More Work, More Risk

Is early technology adoption worth it?

With early adoption of new technology comes more work and more risk. You essentially go it alone — just you and the technology vendor, without the luxury of counsel from your industry counterparts. Implementations are bumpy, marred by more glitches and problems than products that have made their way into general release. More customization and fixes are generally required. More time and energy must be expended setting expectations for end users and management; you can't simply show them another implementation.

If the gamble doesn't live up to lofty promises of advancing a company's strategic standing in a significant way, IT organizations lose time, money, and credibility. Yet every year, scores of IT organizations raise their hands to become early technology adopters. Some succeed and emerge with rich rewards that distance them from the competition. Some fail and have little to show for the risk they've assumed.

How can you know in advance if the gamble will pay off? One company credits its repeated and now predictable success as an early adopter of SAP technology to the way its IT organization:

- Manages and meets expectations across the lines of business the technology is being brought in to serve
- Leverages whatever limited experience of other early adopters of SAP technology may be available
- Established its relationship with SAP

That company is TransAlta, which is among the largest power generating and wholesale marketing companies in Canada. In 2002, it completed one of the first SAP Enterprise Portal (SAP EP) implementations in the world. It then went on to introduce role-based access to corporate information and to implement SAP Employee Self-Service (ESS) and Manager Self-Service (MSS). Now, as an early adopter of SAP mobile technology, TransAlta

by **Evan J. Albright**, Senior Editor

Paul Kurchina of TransAlta

is one of a few companies making its portal accessible to mobile staff.

Managing and Meeting Expectations

The commitment to implementing leading-edge technology requires more than just buy-in from lines of business. They need to be willing and active partners in the process.

TransAlta's power generation division has a business/IT steering committee that has developed a three-year technology roadmap. "With the cross-functional steering committee, it's a blend of IT and business," says TransAlta's Paul Kurchina, whose involvement with SAP implementations stretches back almost 10 years.

This higher level of cross-functional collaboration is important, because early-adoption technology projects are different from projects in which the technology is several years old. "The business has to understand what being an early adopter means," Kurchina says. "You're going to have hiccups before you're going to get to the large number of benefits."

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At TransAlta, the business understands these risks and benefits. "It's always been part of the corporate culture," Kurchina explains. "We strive to be industry leaders, and the business is more forgiving of the hiccups of being early adopters, because they know the benefits when the project is complete," he says.

"When the business understands the value, they are the ones pushing the technology," Kurchina says. "We spend time educating each other. We want to deliver what can be done today, but at the same time we want to make sure business is cognizant of what the future two years ahead or five years ahead looks like."

Past success with technology implementations makes for a strong business case. According to Kurchina, when you quickly show value in a given area, the projects start to sell themselves. "If I get a four-month payback on a mobile investment, it quickly becomes self-funding." When business people see payback, they are the ones clamoring for the new technology, not IT.

Take Advantage of Existing Knowledge

"We've talked about the importance of collaboration internally," he says. "Now we have applied that externally through our heavy involvement in user groups and outside organizations."

Most companies, Kurchina believes, "think their resources are the resources within their four walls." Except for the occasional outside touch-point, such as a

Taking SAP NetWeaver from Portal Pioneers to Mobile Mavens

Pressure to find new ways to increase margins drove TransAlta to take a chance on new and then unproven portal technology in 2001 to get ahead of the competition. "We have always prided ourselves on being industry leaders and have always looked to leverage new technology to improve the availability, reliability, and efficiency of our operations," says Kurchina. Today, he is driving the development and implementation of SAP and third-party mobile solutions.

While external market pressures fueled TransAlta's initial investigation into SAP portal technology, its adoption of SAP mobile technology was a response to demand that came from within. "You turn in a rental car these days," Kurchina explains, "and they scan your car and get all your paperwork done in the parking lot. Our people are seeing what is being done in the rental car industry and asking, 'Why aren't we doing that?' They go to a hotel and get wi-fi, and they ask, 'Why isn't that at my plant?' They go to a sporting event where someone scans their ticket with a mobile sensor, and they ask, 'Why don't we use that technology?' And they ask, 'Why isn't SAP on my BlackBerry?'"

The fact that users want SAP on their PDAs demonstrates how far SAP has come in the past few years. "In the beginning, people felt that they were working for the SAP system; now they feel SAP is working for them," Kurchina says. In the past, some users found that the way they had to enter data into the SAP system was cumbersome, but portals have made that simple. That simplicity is now being extended to the field via mobile technology.

