel across all business areas

Also, the management is capable enough to gauge the success of SAP implementation based upon these criteria's mentioned below:

- On-time delivery
- Deliver within the allocated budget
- Deliver the expected functionality
- Acceptable to the users (and hence used)

During the time of deployment, if a project fails to satisfy any one or more of these above listed criterias, then, it is obvious that the project status reflects as a failure. On a close examination, it is observed that, these failures are actually associated with the socio-technical system and not attributed to the failure in technology.

## Phase-wise criteria for successful Implementation strategy

Apart from the standard set of tasks, this whitepaper also shares a list of other detailed activities. To make it more clear and for better understanding, the stage wise implementation is depicted below.

### ERP Program Delivery Best Practices: ASAP



**Note:** Details of box color code for the activity chart are as below

<span style="border: 1px solid red; display: inline-block; width: 20px; height: 10px;"></span> Important and decision making activities	<span style="border: 1px solid orange; display: inline-block; width: 20px; height: 10px;"></span> Migration activities
<span style="border: 1px solid blue; display: inline-block; width: 20px; height: 10px;"></span> Validation and preparation activities	<span style="border: 1px solid green; display: inline-block; width: 20px; height: 10px;"></span> Training and documentation activities
<span style="border: 1px solid orange; display: inline-block; width: 20px; height: 10px;"></span> Data management activities	<span style="border: 1px solid blue; display: inline-block; width: 20px; height: 10px;"></span> System configuration and documentation activities

#### a) Project Preparation

**Purpose:** Initial planning and preparation for the implementation.

In this stage, from the beginning itself – each and every resource should get clarity over the project and their goals, i.e., business transformation underpinned by SAP implementation and not that this implementation would change the local business processes. Ideally, a project team comprising of experts and heads of each business area associated with the company help a lot in driving this underlying message.

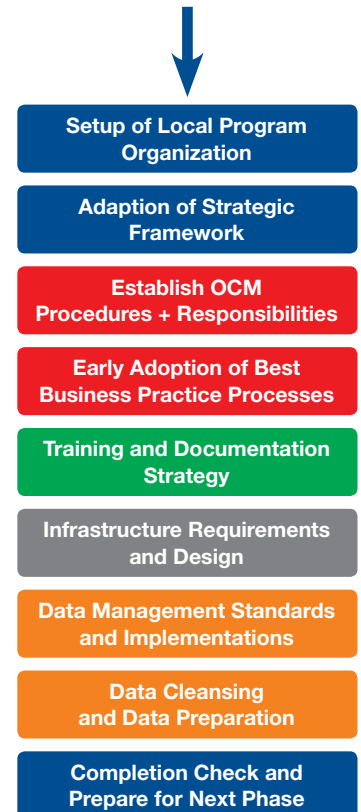
As per the best practices, firstly, business process should be thoroughly evaluated and then streamlined before the implementation process even kick starts. This would ensure that the implementation would be as per the defined design norms and business leaders shall maintain control over the processes once the implementation begins.

Any kind of proposed change in the processes needs to be discussed, should undergo a review and then finally get it approved by the respective Business owners.

This handpicked approach of defining the business process in line with the best industrial practices helps in completing time oriented tasks, such as: configuration, documentation, testing, and training in addition to the risk of failure. Also, it helps in aligning the business processes with statutory and regulatory compliance segment by strictly adhering to the digital governance guidelines.

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#### Project Preparation Activities



#### Key Points

- 1) Defining project goals and objectives (ROI).
- 2) Having a business project team comprising of key players like business heads.
- 3) Re-engineering the complete business process along with the documentation of approved processes before the implementation starts.
- 4) Implementation team should have a panel of experts related to business requirement, such as, systems and business processes.

## b) Business Blueprint

**Purpose:** To derive on common understanding of how the company intends to run SAP to support their business.

Basically, the Business blueprint phase is the most critical step during SAP implementation. In this stage, various parameters pertaining to implementation design, such as: consulting, customizing and support play a very crucial role to cater our business needs.

Ideally, in this phase, the entire set of discussions and correspondence act as a base platform for SAP implementation. By default, all the details that are mapped related to the business processes should reflect in the documentation file. Overall, the success of this phase is strongly determined with an effective closure at this point.

Considering these facts, implementation team should include these list of activities while finalizing the business process for configuration

- Linking current processes to the organization's strategy
- Analysing the effectiveness of each process
- Understanding existing automated solutions

The standard configuration component highlights business requirement gaps which is quite important as it showcases the dependent requirement as well as the target to deliver a customized solution syncing up with business objectives.

