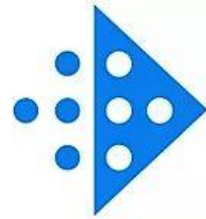


Digital Business Solutions:

Keys to Successful Selection and Implementation



Salar IT

*Supporting business on the
Information Technology journey*

www.SalarIT.com

Salar IT has decades of experience helping organisations to select, implement and sustain the best-fit technology for their business needs.

Do it the right way ...

- Follow a methodical process.
- Know what the business genuinely needs.
- Clearly understand what the realistic opportunities are.
- Change from within and bring the business with you.
- Objectively select and implement the best-fit solution(s) for your business.
- Set realistically achievable goals and objectives.
- Be prepared and organised for improvement.
- Know the risks and mitigate them.
- Carefully plan, cost and fund the change.
- Embed and sustain the improvements for the future.



Rod O'Doherty

For over 30 years, Rod has been helping companies maximise genuine business benefits from the Digital Transformation journey.

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Context of this talk

Medium to Large Digital Business Solutions

Manufacturing Execution

Quality Management

Customer Relationship Management

Or all of these in an ERP (Enterprise Resource Planning system)

Not: Small scale single-function implementations

IT Projects - Risk of Failure

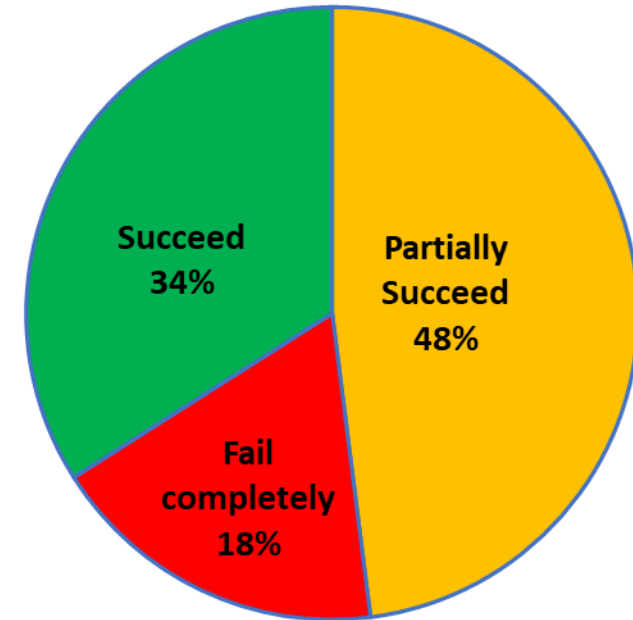
Only 34% of IT projects fully succeed.

– 48% partially succeed.

– 18% fail completely.

(Ref: Standish Group, 10,000 projects reviewed)

Gartner and Forbes say >80% of projects fail – too high a bar?



3 Takeaways to help you with your technology projects

From the outset ...

- 1. Know the Risks** – how to identify them
- 2. Manage the Project** – have a Governance framework
- 3. Be Methodical** – follow a defined process

Firstly – Some common mistakes

Executives listening to the wrong messages

- I used it in my previous company, it was great!
- If it works for them (eg: a competitor), it will work for us.

Wrong approach

- Not optimising business processes (Replication).

Wrong Emphasis

- It's a technology project – No, it is a business improvement project.
Prioritise: Business Goals, People, Process and then technology.

(See next slide)

