Business Readiness Approach: Creating Business Ownership in an ERP Transition

Applies to:

OCM - Organizational Change Management, Transformation. For more information, visit the [Organizational Change Management homepage.]

Summary

This paper explains how to use a Business Readiness Model to enable your OCM Team to form an effective partnership between the Project Team and each department or business unit during an SAP implementation.

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Author Bio

Steve Oliver works for SAP. He has twelve years of experience implementing SAP as an OCM/training consultant and over 30 years consulting with organizations to improve human performance and organizational effectiveness. His industry experience includes healthcare, manufacturing, hospitality, transportation, utilities and public sector.

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Introduction

A primary issue an organization faces with ERP implementations is the lack of organizational unit level engagement with the deployment of the new system and processes. The use of this Business Readiness Approach to drive the transition from within has been used successfully in a number of ERP engagements. In a typical organization there are a variety of units with vary unique cultures, business models and operations. This approach allows each organizational unit to take responsibility for how the transition is managed for their unit.

In addition, the management of needed unit resources by the Project Team for various project activities can be extremely challenging. This approach facilitates communication and issue mitigation between each organizational unit and the Project Management Team to manage these activities with minimum disruption to on-going operations.

Organizational Change Management (OCM) Principle

This Business Readiness Approach is built on an important principle of good change management - successful change management comes when a person or an organization accepts the responsibility and takes ownership for their part in making it happen.

Effective management of any change transition is more than just training and communication. It comes from people developing a high level of readiness for the change, taking ownership for their responsibilities for the transition and then learning how to make the change. It is a developmental process that takes time and planned actions/activities based on good information and support. It isn't just the people that need to be ready. The organization they work in also has to be ready to support the people through their transition. Failed change efforts often come when organizations attempt to by-pass the readiness and ownership transfer activities and go directly to capacity building (training).

Successful transitioning through a change requires people and organizations to accept ownership and responsibility for the new state. When the project begins most of the essential knowledge lies within the Project Team. As the implementation progresses this knowledge must be passed along to the people who will use the system to do their work. Research indicates that this knowledge is best transferred to impacted employees by their direct managers and leaders. In addition, there is an increased need for each organizational unit to take responsibility to make the system work for them. As a project implementation progresses through the various stages, planned business readiness activities transfer this ownership from the Project to the business units.

Organizational Change Management Approach

This Business Readiness approach is one of several workstreams within a comprehensive OCM Strategy and Approach. The Business Readiness Workstream has many integration points with the other work streams during an implementation and essentially all of the OCM activities to focus for the organizational units.

Business Readiness Purpose and Objectives

Business Readiness prepares each organizational unit for a successful Project implementation by facilitating general business adoption of the SAP system and processes to achieve business goals.

Objectives:

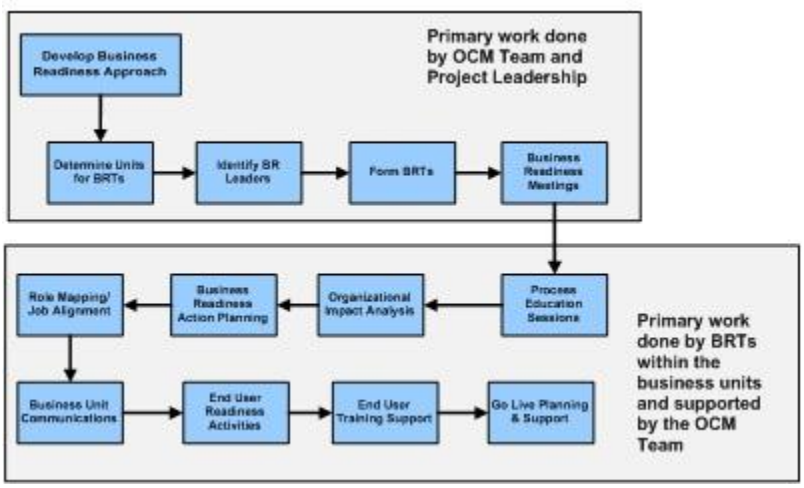
1. Facilitate a smooth transfer of the system and business process ownership from the project team to the business/organizational units.
2. Enable managers to plan and execute the work required to transition to the new systems and processes in their unit.
3. Address unique people and organizational readiness issues within specific units.
4. Promote and support end-user training efforts and other Go-Live efforts.
5. Communicate this new environment clearly so that all end users understand and accept their job roles and work flow operations.
6. Address deployment activities and issues within specific units.
7. Support the selection, preparation and ongoing needs of Super Users.
8. Represent the project within their business area and provide feedback to the Project Team

Business Readiness Process

The diagram below provides a basic flow of the steps that you need to take and some key activities that are involved in a typical Business Readiness process for an ERP implementation.

