Collaborative Quality
Ensuring the Success of Your SAP® Software Implementation
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Delivering software solutions that bring significant benefits to the business does not just happen. It takes careful planning and execution measured against established criteria. But in a complex organization, how can you approach the planning process methodically and effectively? How can you be sure that you will get buy-in organization-wide, meet expectations, and achieve return on investment? This paper explores the topic – and offers insights from the extensive experience of the SAP® Active Quality Management organization.
Introduction

As the pressure grows to justify IT expenditure and tightly manage risk in software implementation projects, those tasked with project management often feel exposed and vulnerable. No one wants to put his or her organization or career at risk over a technology rollout.

In working with organizations of all sizes, within all industries, and across projects of varying scales, we at SAP have found a common thread for success. In this paper, we aim to share some of the insights SAP has gleaned from thousands of implementations and impart best practices on how to secure a successful implementation. It is essential that readers understand that collaborative quality is not about how an organization works with SAP; in fact, you may choose not to engage with us at this level. Instead, it is about achieving excellence by setting up a framework for engagement in which all critical activities are managed effectively and remain focused.

At SAP, we feel it is our responsibility to help customers manage the implementation of complex, integrated software solutions. Through this paper, we hope to share some of what we’ve learned to benefit all our readers and, in doing so, demonstrate our commitment to helping customers realize the value of their investment early on and its full potential.

Henrik Wilken
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There are two main schools of thought concerning quality: that of policing and that of continuous improvement. Policing assumes there is an agreed-on, correct position against which you can measure variance and check for adherence. The other school of thought advances continuous improvement, which is about striving to do things better, to learn from the past, and to involve the right experts to deliver the best possible outcome.

The objective of a policing approach to quality is to ensure that a project is delivered to specification, within budget, and on time. This is often where quality assurance breaks down in software implementations. Typically, each party involved in a project or program guarantees the quality assurance of his or her contribution. For the internal project or program owner, this means making sure suppliers deliver what they agreed to in the contract. This approach often leads to individual suppliers focusing on the results of their own project area, with no regard to their role in delivering quality for the overall program. In effect, they bear no responsibility for ensuring that final delivery of the program successfully fulfills the organization’s business objectives.

To exacerbate the situation, the very people charged internally with program delivery are sometimes new to such challenges, have limited time to learn new skills, and, as a result, cannot match the years of experience suppliers bring to the table. What is needed is an effective knowledge-sharing forum that will allow the internal project or program owner to make informed decisions against business requirements. A collaborative quality approach creates an engagement framework that involves setting targets to which all stakeholders can commit. These targets can help stakeholders agree on how best to manage all parties involved in an implementation. This also helps both the project team and management to maintain program ownership and control of suppliers and internal parties.

THE EXPERTS IN YOUR BUSINESS ARE YOU

However close a supplier gets to an organization, the supplier can never be as much of an expert on the organization’s goals and aspirations as someone on the inside. It follows that the best people to ensure that a program fulfills a business goal, and not simply delivers on technology milestones, are internal and often outside the IT function. This simple point is frequently the linchpin to implementation success.

Organizations often manage implementations in a way that will minimize risk. However, the absence of risk does not ensure excellence. Organizations have been known to go live with a program in a low-risk environment by reducing the scope of the implementation, which also excludes or constrains the areas that create the most business value. All suppliers deliver against their individual measures; the internal project owners are happy as timelines and budgets are met. But the program falls far short of the business requirement and, as such, fails to meet its objectives or is less ambitious than it should be.

An internal owner does not need to be an expert in each area of the project or program; the role is to keep the requirements of the business at the forefront. In order to do this, internal owners must adopt a systematic approach to ensure that they have the information they need to make informed decisions.

There are costs associated both with delivering specific quality activities and with reacting to risk (see the figure; note that the gradient of lines shown will be different for each organization). By taking a systematic and collaborative approach to quality, the organization can decide how best to balance risk and caution and come up with a strategy for creating quality at an optimized cost.

Figure: Cost of Quality
Creating a collaborative quality plan is a good way to tie suppliers’ deliverables to the overall success measures of the program. In doing this, responsibility for spotting possible issues outside a project deliverable is shared with the suppliers.