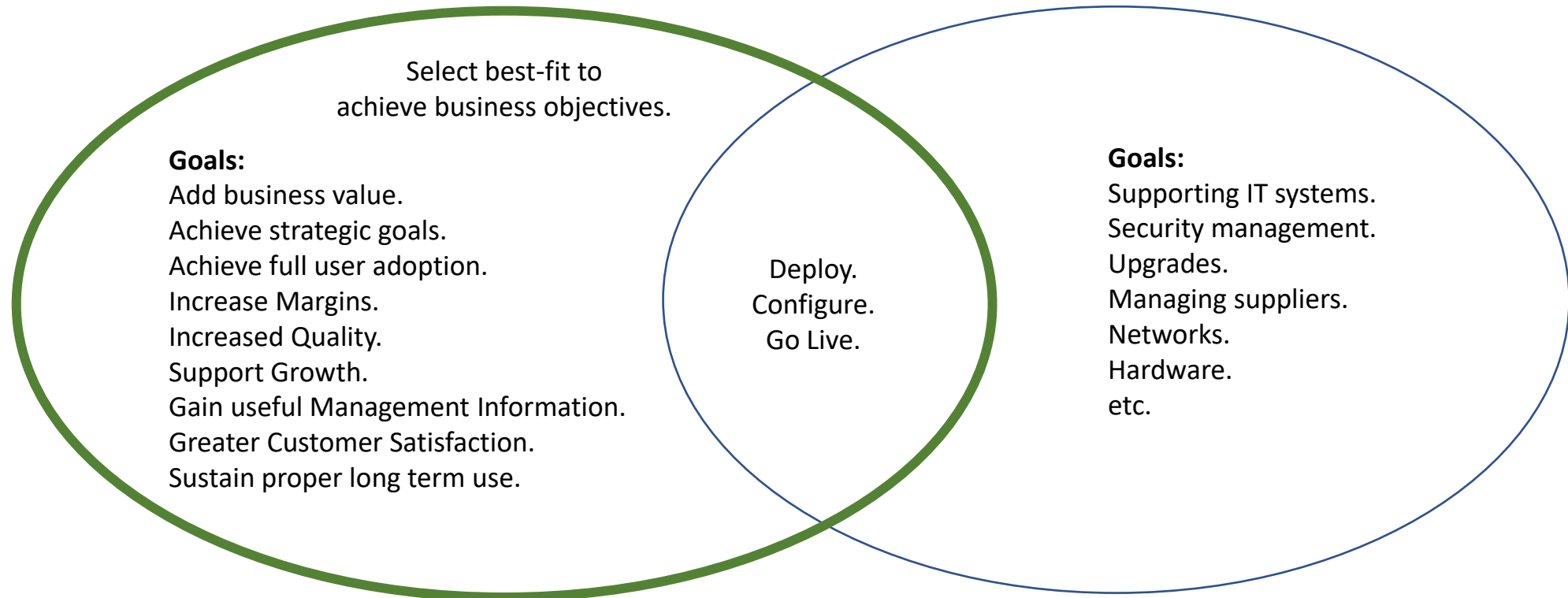
Why a Business Executive should own and lead the project.

Business Executive Perspective

Has significant influence on the business and decision making.

Technologist Perspective

Has little influence on the business.



Business Management
Expertise
(Leadership Role)



Technical
Expertise
(Supporting Role)

3 Key Takeaways

1. Lets talk about identifying Risk

Past Learnings, Present Assumptions and Future Possibilities.

IT Project Failure Evidence – *Past Learnings*

Academic Research

Cause of Failure	Rank
Lack of top management commitment to the project	1
Misunderstanding the user requirements	2
Not managing change properly	3
Failure to gain user commitment	4
Lack of adequate user involvement	5
Conflict between user departments	6
Changing scope and objectives	7
Number of organizational units involved	8
Failure to manage end-user expectations	9
Unclear / misunderstood scope and objectives	10
Improper definitions of roles and responsibilities	11
Lack of frozen requirements	12
Introduction of new technology	13
Lack of effective project management skills	14
Lack of effective project management methodology	15
Lack of required team knowledge / skills	16
Insufficient / inappropriate staffing	17

Statistical Evidence

Cause of Failure	Occurrence%
Change in organisation priorities	39
Change in project objectives	37
Inaccurate requirements gathering	35
Inadequate vision or goal for the project	29
Poor communication	29
Opportunities and risks not defined	29
Inaccurate cost estimates	28
Poor change management	28
Inadequate sponsor support	26
Resource dependency	26
Inaccurate task time estimates	25
Inexperienced project manager	22
Limited/over-worked resources	21
Inadequate resource forecasting	18
Team member procrastination	13
Task dependency	12

3 Key Takeaways

2. Lets talk about Governance

Achieving Strategic Goals of the Business.