The upper section reflects the work that an OCM Team drives and the lower section is an illustration of the work that a Business Readiness Team (BRT) does during a typical ERP implementation. As with any OCM approach or tool it is important to consider the unique characteristics of your organization and the specific requirements of your project and make adjustments as appropriate.

Figure 1 – Business Readiness Process



Develop BR Approach

1. Meet with key stakeholders and review the BR Approach, highlighting key areas and getting input on considerations based on their organization's culture and practices.
2. Develop an approach document draft.
3. Review with key stakeholders getting their ownership to the approach.
4. Finalize and socialize with the project manager, sponsor and project team.

Notes:

- The key on this activity is to make sure that your sponsor and project manager agree to the approach.
- This is a delicate process to put together and get agreement around. The project is reaching out to the various units and asking for resources to devote to Project work. Many organizations have to be sold on the payoff for this resource commitment.

Determine Units for BRTs

1. Using an organizations formal organizational structure, map out a preliminary list of units that will require a BRT.
2. Meet with key Project stakeholders, share draft and finalize a BRT List.
3. Using your sponsor, conduct meeting with representative unit leadership and socialize the BR Approach, expectations and resource requirements.

Notes:

- Keep the number of units to a manageable number. Combine smaller less impacted units within organizations to lessen resource demands.

Identify BRT leaders

1. Meet with each unit leader to determine a person to serve in this role.
2. Once this person is selected meet one-on-one with this person to discuss the role and address any of their questions.
3. Schedule a meeting with the BRLs to welcome them in their role and allow them to meet other BRLs.

Notes:

- This has to be a manager level person in this role who has positional power and leadership skills to drive the readiness activities and changes.
- Some units have a BRL to serve as the leader and someone on the team who manages the day to day readiness activities.

Form BRTs

1. Provide BRLs with recommendations on team make-up, BRT member roles and responsibilities, and meeting content and agendas.
2. BRLs select their teams.
3. Conduct a series of BRT meetings to prepare members for their role.

Notes:

- Teams will vary in size depending on the unit size, impact with the changes and “politics”.
- Some units will only have a BRL.

Conduct BRL Meetings and provide support

1. Should be a regular scheduled meeting of 1 hour that is used to address business readiness issue, provide Project communication and provide direction on business readiness activities.
2. Besides the scheduled BRL meetings it is recommended that you also meet one-on-one with BRLs on a regular schedule to provide support.

Notes:

- You may want to group leaders into small, “like” groups and do the coaching in groups if you lack the coaching resources on your OCM Team.
- I have found that some leaders and teams need more support than others.

Business Readiness Network

This Business Readiness Model uses a network of stakeholders that are not core members of the Project Team but are essential to the success of getting the organization ready for the new system and transferring ownership the organizational units that use it. This network is a critical link between the Project and the business units to assure effective communication and proper execution of necessary activities to get the units ready.

Roles and Responsibilities

1. Steering Committee – overall responsibilities for the enterprise readiness
   - Support BR Leaders with issue mitigation and resource allocation as needed.
   - Assist with priority setting when conflicts surface between high priority initiatives and activities within the various organizational units.

2. Business Readiness (BR) Leader – overall responsibility for Unit readiness
   - Each designated organizational unit or collection of “like” units will have an assigned management level individual who will serve as the key contact and facilitator of Project readiness activities.
   - Attend the BR Leader meetings on a bi-weekly basis.
   - Own the Business Readiness plan for their unit and is responsible to manage the plan updates and monitor the execution of plan tasks.
   - Responsible for cascading targeted communications from the Project to their stakeholders.
   - Provide a bi-weekly report to the Project using the provided Business Readiness Dashboard.
   - The time commitment needed varies depending on size of unit and deployment timeline.