The suppliers must then actively contribute to setting expectations as to what can be delivered and to assist with the management of interdependencies. It is the interdependencies within projects that are often underestimated when managing a complex software program.

CREATING THE RIGHT ENVIRONMENT

No two implementations are the same, and no single collaborative quality program fits all. However, there are a number of tools and best practices that are commonly used in successful implementations and that deliver controls for the internal program owner.

COLLABORATIVE QUALITY PLAN

A collaborative quality plan can be as simple as a concise one- to two-page document that charts the interdependencies within a program, listing clear actions and ownership for all key areas of success. The document is a work in progress and should be used to keep all parties on track for delivering the overall program objectives. As one of the tools used to manage the processes laid down in the collaborative quality charter, it should define the level of ambition and complexity of the project.

A collaborative quality plan describes the framework within which the project management team will implement and evaluate the new software solution and the deliverables against agreed-on standards. Quality planning involves identifying which quality standards are relevant to the project and determining how to satisfy and verify them. The plan should include efforts at the front end of the project to ensure that the early decisions turn out to be appropriate.

COLLABORATIVE QUALITY FORUM

Chaired by the lead sponsor within the business, this is a formal group of all suppliers and internal parties involved in the program. Distinct from a steering committee, the forum members agree on, document, track, deliver, and sign off on the interdependent items of the collaborative quality plan. In many cases, simply setting up this group increases the likelihood of a successful implementation.

COLLABORATIVE QUALITY CHARTER

This is the first step in a collaborative quality approach. The collaborative quality charter is a tool, aiding the program sponsor in managing the program to fulfill its business goals. In SAP’s experience, there are 10 principles of quality, which are fundamental to the success of every implementation.

A systematic approach to collaborative quality enables the business to make the best decision for its own culture of risk and caution.
Achieving extraordinary business transformation through the implementation of an IT solution isn’t a matter of luck. It requires careful planning and a commitment to 10 principles of quality. By applying these 10 principles, you establish predictability and transparency in your project, whether you are intending to implement on-premise or cloud solutions.

1. **ANCHOR BUSINESS VALUE FIRMLY IN YOUR PROJECT**

Throughout a project, numerous design and implementation decisions are made. To make appropriate and effective decisions, all involved parties must fully understand the project’s strategic importance, its business objectives, and its key success criteria. These aspects should be tracked not only throughout the project but after going live with the software as well, to make sure the solution meets the business requirements. This tracking also helps determine whether changes proposed to the project scope – whether big or small – are justified by the business value they may add. The business case for the investment should be clearly understood by implementation partners. Partners should be selected based on their proven ability to deliver on every aspect of the project selected based on their proven ability to deliver on every aspect of the project.

2. **DETERMINE CLEAR REQUIREMENTS EARLY ON**

Technical requirements must be determined early on in order to implement a feasible, affordable, maintainable environment that delivers adequately. To do this effectively, the application landscape and system architecture must be aligned with the business strategy. Preexisting assumptions should be reassessed periodically once the project has been started to monitor their impact on the project.

3. **COORDINATE WITH STAKEHOLDERS AND USE A PROPER GOVERNANCE MODEL**

Project team members and stakeholders must thoroughly understand the project’s scope and focus on achieving its business objectives and operational drivers. To do this, a project charter must be shared at the beginning of the project to align stakeholders and facilitate the onboarding of the initial team as well as resources added later on.

Roles and responsibilities must be defined in the initial engagement phase so everyone involved understands the team structure, lines of communication, and who has the authority to make which decisions. Formal reporting, regular meetings of the steering committee, rapid escalation mechanisms, and a project team empowered to make the necessary decisions in a timely manner are instrumental in achieving project success. A strong executive project sponsor should assume responsibility for the success of the project from start to end and clearly emphasize the success criteria, reasons for, and benefits of the chosen solution. Audits at key milestones can ascertain the degree of compliance from both a business and regulatory perspective. Communication must be clear and transparent throughout the implementation, internally and with subcontractors, partners, and other stakeholders.