The digital solution should support and be aligned with business objectives.

Owned by Business Leader, Clear Accountability and Careful Scrutiny

How to increase the chances of success

Establish governance ...

- Align the project with business strategic goals
- Define Project Roles and Responsibilities (Sponsor, Project Manager)
- Engage/commit Stakeholders (Skin in the game)
- Regular Scrutiny (Steering Committee. Deliverables, progress, help)
- Know your business – how does it really work?
- Define a plan (with gateways – stop/review)
- Enforce tight budgetary and spending controls

3 Key Takeaways

3. Lets talk about Method

A process of distinct steps aimed at reducing risk and enhancing objectivity.



Methodical Approach – Building Blocks

(Typical example for a medium to large scale implementation,
can be tailored as necessary)

AIMS & OBJECTIVES

- A logical, flexible and objective step-by-step process, to select and implement the best-fit solution.
- Building from the general appraisal towards specific requirements.
- Encourages you to learn, adapt and refine as you go.
- Help you to select and implement a near ideal solution, which is closely aligned with your business objectives to achieve desired future state.
- Driven/owned by you (the business), not driven by solutions providers
(ie: Done **BY** the business, not **TO** the business)

Methodical Approach - Building Blocks



Outline Appraisal (of business needs)

Objective:

Is there a genuine need and clear opportunity for business improvement?

- Appoint Business-Lead Sponsor
- Formally expose and agree deficiencies in the business
- Identify potential opportunities for business benefit
- Easy/quick wins
- Describe alternative ways forward
- 'finger in the air' budget for each alternative

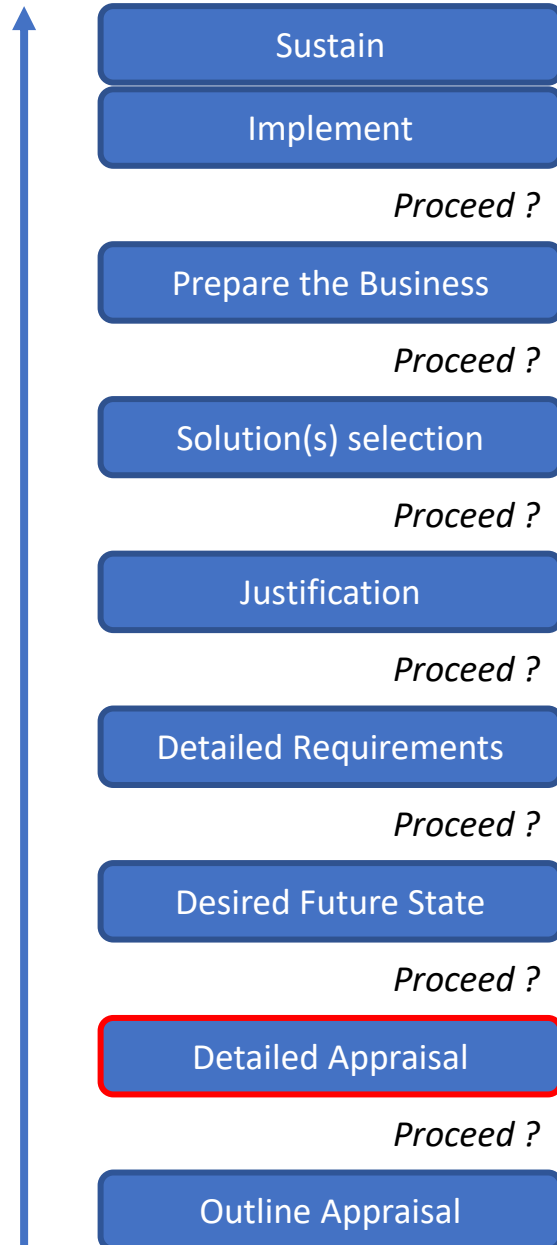
»» Project Roadmap

Proceed?

Knowing the **outline** problems, challenges and opportunities are
- is it worth the effort to dig deeper?