Business process gaps requirement can be fulfilled by three ways, as mentioned below:

- a) Using in-built enhancement option, such as: exit, function modules, etc.
- b) Rewriting the part of the process using ABAP to work in the existing system as per business requirement
- c) Interface to third party system

These processes constitute to varying degree of customization with first one being the most preferred option whereas the other two are more invasive and expensive to maintain. Alternatively, there are non-technical options, too, i.e., changing the existing business process to another version that matches the current or desired SAP requirements, provided it meets the business objective and fulfils the organization needs.

## Business Blueprint Activities



In this stage, various parameters pertaining to implementation design, such as: consulting, customizing and support play a very crucial role to cater our business needs

Key points to understand the difference between Configuration and Customization are:

Configuration	Customization
Mandatory	Optional
Stable and predictable behavior	Less stable and unpredictable behavior
Configuration changes survive upgrades to new software versions	Customization changes are sometimes overwritten by software versions
Upgrade, modification and enhancements. It is the product manufacturer's responsibilities	upgrade, modifications and enhancement. It is the customer's responsibility, and increases testing activities
Improves organization acceptance	Improves user's acceptance
Reduces time and resources to implement and maintain	Increases time and resources required to implement and maintain
Flexible and adaptable to meet future organization goals and objective	Rigid and complex to meet the organization goal and objective with changing times if the same is not considered during initial phase of design

The final stage of business blueprint should include an overview and presentation of all the frozen processes along with requirement GAPS. Also, at the same time, it should propose a customized solution to their end users keeping these objectives in mind.

The same should be attended by all key stakeholders so that the evaluation and sign-off is done after discussion and review.

The session would also include the details of risk and impacts of customized solution for the business to review and confirm.

If the volume or complexity of the customized solution affects the timelines, the same should also be highlighted along with proposed impact on time as well as cost.

## Key Points

- 1) Mapping of details related to business process i.e. whether to use standard configuration or customization method.
- 2) Considering the statutory requirements while mapping the business process such as: declaring company inventory valuation methodology to the statutory authority. The same is vital because in case you fail to deliver.
- 3) Validation of details, substitution, alerts and workflow should be captured against existing, well defined and approved business processes.
- 4) Various reporting requirements should be duly defined with standard details or else customized attributes against each process.
- 5) Various integration points should be identified and defined such as: direct integration (Integration with PLC), database integration (SFC automated system like DCS), enterprise application integration (web services, API) and custom integration with any legacy application or third party software.
- 6) Authorization and access control should be defined at each and every step based upon the approved business policy as well as requirements.

## c) Realization

**Purpose: Implement the business process requirements based on the blueprint.**

At the end of this blueprint phase and before the start of realization stage, an overview of all the master data templates should be provided so that the same can be published later.

The overview should share significant details of data which would further enable the compiling process to take place in its required format. After which, sufficient time is available for data cleansing based upon the volume and business requirements.

While configuring a SAP system, organization performs a string balancing act between the way they want the systems to work and the pattern in which it was designed to work. Typically, SAP systems comprehends of many different types of settings which helps in modifying the system operation later. During the system configuration stage, business heads and experts should keep a strict vigilance on the statutory requirements and must sincerely adhere to it.

The structure of the Realization phase is split into the following steps:

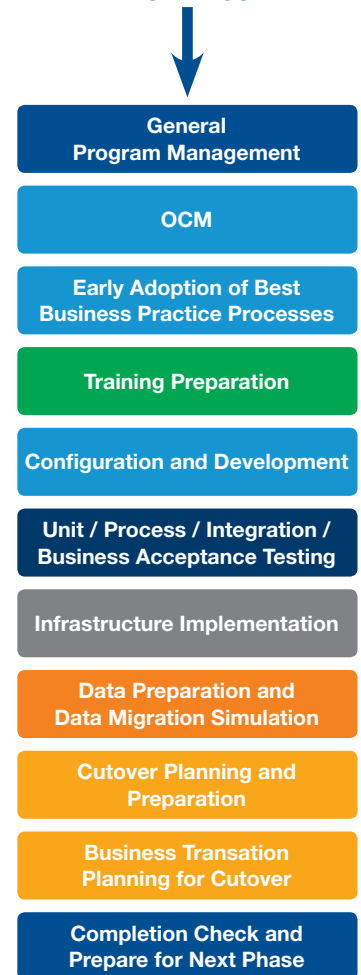
- Define the organization structure
- Configure the various business process
- Customize the business process requirement (ABAP development )
- Generate the unit test scripts and cases
- Unit Test and issue resolution
- Generate integration test scripts and cases
- Integration Test and issue resolution
- Generate a mock GO-LIVE plan.

At the end of Realization stage, it is mandate to finalize the data migration strategy so that it becomes easy to migrate from any database to another one without any hassle. The migration planning is fractionalized as per these following steps:

- Determine migration timing
- Freeze the toolset
- Decide on migration-related setups
- Define data archiving policies and procedures

While configuring a SAP system, organization performs a string balancing act between the way they want the systems to work and the pattern in which it was designed to work.