3. Business Readiness Team (BRT) – provides support for the BR Leaders to implement readiness plans
   - The team will consist of key process manager representatives related to the functions in scope during each Phase.
   - Meets on a regular basis and assists in implementing the Business Readiness Plans for their unit.

Business Readiness Plan (BRP)

An important activity for the Business Readiness approach is the Business Readiness Plan (BRP). A BRP is provided to the BRTs by the OCM Team. Working with the Project Team leadership key readiness requirements are identified for all teams. The BRT then builds on the initial plan with more detail and adds actions in order to address any specific readiness need that they might have for their unit. These plans are owned and maintained by the BR Leader. On-going monitoring, reporting and issue management is done by the OCM team through the use of a Readiness Dashboard and on-going coaching.

The BRP addresses the following deployment and readiness areas:

- Unit Level Communication
- Organizational Readiness
- End User Readiness
- End User Training
- Technical Readiness
- Data Readiness
- Interface Readiness
- Critical Care Support

Figure 2 - Sample Full Plan

Business Readiness Plan – Phase One (FILO) <Department Name> Last Updated Friday, <date>						
#	Dept. Readiness Requirements	Target Date	Assigned To	Department Specific Actions	Status Green Yellow Red Gray NA	Status Notes (required for any Yellow or Red Issue)
1	ORGANIZATIONAL READINESS		BRL			
1- A	Form Business Readiness Team	1/28				
1-B	Complete initial Business Readiness Plan	2/10				
1-C	Maintain Business Readiness Plan and update status on designated reporting weeks.	COB on Friday				
1-D	Review high level change impacts with Business Readiness Team and department leadership.	3/25				
1-E	Document organizational changes and impact that will affect operations.	4/15				
1-F	Complete organizational impact analysis and incorporate needed actions into Business Readiness Plan.	4/29				

Business Readiness Dashboard

The dashboard is a communication tool that provides the Project and Steering Committee with an on-going picture of the status of each organizational unit as determined by the Business Readiness Team. It is important to make the distinction that this is not a status reporting tools but a communication tools between the BRTs and the Project so that needs and issues are addressed in a timely and efficient manner.

Figure 3 - Sample Dashboard

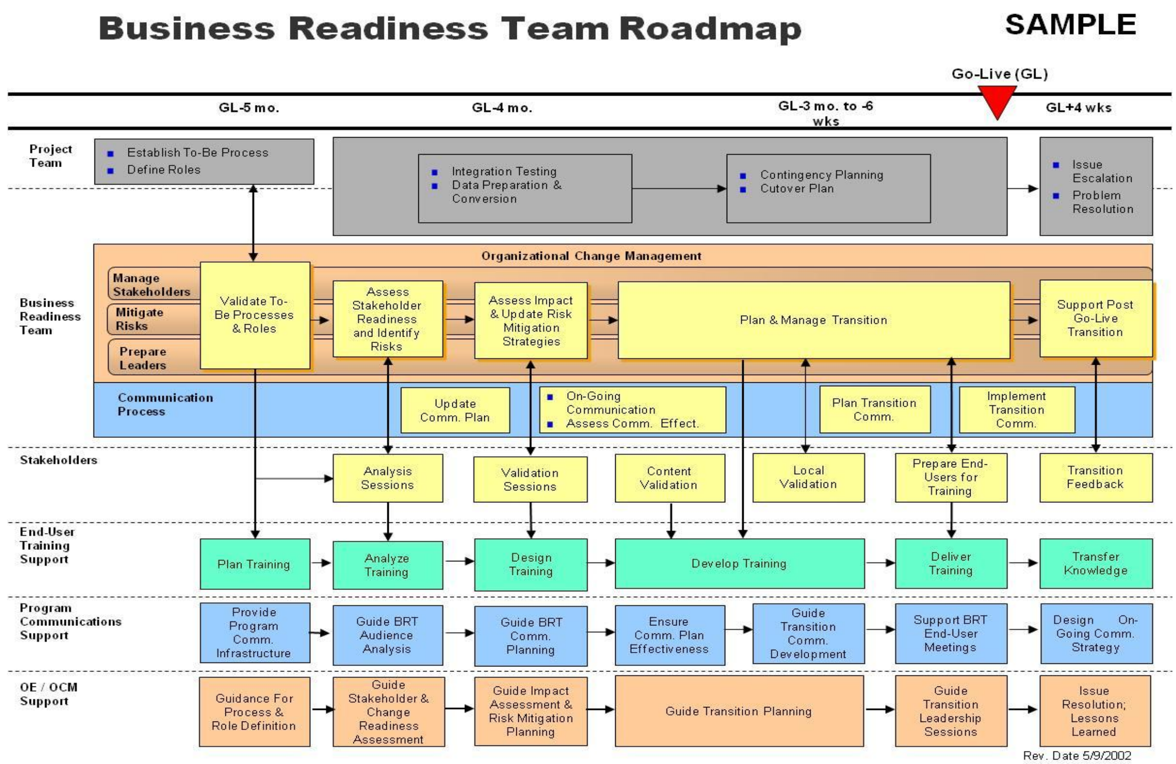
< client >
Business Readiness Dashboard
Submitted < date >