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Methodical Approach - Building Blocks



Detailed Appraisal

Objective:

Within the business, at a detailed level, define precisely are the opportunities for improvement?

- Examine each and every business process
 - How is it initiated
 - How it works
 - What works well
 - Where are the failings/challenges
 - Identify poor working practice/behaviours
 - How it succeeds or fails to interact with other functions

»» A clear, agreed and detailed statement of opportunities for improvement.

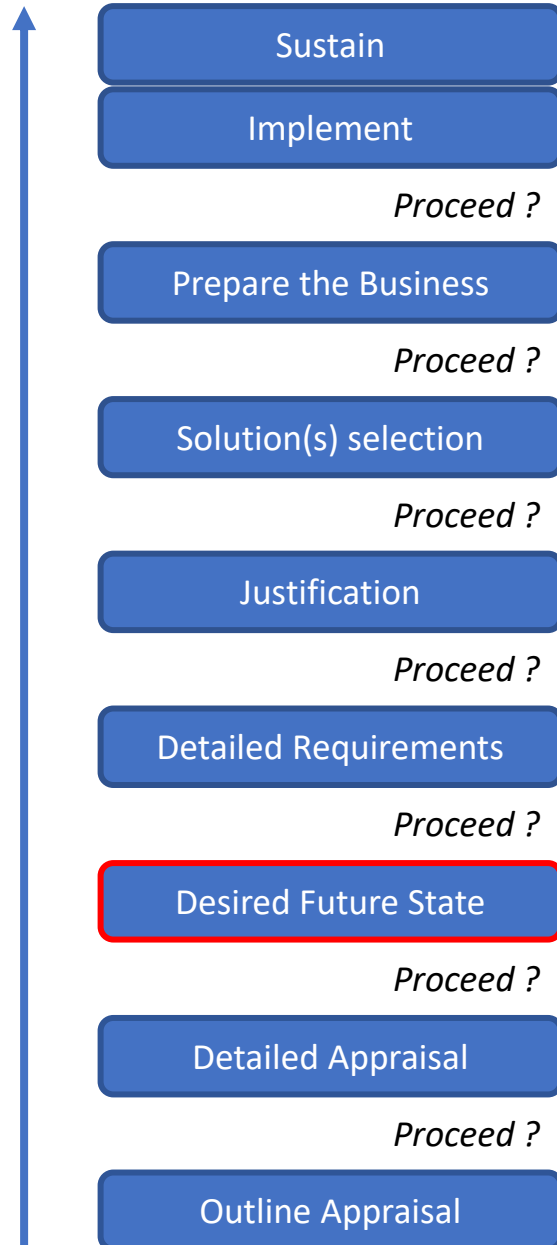
Proceed?

Knowing how the business really works now, is it worth considering what it should look like in the future?

Tools: [RACI \(Responsible, Accountable, Consulted, Informed\)](#) – Helps identify who and what

[SIPOC \(Suppliers, Inputs, Process, Outputs & Customers\)](#) – Helps uncover process practice and failings

Methodical Approach - Building Blocks



Desired Future State

Objective:

What do we want our business to achieve in the future?

- Specific improvements we want for the business
- Identification of major challenges and how we intend to fix them
- What is needed to support change (effort/buy-in/resources)
- Identify risks and mitigations
- Ballpark Budget for each element