4. **ENSURE TIMELY DELIVERY AND EFFECTIVE TRACKING**

Agree on scope and ascertain that the resources available and timeline are sufficient to complete the deliverables at the agreed-on level of quality. All parties must sign off on the timeline, deliverables, and acceptance criteria and be aware of the pace required to avoid impacting the overall timeline. Any subsequent adjustments made to project scope or timeline must be considered first in light of business impact and second as to whether they are realistic, relevant, and acceptable. Activities and tools must be in place to monitor time, budget, and deliverables. Key performance indicators for the project should be tracked closely and visible to all stakeholders.

5. **STAFF PROJECT WITH SUFFICIENT, COMPETENT, MOTIVATED PEOPLE**

Carefully recruit your project staff and select a partner who will provide you with the right mix of skills and experience. Train team members early so they understand the technical and functional context in which they are working, what design possibilities are open to them in that context, and the impact of their decisions. Throughout the implementation, the skills and competencies of the implementation team members should be reviewed regularly to verify that they continue to meet project requirements. Their commitment and time allocation should be assessed regularly and addressed when inadequate. Also, team engagement and motivation should be assessed and revitalized on a regular basis, with special attention given to members...
working remotely. Team members should also be made aware of how their role in the current project can contribute to the advancement of their careers.

6. APPLY APPROPRIATE METHODOLOGY AND PLAN FOR QUALITY

Methodologies and guidelines must be agreed on. A proven implementation methodology contributes significantly to project success, but it must be suitable for the specific project and its solution scope. A methodology backed by industry-recognized project management training and certification increases the degree of professionalism and efficiency with which the implementation is managed.

Everyone must work according to the same quality standards and understand the review methods and criteria to be used to measure the quality of project deliverables. If a project is critical or larger in scope, a dedicated quality manager role may be created.

A quality plan can serve as a neutral framework for helping ensure that quality is built into a project from the very start as well as for evaluating the deliverables against the agreed-on standards. In later stages of the project, during rollouts, and in future implementation projects, it can be used to leverage lessons learned.

7. IDENTIFY AND MANAGE RISKS AND ISSUES THROUGHOUT THE PROJECT

Careful identification, analysis, and management of risks and issues are key to success. Regardless of project size, a formal risk management process should be followed and include organizations affected by the implementation as well as implementation partners. Revisit risks on a regular basis throughout the project lifecycle, and consider third-party input at important junctions. Support the process with an effective governance policy, and prepare all parties to acknowledge risks honestly. Enlist their commitment in recommending pragmatic, rigorous mitigation actions and their readiness to implement those recommendations.

8. EXPLOIT STANDARD FUNCTIONALITY AND DELIVERY BEST PRACTICES

Software configuration is often very powerful, versatile, and far-reaching. Through configuration alone, or through the use of solution templates, seemingly unique business requirements can be fulfilled, making major software modifications unnecessary. The result is the faster delivery of a more sustainable solution, at lower risk and at lower total cost of ownership in the long term. To put this into practice, all parties must be aware of what the standard software offers and its strength to facilitate process alignment. They must also be committed to leveraging standard software and must raise a flag when it is not used when it could be.

An objective third party should carry out quality assurance at key project milestones to make sure best practices are being followed and to help avoid developing unnecessary custom code or work-arounds or getting caught in “scope creep.”

9. ACHIEVE PRODUCTION READINESS

An appropriate application lifecycle management approach must be planned early so it is ready when the new solution goes live. Technical staff and support teams must be properly trained to maintain and support the software environment. Seasoned resources with past experience in operations should be included in the teams. Support and service-level agreements must be in place and clearly understood by the support team and administrators so expectations correspond to the agreed-on commitment. Backup and recovery strategies must be well understood and tested. Clear procedures for software patches and upgrades must be in place. Performance measures should be used and user feedback gathered to help optimize the support function.

10. USE ORGANIZATIONAL CHANGE MANAGEMENT TO TRANSFORM BUSINESS

Key to the whole-hearted adoption of a business solution – which can determine its success in transforming business – is organizational change management. For that reason, the impact that the new solution will have on employees, suppliers, customers, and management must be discussed. The person responsible for organizational change management should be a long-standing member of the project management team to help ensure change management is started at the beginning of the project. Carefully select the training and communication strategies that prepare end users to embrace new ways of working. Prioritize change management areas that have high impact on business results in order to achieve success with the business transformation and its new processes.