Department	Director	PAC Member	Readiness Plan Manager	Change Champion	Latest Plan Submittal Date	Communications	IT Readiness	Organizational Readiness
Administration					29-May			
Business Office					29-May			
CIO					6-Apr			
Attorney					29-May			
Auditor					15-May			
City Planning & Community Investmt					29-May			
Clerk					15-May			
Comptroller					29-May			

Business Readiness Roadmap

Below is an example of Business Readiness activities mapped out for an implementation. This is provided to show how a BRT works within the context of a typical project. Full

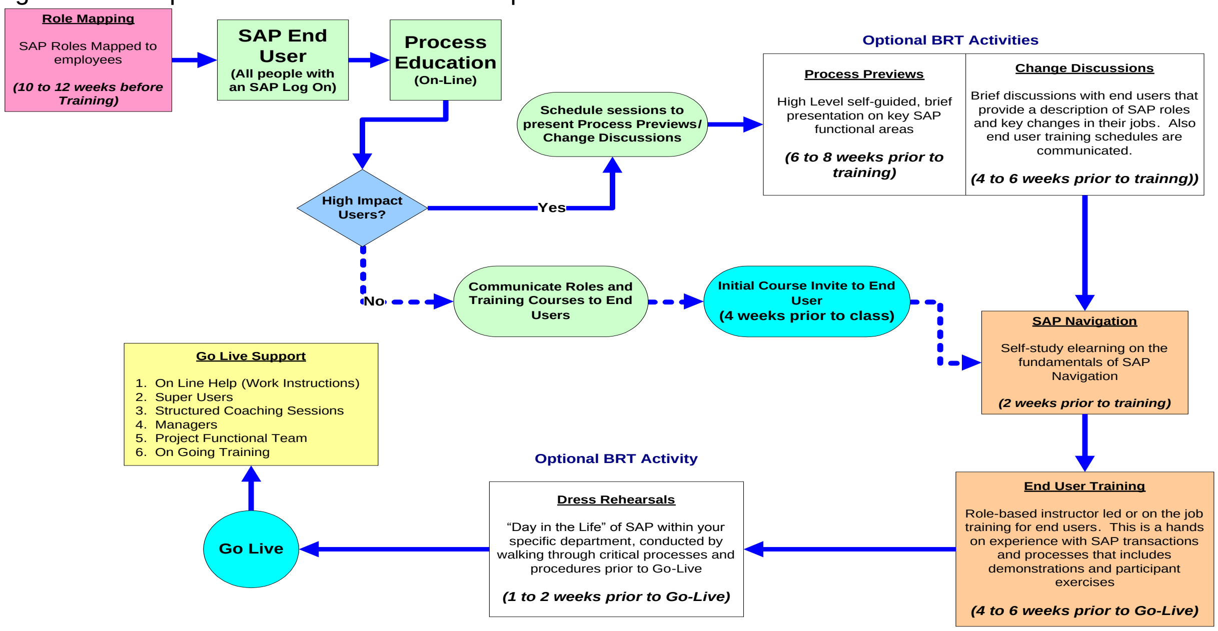
Figure 4 - Roadmap



User Readiness Process

A key responsibility in Business Readiness is preparing the end users. This is a process that is supported by the OCM Team but executed through the Business Readiness Team. Below is an example of what this could look like. Once the Blueprint or design Stage is completed, define your specific User Readiness approach with specific activities to meet the Project requirements.