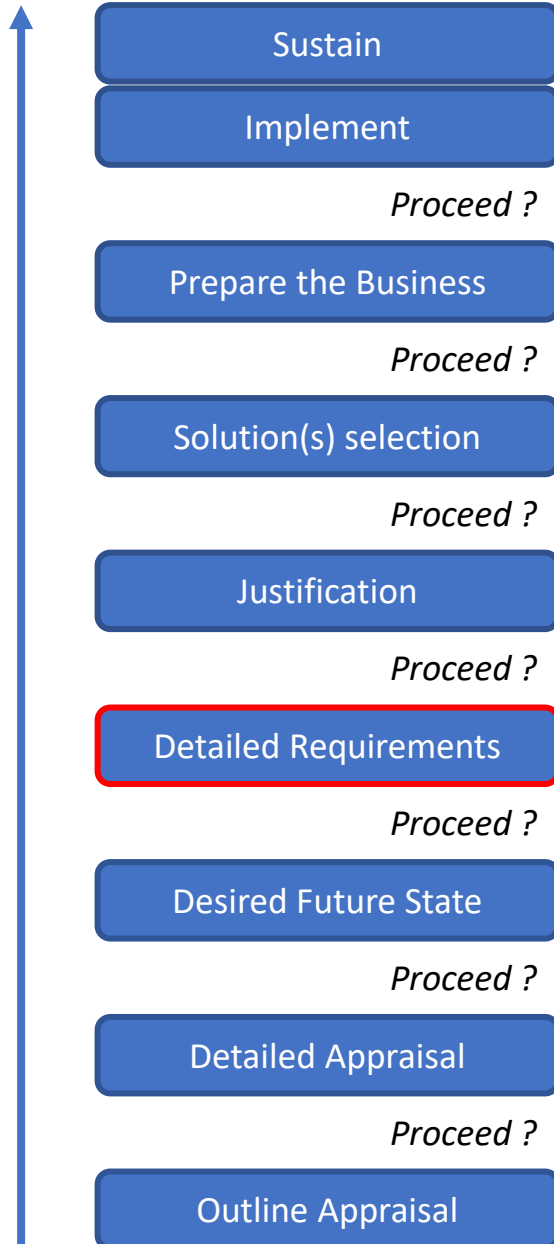
»» Agreed desired goals for the business

Proceed?

Can our business goals be supported with affordable and sensible technology?
If so, is it worth defining how exactly how we want that technology to work.

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Methodical Approach - Building Blocks



Detailed Requirements

Objective:

To meet our desired future, what exactly do we want from a solution?

- Identify Project manager and key stakeholders
- Specific elements of functionality required from a sensible solution
- Defined and prioritised from a business activity perspective
- Dictating precisely what business benefit must be achieved
- Specifying the qualities (eg: accuracy, timeliness, visibility, ease of use, support, project management) which must be provided.
- Suitable to request detailed responses and quotes from multiple software suppliers.
- Refined ballpark budget for each element

»» Detailed Requirements Specification – Aligned to specific business needs.

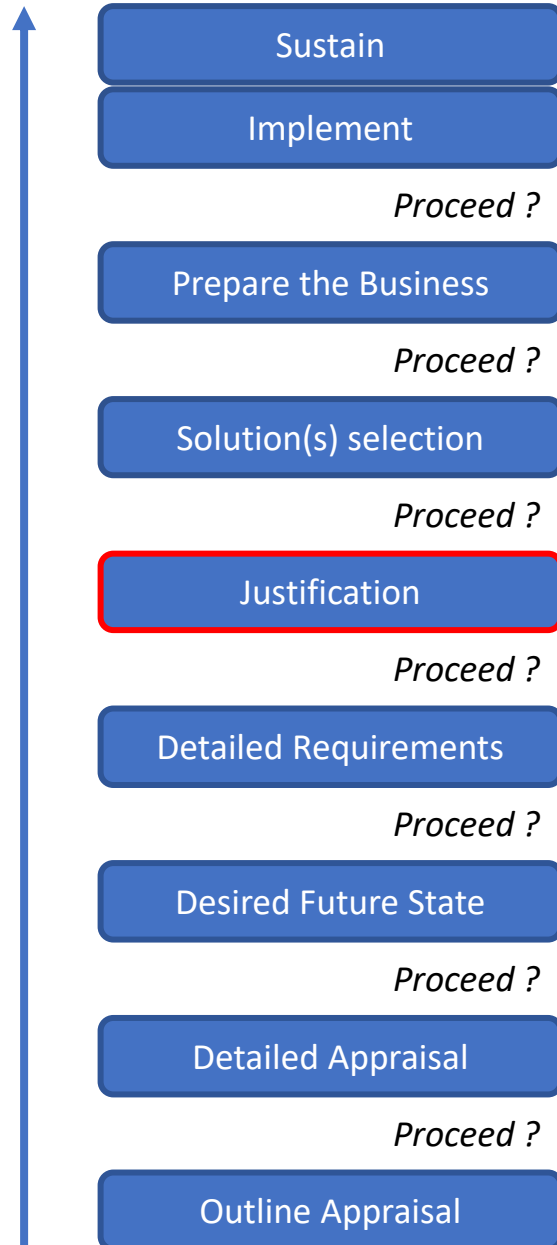
Proceed?