## Realization Activities



## Key Points

- 1) Adoption of best business practices for configuration.
- 2) Generation of plan for data collection and training.
- 3) Documentation of all customized objects within the business process.
- 4) Finalization of Mock Go-Live strategy.

#### d) Final Preparation

*Purpose: To complete the final preparation that includes testing, end-user training, system management and cutover activities, to finalize the readiness to go-live.*

In this phase, the key change happening with respect to the traditional procedure is to go for Mock Go-Live plan.

Data migration and cut over strategy – both of them should be put to test before the project runs into the Go-Live phase. This step not only helps in rectifying the errors present in data collection but also it enables the user to plan out for corrective actions before the actual Go-Live session gets alive.

Success of SAP implementation depends upon the end user training and acceptance. Hence, it is imperative for the end-user to undergo a training session and complete it successfully. The training program comprises of business process flow details, various integration points and their dependency, to name a few...

The end-user documentation should consist all the details such as: integration points, validation of details and types of errors with root cause analysis report.

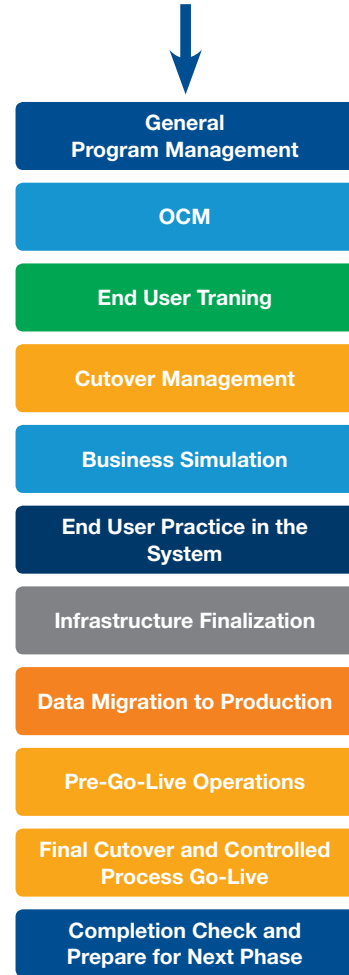
# Mock Go-Live plan

## Key Points

- 1) Mock Go-Live and end-user training
- 2) Data migration and cut over strategy
- 3) Data volume and hardware integration testing
- 4) Documentation clearly specifying the details of location wise business process owners with primary contacts.



## Final Preparation Activities



#### e) GO-LIVE and Support

**Purpose:** To move from a project-oriented, pre-production environment to live production operation.

Project's success or failure gets strongly nailed down at this last stage of implementation. Business users should ensure that they swiftly adapt to system without impacting any delay / concerns as they execute the business process task.

It is commonly observed, post Go-Live – every user looks upon the implementation team to avail some extra support and prompt guidance which further leads to delay in response. Eventually, team size comes into the picture for the same reason. Smaller team size affects the business processes very badly after the implementation as they cannot address the concerns of all the users. Ultimately, it leads to a situation where in the quality of the implementation is widely spoken among the end user's community.

To avoid such situations, primarily, the standard warranty support model should be changed where the issues or concerns are directly raised in the ITSM tool itself. Firstly, all the bugs that are raised in the tool, should be primarily evaluated by the location process owners, if they fail to resolve, then it should be re directed to the support team. In any case, it is mandatory for the support team to have correct information with them, which comprises of process owner details tagged up with their evaluation remarks.

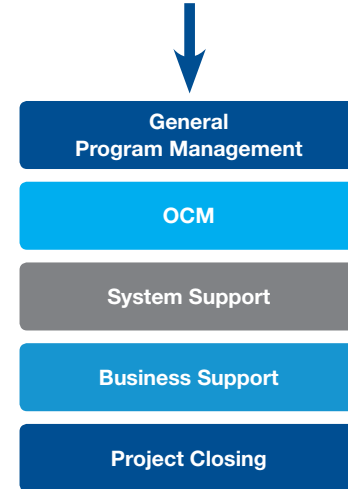
ITSM tool accommodates precise and accurate reports to track down all the issues which are logged under different categories such as: User awareness, Master data, Configuration, Hardware etc. Running the reports after a week or once the system stabilizes, helps in appraising all the issues reported under the User awareness or Master data category. The same should be segregated and accordingly respective action needs to be initiated.

This kind of agility smoothenes up the entire transition process and the ownership would be successfully transferred to the process owners as well as business users to enjoy the privilege of SAP implementation as a whole.

