



ERP Deliverables Series

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Project Implementation

Enterprise Program Office

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V1	January 2009	Prepared for generic use



1. Executive Summary

XYZ Organization (XYZ) is implementing the Enterprise Resource Planning System (ERP System) under the auspices of the ERP Implementation Project. When implemented, the ERP System (about 22-functional modules) will displace two instances of legacy ERP systems that are presently supporting the Canadian and USA operations of XYZ and all of its business units.

Further, the ERP Implementation Project also includes changes to many business processes in the organization in order to achieve the overall objectives and to adopt 'best practices'. As a result, the ERP System will support the NA operations of all business units as well as future growth in volumes, products, plants and other operations.

The ERP Implementation Project was initiated in late-2005 and the Implementation Phase began in October 2007. The Project was re-planned in December 2007 and January 2008 to develop a comprehensive Project plan and schedule of remaining work before Go Live and including post-Go Live support for three-months. The Baseline Plan of January 31, 2008 targeted a Go Live Date of Period End, October 27, 2008.

The Go Live implementation of the ERP System modules, Master Data Management, Reporting, new/changed business processes and other Implementation Project components will be accomplished as a 'Big Bang' implementation where the old systems will cease operations and the new systems will begin at the same time at Go Live.

This document describes the plan for establishing an on-going program office to manage enterprise resource planning (ERP), and specifically the ERP System, information, business processes and related operations for XYZ Organization, including all business units.

For the purposes of this plan, the interim name for this organizational entity is the Enterprise Program Office (EPO). The EPO entity does not exist at present (about 15-weeks before Go Live); however, it is expected to be established at Go Live and to function indefinitely. Further, the specific EPO functions, roles and responsibilities are expected to evolve over the full-lifecycle of the ERP System and its successors.

2. Purpose and Benefits

2.1 Initial Vision, Mission and Mandate for EPO

An initial vision (why), Mission (what), and Mandate (How) are summarized below:

Vision:

The Enterprise Program Office is the centre of excellence for ERP within XYZ for the tactical and strategic management of ERP throughout the enterprise.

Mission:



EPO is the focal point for the resources with business and ERP knowledge, core competencies, methods and tools to sustain and improve the ERP functionality, performance, information and business processes for the XYZ enterprise.

Mandate:

EPO will:

- *Actively monitor ERP service levels, taking corrective action when needed;*
- *Coordinate technology changes, operations and performance tuning with IT Department;*
- *Manage issues, change requests, maintenance, enhancements and other improvements;*
- *Manage and schedule tactical and strategic use of resources;*
- *Research, develop and lead ERP strategic initiatives; and,*
- *Provide advice and support to the business to cost effectively utilize and sustain ERP throughout the enterprise.*

2.2 Future Projects

In addition to on-going maintenance, performance tuning and improvements (e.g. Kaizen) of the ERP System, there are potential major projects that could fall under the auspices of EPO:

- Major enhancements and/or new ERP modules such as Advanced Planning and Human Resources Information;
- Enhancement of the Business Intelligence and Data Warehousing capabilities;
- Major software upgrades (e.g. ESUs);
- Addition or reconfiguration of new XYZ businesses, products, plants, distribution centers, etc.); and,
- Other Major ERP Projects for XYZ and related organizations.

Some common characteristics of these major initiatives are:

- Large and complex projects with multi-million dollar capital and expense budgets
- Multi-year, mission critical, enterprise-wide projects with multiple subprojects
- Significant technology, infrastructure, operations and/or financial impacts
- Multiple stakeholders, usually with an “anchor tenant” or major participant... not necessarily the exclusive user
- Co-located core project teams including all business, IT Department, consulting and other project resources

Some common requirements of these major initiatives are:

- Executive sponsorship, oversight and support
- Project management expertise:
 - Project planning, governance, scope definition and management
 - Budget: human, financial and technical resource management
 - Scheduling: integrated subprojects, milestone reviews and approvals



- Risk and quality management
- Procurement: professional services, products and systems
- Human resources: integrated project teams, motivation, training, development
- Communications: internal and external
- Project information & support systems: time, budget, status
- Project accounting, reporting, purchasing, administrative, contract admin, logistics, etc.
- Project management methods, tools and standards
- Subject matter expertise (SME):
 - Business processes and operations
 - Computer & telecom technologies and infrastructure
 - ERP software, Databases, Business Intelligence & Data Warehouses
 - Kaizen, 6 Sigma, etc. methodologies
- 'Ready for Business' environment for project work:
 - Contiguous floor space, organized for project work with independent workstations, small team work rooms, large meeting-conference rooms, testing & training facilities
 - Security, parking, amenities
 - Furniture and fixtures
 - Shared office equipment & supplies: electronic white boards, photocopiers, printers, FAX, etc.
 - Shared telephone systems, voice mail, conference calls, videoconferencing, pagers
 - Technology: PCs, printers, file server, email, Internet, groupware, projector, website, PDAs, special

2.3 *Benefits*

Typically, the project team is disbanded after many large systems have been implemented, and routine operations and maintenance are handled by the IT Department and individuals spread-out through the organization. In the case of an enterprise-wide system, and specifically the ERP System, the on-going work to sustain, improve and grow the ERP System is substantial and justifies an on-going entity or centralized group of specialists to do the work. Further, in some cases the work requires a larger project to be initiated, which in turn requires additional resources, project facilities, equipment, methods, governance, PM rigor, administrative support, etc.