Do we believe that there are solutions out there which can meet our specific business needs?
If so, are we prepared to justify the cost and prepare to engage potential Solutions providers?

Tools: [User Stories \(Agile\) – Capture requirements from a business activity perspective](#)
[Acceptance Criteria – Capture rules and how functionality must work – supports testing process](#)

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Methodical Approach - Building Blocks



Justification

Objective:

Before engaging suppliers, understand and agree the acceptable level of investment.

- Analyse and mitigate Risks
- Define the scope and content of the project
- Estimate the potential duration of the project
- Agree the key benefits required from the project
- Agree the level and qualities/abilities of the required internal resources
- Analyse key stakeholders and prepare communication/involvement plan for each one.
- Understand and agree mitigations for risks to the business and to the project
- Estimate an expected ROI and derive an acceptable budget for the potential investment
- Estimated project cost and internal resource requirements.

»» Detailed Business Case and Project Initiation (execution) Plan

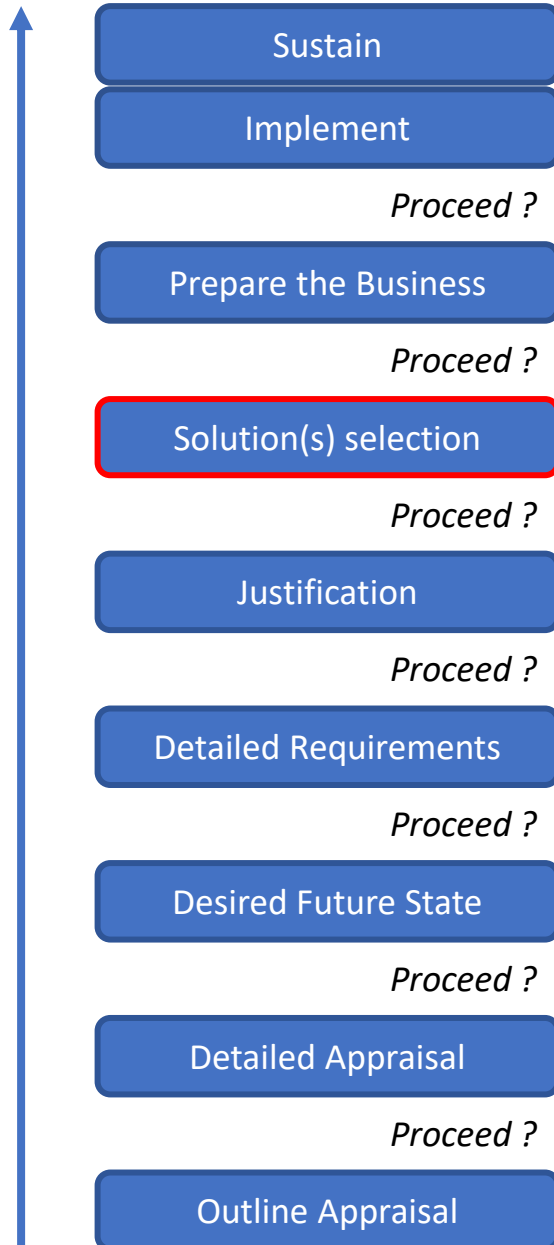
Proceed?

Are we ready to engage potential solutions providers?

Tools: [Stakeholder Analysis](#)
[Risk Analysis](#), [Project Initiation Document](#)

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Methodical Approach - Building Blocks



Solution(s) Selection

Objective:

Select the best solution(s) in terms of best-fit, cost, reliability and reputation.