#### Key Points

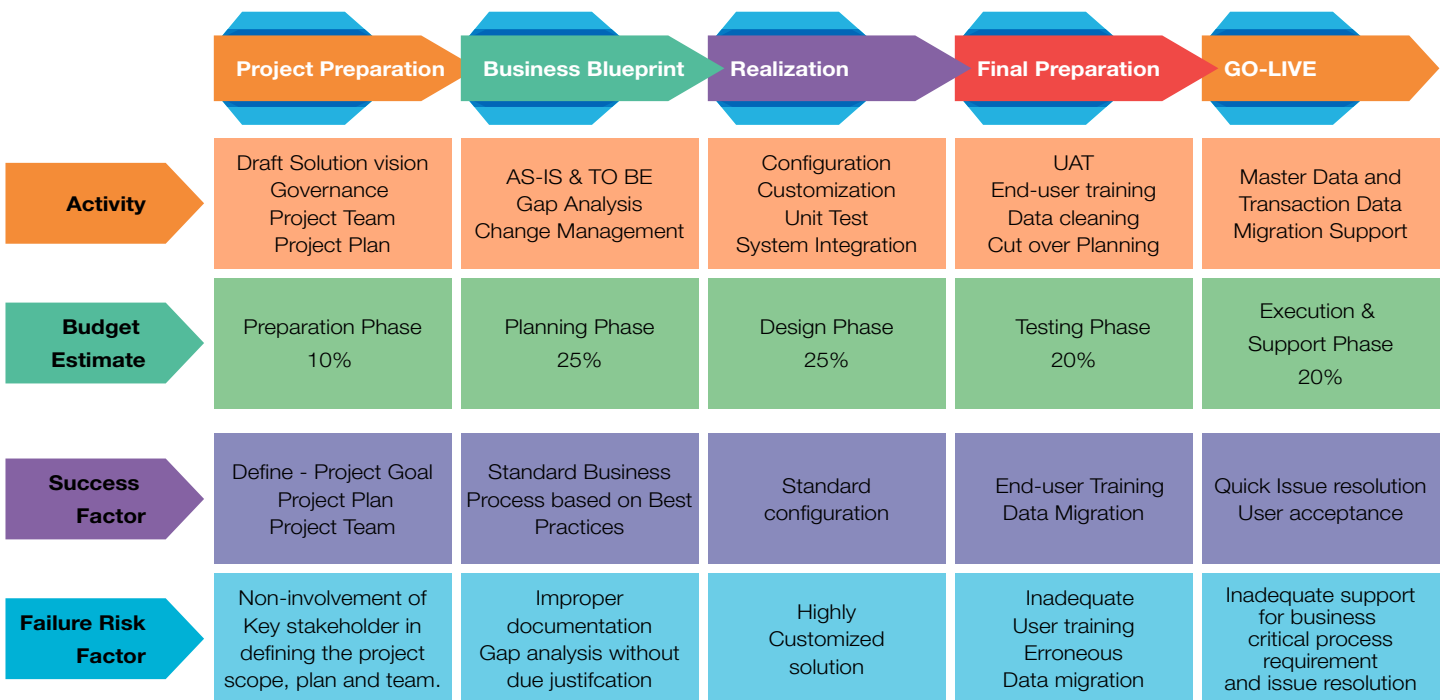
- 1) Formation of location specific and business process wise team to be the primary support.
- 2) Design and publication of war room strategy as per business requirement.
- 3) Evaluation of support team performance and plan corrective action on bi-weekly basis.

#### Project Closing Activities



This kind of agility smoothenes up the entire transition process and the ownership would be successfully transferred to the process owners as well as business users to enjoy the privilege of SAP implementation as a whole.

## Best Practices



## Conclusions

To conclude, presently, there is no complete solution which exists that can eliminate the failure of SAP implementation in totality. In spite of knowing the reasons, the failure proportion still remains constant because most of them get same treatment although there are different types of failures that arise through various combination of factors.

The most important concepts derived from this whitepaper are:

- (A) SAP implementation doesn't work out if we adopt traditional methodologies
- (B) The most critical phase of the project lies in the earliest, budding stage where the business blueprint and project preparation play a very crucial role.

Also, the gist of this whitepaper shares significant guidelines (listed below) which should be followed by the project delivery team before they kick start with SAP implementation:

- 1) Define and develop a clear objective for SAP implementation
- 2) Review and align all the processes with respect to best business practices
- 3) Formulate the necessary change management mechanism which will not only help in overcoming the impact of project changes that are made but also assist in evaluating the risks associated with it.

These suggestions and tips may not guarantee 100% success but if they are not given appropriate consideration, then the chances of failure are likely to be greater than they could be assumed.

## References

- SAP Implementation strategy by Mphasis
- White paper: Key issues in ERP system implementation by Gordon Baxter School of Computer Science, University of St Andrews, 15th February 2010 (LSCITS)
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He is also actively involved in SAP internal training and tool/accelerators development.

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