Figure 5 - Sample User Readiness Roadmap



User Readiness Assessment Process

The process of getting the SAP user ready to use the new SAP solution is one of the primary objectives of the Business Readiness Model and Approach. It is a development process occurring over the course of the implementation. Monitoring the progress is critical and sometimes a challenge when being done by a number of BRTs.

The following identifies key activities that are generally recommended. They exist within multiple work streams and the specifics need to be worked through based on your unique project requirements.

1. Identify user groups - Using the Stakeholder analysis, communication audience assessment and information from the Blueprinting sessions identify key user groups.
2. Determine significant impacts on each of the key user groups by reviewing Blueprint documents and record impacts for each group.
3. Assess baseline levels of readiness for each group. Use Blueprint documents, stakeholder analysis and general discussion to determine readiness levels and potential issues. Document and use for creating final readiness activities for each group.
4. Business Readiness Teams determine specific user readiness activities for their organizational unit. The OCM team provides the BRT with a general user readiness approach as well as specific activities with standard tools and templates that they can modify to fit their needs. The BRT determines their plans for user readiness and documents it in their Business Readiness Plan.
5. BRTs conduct User Readiness Checks by using the Readiness Dashboard to report on user readiness based on plan completion.

Critical Risks – Business Readiness Accelerators

Risk – Multiple organizational units with unique business requirements and operational cycles.

BR Accelerators:

- There will be one basic approach for building and maintaining the Business Readiness Teams. The identification of the teams is a joint responsibility of the OCM Team, Project Management and key leaders within each organization.
- Each organizational unit will have the flexibility to establish their team make-up and operational strategy based on guidelines/requirements outlined by the OCM Team.

Risk – Business units must assume ownership of the new processes.

BR Accelerators:

- Provide process education workshops to appropriate business unit managers.
- Engage appropriate business managers early in the realization phase with validation of the business processes.
- Conduct organization impact workshops to identify change impacts for Business Units.
- Build transition plans involving managers in specific activities that require their actions at the appropriate time.

Risk – During the final four months of each deployment cycle organizational unit resources will be challenged by their commitment to maintain “business as usual” while participating in project required activities.

BR Accelerators:

- Provide organizational unit leaders with resource impact analysis for these last four months including training time, super user time commitment and BRT work.
- Use Business Readiness Teams to assist with planning coverage to minimize the impact to business activities.
- Reduce or eliminate “non-business critical” initiatives during this period.

Risk – Project Team members can become disconnected from the business of their home organization by focusing on their Project responsibilities.

BR Accelerators:

- Team members can attend BRT meetings in their “home” organizations and facilitate knowledge exchange with the Project.

Key Lessons Learned

- An OCM approach and tools cannot be successfully used during a transition without first aligning them to fit your requirements. The approach and tools are designed to be flexible to meet your specific project and organization.
- Not all units within an organization will require a BRT. They can function well with a Business Readiness Leader only.
- The BRL is critical to this approach. The person in this position must be someone who has strong leadership skills and be highly respected in their organization. They need to be able to work both with their senior leaders and end users. Often a person is selected because of their knowledge of the functional subject matter and although that can be important in this role it is more important that they have strong managing and leading skills.
- Be careful with how the BR Plans and Dashboard are used. The real value of these tools is to facilitate an effective and efficient communication between the units and the Project Team. If the plans and dashboard are seen as a way to “check up” on them they might not report honestly and issues and concerns may not get addressed in a timely manner.
- On-going coaching sessions with the BRLs is essential. Although the BR meetings for the leaders is valuable to communicate key Project messages and to facilitate integration and support between units it is conducive to issue mitigation and getting the feedback you need on readiness activities.
- A clear understanding of resource requirements from each unit for business readiness is critical. It is important that unit management understands this right up front. Prepare a resource impact analysis showing who is needed, for how much time and when.

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