Although the ad hoc approach can be effective and produce the desired results, there many opportunities to improve the efficiency and effectiveness of the work as well as reduce the cost, time and stress required to achieve the desired results.



There are obvious cost effectiveness, productivity and readiness benefits to doing the work in the EPO and in a more coordinated, enterprise-wide manner; however, there are also several strategic advantages including:

- Economic justification of retaining specialists and key subject matter experts (SMEs) to continue to refine, enhance and otherwise improve the investments in the ERP System and business processes.
 - The investment in human capital (business and IT Department) for Project Development and Implementation is significant and could be lost if the ERP Implementation Project (10⁺) SMEs return to other jobs or are otherwise lost to the enterprise after Go Live.
 - The business case for developing, retaining and utilizing the knowledge, skills, experience and capabilities of the SMEs is much better in a centralized group (such as the EPO) than fragmented throughout the organization.
- Reduced frequency and intensity of crisis events and earlier achievement of strategic goals

3. Scope of Work

The initial scope of EPO work is summarized in the following areas and further discussed in the subsections below:

- PO Governance and Administration
- Applications & Business Processes
- Information & Reporting
- Security & Audit
- Production Control & Service Level Management
- Strategic Initiatives & PMO
- IT Department Liaison

3.1 *PO Governance and Administration*

- Liaison with executive, senior management and other groups
- EPO management and administration
- the ERP System Document Management

3.2 *ERP Applications & Business Processes*

- Business Models & Processes (O2C, P2P, D2M, etc.)
- Best Practices and Non-Standard Practices
- ERP Applications and modules (at Go Live, the ERP System has 22-modules)



- Sustainable Training including maintenance and support of CBT modules, documentation, and on-line help
- Integrated Testing & Validation Testing
- Kaizen, Lean Process Improvement and Six Sigma Events

3.3 Information & Reporting

- Master Data Management
- MD Workflow Administration
- the ERP System Data Structures and database administration
- Business Intelligence Reporting
- Data Warehouse

3.4 Security & Audit

- Security Administration
- Internal & External Audit Liaison
- Information Protection Plans
- Business Continuity Plans
- Disaster Recovery Plans

3.5 Production Control & Service Level Management

- Release Management
- Service Level Management
- Key Performance Indicator monitoring
- Secondary Help Desk Support for ERP Applications – Functional, Business Process, Subject Matter Expertise, etc. support and troubleshooting
- Regression Testing
- Issues Management

3.6 Strategic Initiatives & PMO

- Strategic and tactical systems planning
- Research, sponsorship and leadership of strategic ERP initiatives
- Project Management Office for ERP projects including:
 - Risk management;
 - Quality management;
 - Issues Management and Scope Change Control;
 - Planning;
 - Status reporting;
 - Communications;
 - Organizational change management



- HR;
- Procurement & contract administration
- Accounting;
- Document management;
- Standards, policies & procedures; and,
- Administration, logistics & support.

3.7 IT Department Liaison

- Primary Help Desk and Problem Resolution
- Technology Infrastructure, Operations & Performance Tuning
- Environment and Configuration Management (e.g. TS, DV, PY, PD, etc.)
- System Security, Back-up/Restore, Disaster Recovery
- Vendor Relationship Management
- IT Department Development, Rework, Unit Testing
 - Maintenance of the ERP System systems and interfaces
 - Minor enhancements to the ERP System systems and interfaces
 - Project support and project management
- Electronic Software Updates (ESUs) and other the ERP System systems upgrades

4. Organizational Development

The organizational development plan for the EPO should be discussed and agreed among the senior management and executive leadership before Go Live. Ideally, the wind-up of the ERP Implementation Project should coincide with the start-up of the EPO and consist of a smooth transition of people, roles and responsibilities.

4.1 Governance

The work of the EPO supports the entire enterprise and encourages, if not enforces, standards and best practices for enterprise-wide systems, information, business processes, etc. Further, it will be a key participant in the future growth of the enterprise by developing, planning and implementing new systems, business processes and uses of information. As such, the EPO is very project-driven and can be expected to expend more energy on the portfolio of projects, as opposed to the running of repetitive operations.

Since the ERP System, information and processes are the fundamental support for the enterprise, the EPO should be visible to the entire executive. As such, it should managed directly or indirectly by a C-level executive such as a Chief Information Officer, be involved with key business strategies and tactics, and be expected to meet the expectations of the enterprise as determined by the executives.

4.2 Staffing and Facility

EPO staffing is expected to expand from a base of FTE core staff to support normal operations to much larger, part-time or temporary groups dependent on the workload and approved



projects. The core staff to support normal operations can be determined more precisely at a later date but is expected to be in the range of 10-15 FTEs. It is unlikely that the additional special assignment or project staff would exceed another 20-30). Since IT Department resources are required for many EPO functions, there is an opportunity to consider co-locating and cost-sharing staff and facilities.

Consequently, the EPO facility should be designed to support multiple purposes with the capacity to support larger groups on short-notice including:

- Offices and work stations for core EPO staff
- Project work stations for individuals
- Multiple, small group meeting rooms (i.e. 5-10)
- Specialized testing-demo-training room(s)
- Large group (20+) conference-meeting rooms

4.3 Budget-Cost Recovery

Overall, the incremental cost of the EPO should be minimal because the key resources and other costs already exist and are performing their work in different groups within the enterprise. Further, there is an argument that overall costs could be lower than with an ad hoc approach because of improved productivity and efficiencies. However, concentrating the resources in an EPO at the enterprise level will require a chargeback mechanism to recover costs.