- Approach solutions providers requesting quotes and responses to the detailed Requirements Specification.
- Score the providers on the suitability of their solution
 - Cost, requirements match, professionalism, flexibility, payment terms.
- Short-list suppliers and request specifically tailored demonstrations
 - Don't accept sales pitches – demand a 'day in the life' demonstration
- Be sceptical about responses (Show me how it works – ask open questions)
- Seek referrals from existing customers (and follow-up)
- Select the best acceptable solution (if possible)
- Refined/Detailed Costs.

»» The best solution to meet our requirements and strategic business objectives.

Proceed?

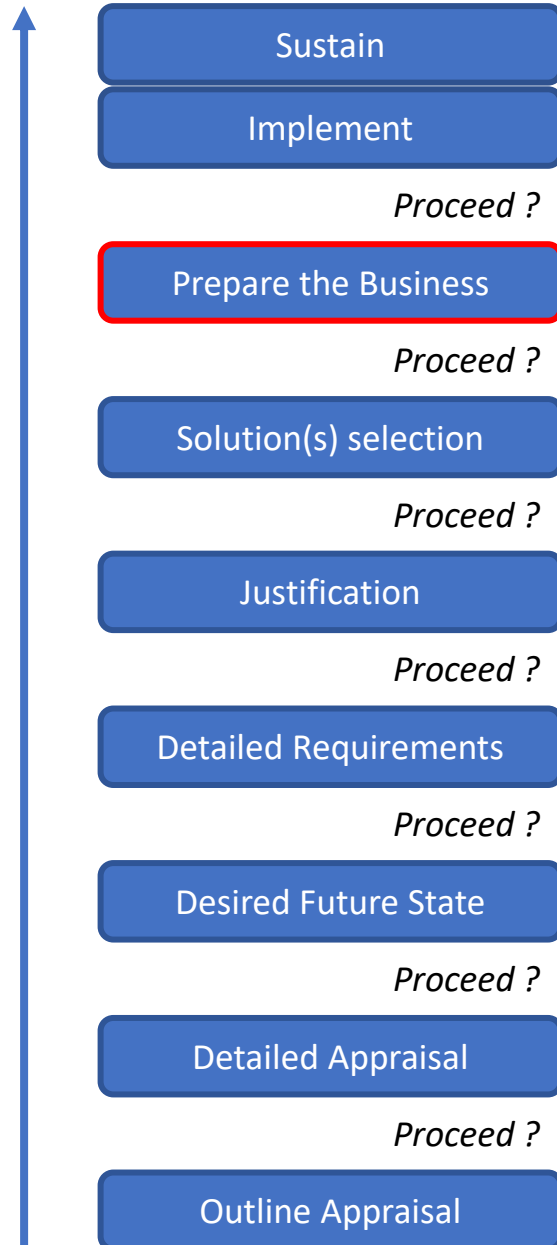
Are we content that the selected solution will meet all of our needs?

If so, engage the supplier, agree cost, payment terms and get ready for implementation.

More Info: [Evaluating Software Solutions](#)

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Methodical Approach - Building Blocks



Prepare the Business (*for change*)

Objective:

Ensure the business is ready for change and optimised for improved processes.

- Initiate Governance Framework: Steering Committee and governance activities (ie: Meetings, Scrutiny, Methods of approval, Change Control and Risk Management)
- Communicate with stakeholders about how and why change is necessary.
- Create advance improvements in existing processes with the use of work instructions.
- Carry out audits. Verify that proper processes are being followed.
- Appoint 'champions' to promote and own the new solution within each business unit.
- If necessary, re-structure roles and responsibilities in anticipation of change.
- Address existing poor working practice/behaviours – carrot & stick approach if necessary.
- Engage resistance to change with communication on 'The Big Picture' – why the business must change.

» A business that is optimised and ready for the change.