DON’T STOP HERE

Once you’ve gone live, don’t stop. Verify that the business value you set out to achieve has in fact been realized, and make improvements where needed. Continue to leverage what you’ve built and learned. Realize more value from your investment through new business transformation initiatives.
FIVE COMMON REASONS FOR FAILURE

Consequences of Inaction

SAP has identified five common reasons why integrated software implementations fail. For all of these and many other reasons, adopting a collaborative quality approach would reduce the likelihood of the following issues occurring.

Project scope creep and expectation management – When the initial project requirements are not clearly defined or a suitable project governance model with a systematic change-request process is not applied, project scope can change for the wrong reasons. However, the project scope can change for several valid reasons during the implementation. For example, business requirements might change, the team could recognize that more ambitious goals are achievable, or risks or costs can be reduced.

In any event, changes must always be approved according to the agreed-on change procedure. Also, poor project communication between business users and the project team inevitably causes frustration and disappointment, leaving some people in the organization with a feeling that expectations are not met. Therefore, expectations must be managed from the outset and throughout the implementation.

Poor-quality data cleansing and migration – Data is not suitably cleansed for the new system; new, sophisticated processes amplify errors in reports and the decisions made based on them. By closely tying the supplier and the business representatives tasked with data cleansing and migration to the overall responsibility of the program, these issues can be anticipated and managed in cooperation with the system suppliers.

Ill-equipped support organization – The internal support team lacks resources, is unclear about how to effectively manage issues, or does not have the skills to deal with the requirements placed upon it when going live. Often only an external consultant can judge the readiness of the support organization and only then with the cooperation of the business. However, recruitment is often done independently of an external consultant, and the processes are not sufficiently tested with the business or project team. As a result, the productive solution may become increasingly unstable as issues accumulate over the first weeks after going live – until it becomes unusable.

The business does not accept the new software solution – This situation may result from issues concerning trust or because the old way of working is so entrenched with the workforce. Results may include customer orders that are not processed, deliveries that are not confirmed or invoiced, and stock that is not replenished. By the time the business reacts, significant damage may have occurred. Only close working relationships between the business managers, project team members, change management team, and technical team can ensure everyone understands and adheres to the new processes.

The system is slow – This is often due to overly complicated processes, a needlessly complex configuration, or the fact that outdated technology or tools are used. While the project team may have configured what the business asked for, only the technical team can validate the

By applying the 10 principles of quality, you establish predictability in your implementation and keep your effort and business value in the right balance.
ability of the system to meet performance requirements. Furthermore, new business processes, such as exception message processing, can create a bottleneck. This may not have been anticipated by the business design team, but the change management team could have predicted the issue and put forward a resolution.

In each of these examples, taking the systematic approach delivered through a collaborative quality plan would have highlighted the contribution each party needed to make in order to meet the expectations of the business and ensure success when going live.

**IN CONCLUSION**

The single most important factor driving competitive advantage is technology, which enables business transformation and the adaptation of new business models. It is this last point that is key, and it is integral to the collaborative quality message. Meeting business requirements – the bigger picture when seeking to deliver a successful software implementation – is often the casualty when programs are managed with a “devil is in the details” approach. Individual elements may be delivered as promised, but gaps and conflicts between them emerge only when they are fitted together at the end of the program.

The consequences of a failed software implementation are often extremely public and can be as serious as loss of stakeholder value, not to mention unpredictable additional costs. Ultimately, it is the board members who shoulder these responsibilities; and therefore, they are the ones who most benefit from a collaborative quality approach. As technology is increasingly seen as an enabler of business agility, it follows that those who decide how an organization will change and adapt should take internal ownership of these programs. A collaborative quality approach provides them with the way to do this and the confidence to know they have the right information to make informed decisions that will affect the future of their business.

No two implementations are the same, and no single collaborative quality program fits all.

**FIND OUT MORE**

For more information on the SAP Active Quality Management organization, visit us online at www.sap.com/quality.

Have you completed a successful implementation of SAP software? Then consider applying for the SAP Quality Awards at www.sap.com/qualityawards.
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