ERP Rescue

In mid 2007 Aquila ERP ERP was consulted with regard to a failing ERP project in a sub-division of a UK FTSE 250 company. Having recently disengaged from this client after over 40 months of continuous work alongside client staff, this paper is intended to illustrate the immediate and longer term learning that can be taken from this long period of engagement.

Background

The client, a subsidiary of a UK FTSE250 holding company, had been engaged in the UK based pilot project for a major (16 companies in 13 countries) Microsoft Dynamics AX programme for eight months. By the point of Aquila ERP's engagement it was becoming clear to both the UK and Global businesses that the pilot had lost its way. An initial budget had been set for the pilot, but this was neither realistic nor considered as such by project team members. A programme budget had also been set for the roll-out across the global business, and this was also viewed as unrealistic by team members with an understanding of major project management. In neither case was the project sponsor aware of the significant likelihood of a major overspend against budget.

At first assessment there were two major problems to be confronted:

• The complete lack of an effective pilot project, methodology or any likelihood of any delivery without significant changes to the project's modus operandi;

• Lack of education at the sponsor/senior management level as to how major business change projects are delivered.

Putting it simply, what the senior business management team and the project's team members didn't know was critically undermining their abilities to deliver the ERP.

Initial situation and response: Pilot Project

The situation that Aquila ERP's initial consulting activity discovered within the client's ERP pilot project is best described by the immediate list of issues that was discussed with the sponsor after two days of engagement.

These were:

• Lack of any coherent project methodology

• Lack of credible project plan

• Lack of formal control framework

• Lack (therefore) of effectively informed project governance

• Lack of coherent project team organization

• Lack of scope control (business encouraged to bring fresh and highly complex requirements

to the solution in mid-configuration)

• Lack of restriction on solution development

• Lack of formal configuration control

• Lack of change management plan or resource

• Lack of effective consulting staff (a common problem with Microsoft Dynamics AX)

• A project budget lacking in credibility

The first phase of Aquila ERP's activity was therefore focused on putting the pilot project back on track for delivery. Actions to achieve this major step were:

• Presentation and agreement of a PRINCE2 based methodology

• Generation of a credible project plan (which necessitated a three month go-live delay)

• Establishment of a formal control framework for the project, coupled with project board education to enable effective governance

• Revision of project team organization to clarify responsibility and empower team members

• Establishment of firm scope control (and de-scoping of unrealistic introductions to scope)

• Ban on any solution development without formal assessment, costing and sponsor agreement

• Establishment of configuration control and solution freeze to prevent changes post completion

• Establishment of Change Management stream to manage people and change aspects of the pilot

• Recasting of the pilot project budget to better reflect the project's real position

• Divestment of several under-skilled and under-performing staff

• Recruitment of several effective and ERP skilled consultants, including a Change Manager.

As a result of these changes, and in no small part due to the client management team's absolute focus on the project's delivery, the pilot project was successful, and went live eight months after the project rescue commenced.

Programme

The overall ERP programme was faced with equally significant issues:

• Lack of education as to how major ERP projects are delivered

• Lack of education with regard to programme management and governance

• Lack of education on change management's importance and methods

• Lack of a credible budget for the programme

Aquila ERP's approach to these problems was largely to use the pilot project's governance, methodology, resourcing and change management as a means of illustrating the requirements of major projects. This was successful – by the pilot's go-live date the global company's senior management were as keen as the Aquila ERP consultants to see effective programme management in line with the Aquila ERP model.

The programme budget was re-estimated to better reflect the reality of the project's needs, and a programme team consisting of some of the business's strongest staff members was formed. Using the established methodology the programme team moved into rollout, and by the time that the Aquila ERP consultants had fully disengaged (end 2010) had successfully:

• Established a strong programme and project management capability, by development of existing staff

• Built on the Aquila ERP project management methodology to produce a robust and effective control framework for the programme

• Built and refined a change management model with a necessary slant to the client's business

• Successfully deployed the client's ERP solution to several countries with Aquila ERP support –

UK, Germany, France, China and Denmark.

Conclusion

This successful conversion of a failing pilot project and programme illustrate the way that Aquila ERP ERP operates. Rather than taking a theoretical approach, we move into interim management roles and work to develop client capability, by means of:

• Client senior management and staff education and training

• Identification of staff members with capability to fill longer term project and programme roles

• Assistance in recruiting new staff members where internal resource is insufficiently strong

• Management of delivery as a means of building and cementing the programme team

In line with our strong views on the 'shelf life' of interim staff, we disengaged from direct management programme in December of 2009, 30 months after the engagement commenced. We have continued to provide consultancy services to the client post this disengagement, and consider this the most rewarding aspect of a successful engagement – the maintenance of strong relationships forged in the heat of delivery under time and cost pressures. It is our opinion that this case study perfectly illustrates the major requirements for a strong ERP implementation project:

• A strong and situationally flexible Methodology

• A Governance model that ensures senior management commitment and active support

• Resourcing that provides the project with the best possible people from the organization

• A Change Management model that is tailored to fit the organization in question, but which ensures that the 'difficult' questions about the change that must be accepted are asked and answered in good time

Aquila ERP ERP uses these four key factors as the means of ensuring success in the projects with which we become involved, whether in providing advice, active support or management of delivery.

Contact us today to arrange your free and no obligation ERP project or programme assessment – or just to talk about your ERP project.