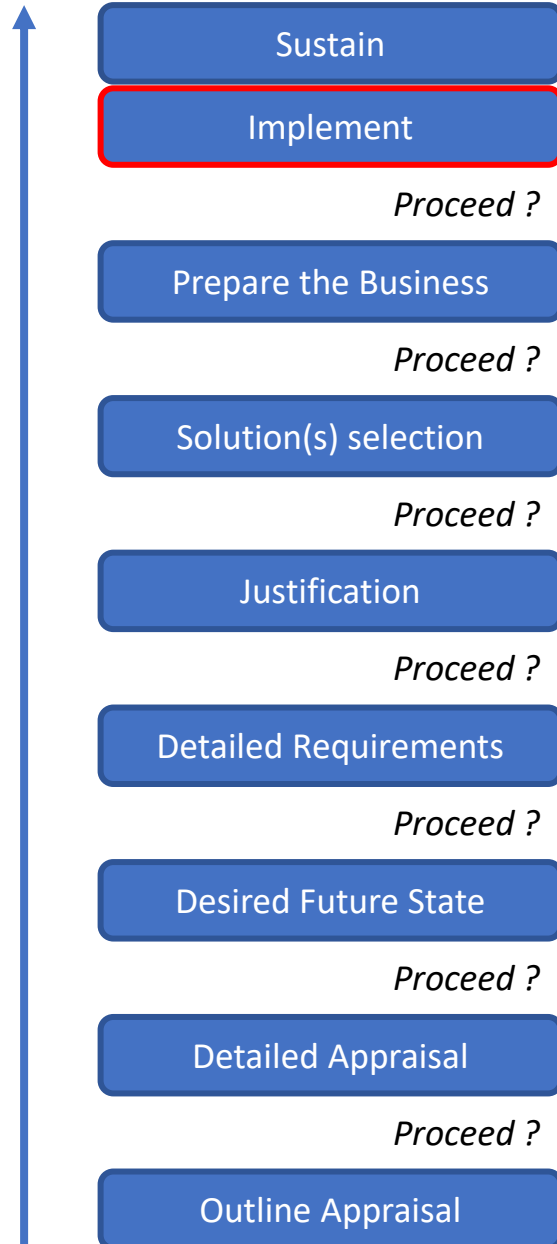
Proceed?

Are we content that the business is optimised for the implementation?

If so, commence implementation phase.

More Info: [Eric Kimberling](#) – fantastic set of videos discussing Digital Transformation

Methodical Approach - Building Blocks



Implement

Objective:

Successful implementation and integration of solution within the business

- Use a project management methodology (eg: PRINCE2 or PMI)
- Enhance project team with clear roles and responsibilities (eg: Business Case Owner, Business Unit Champions)
- Create a detailed plan with review gateways and activities. (Platform, software, data-cleansing, data migration, user work-instructions, testing and training, go-live support)
- Agree support involvement from solutions provider (Sometimes called hyper-care).
- Link supplier payments to specific milestones (with retainers)
- Initiate/sustain project reporting and budget monitoring processes

»» Live running

Go Live

Everyone involved should be sufficiently trained so that they are *measurably comfortable* with going live. Assuming the system does go live, consideration should be given to sustaining proper use of the system going forward.

Methodical Approach - Building Blocks



Sustain

Objective:

Ensure that intended proper use of the solution is maintained into the future.

- Going forward, create a overall solution ownership role, responsible for agreeing to any solution changes and maintaining coding structures for base/reference data.
- Ensure that the provider has agreed a Service Level Agreement with the business. Review this agreement on a regular basis (eg: Quarterly)
- Mitigate loss of employee knowledge on how to use the solution through documented work-instructions. Review these annually.
- Include training on the solution as part of employee on-boarding/induction.
- Regularly audit users of the solution to ensure that proper practice is maintained.

»» Sustained good practice

Maintain the solution and how it is used.

Going forward, it is common for solutions to degrade over time. This is often due to staff changes and loss of knowledge. It is important that processes and people are in place to govern how the system is used and to approve any changes to the prescribed use.

Final Thought

Requires significant Upfront effort

Many organisations don't understand or accept the need for it.

My best customers are those who have failed in the past.

Digital Business Solutions:

Keys to Successful Selection and Implementation

1. Risk
2. Governance
3. Method

Contact details:

*Receive a copy of these slides and resources.
Have an informal no obligation chat with me.*

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Questions?