"Now with mobile solutions, I'm allowed to do my work wherever I am," Kurchina says. Mobile technology will move SAP off the desktop and onto the shop floor, which will be liberating to today's plant staff. "A plant manager or production supervisor doesn't spend much time behind a desk," Kurchina says. "While they need to be aware of what's happening with their financials, they must also be aware of what's happening on the floor – that is where they must make their quick decisions."

Making SAP mobile will free not only plant executives but also the worker on the floor or in the field. Today, when a plant experiences an outage, say from a downed line or malfunctioning transformer, SAP automatically notifies the right people, all the way from the plant floor to the boardroom, and provides them with information so that they can collaborate to solve the problem immediately.

"For example, we might have a sensor or an RFID tag in our plant that detects when a piece of equipment in a power plant is about to fail, thereby shutting down the plant," Kurchina says. "A field worker investigates the problem and using a mobile interface can report it to our SAP system. This launches a piece of workflow in SAP that notifies our trading operation so they can begin looking for power to buy in case we need to shut the plant down." The more lead time the trading operation has, the easier it is to find an affordable price for power, thereby reducing costs.

Meanwhile, another piece of workflow within SAP automatically notifies a maintenance crew of the impending equipment failure. That notification message might include links to pertinent maps or diagrammatic drawings, installation instructions, safety procedures, inventory updates or the location of spare parts – the right information to get the job done. NWM

conference, there is little opportunity to call upon other users of similar technology for assistance. Kurchina has found that to get a collaborative environment outside his company, he needs to build it and once built, feed and grow it.

Kurchina, who is very active in the America's SAP Users' Group (ASUG), has started and evolved numerous user communities over the years in areas such as Plant Management, Utilities, Production Strategies and Continuous Improvement, Enterprise Portals, and his latest, a group focused on Enterprise Services Architecture.

"Particularly in the case of early adopters, you want to avoid tripping over an already known problem, and if you do trip over one, you want to quickly find if another early adopter has encountered the problem and learn how they resolved it," Kurchina says. "In one of our earlier SAP EP upgrades, we learned from another company of a problem with clustering the portal LDAP," Kurchina says. "We were able to avoid this problem and implement a workaround based on this customer's experience."

Working collaboratively with other companies may not be an intuitive response for most, primarily for competitive reasons, but Kurchina maintains that the world of an SAP customer is different. "Look, we're all into SAP and we're in deep, so let's make sure we can make it work as well as possible for us," he says. "It's a different kind of vendor relationship."

Partnering with SAP

When the company tested SAP EP 5.0 in 2001, TransAlta worked closely with SAP to develop its portal. Thanks to the close cooperation, the company was able to roll out the portal to all employees in less than five months, in what turned out to be a relatively pain-free process for end users.

"Now we're simply adding layers that are increasing the value of our investments and allowing us to do new things in new ways," he says. "We continue to grow our system, bringing forward dashboards, simplifying access to SAP, and increasing business value by giving people access to better and more timely information."

"As an early adopter, we have had the key advantage of being able to influence the direction of SAP NetWeaver, SAP Enterprise Portal, and most recently, SAP Mobile Infrastructure," he says. He works closely with people at SAP who are learning about implementing the product in a live environment at the same time he is. As a result, SAP is particularly receptive to his ideas. If the new product requires customization, Kurchina says that he can "persuade SAP to do it in the next release."

"It's no longer the typical customer/vendor relationship," Kurchina says. "As an early adopter, it tends to be more of a partnership. We're both trying to figure out how to make this thing work, collaboratively. There is input back and forth."

During the early phases of the mobile technology project, "we probably didn't do enough on-site training of the administrators," Kurchina says. Once this was recognized, SAP stepped up and made certain that it provided more time training TransAlta people.

The TransAlta/SAP Relationship

TransAlta, with annual revenues of $2.2 billion, is one of Canada's largest power and mining companies. The company operates electrical generating plants powered by coal, gas, hydro, and wind and markets some 10,000 megawatts to private customers and to the North American power grid. The company also operates several coal mines, which provide raw materials to fuel its power plants.

Since committing to SAP in 1994, TransAlta estimates it has moved more than 40 systems and business processes to SAP.

1994 – Selected SAP R/3 to replace legacy systems for HR and plant maintenance.

1997 – Migrated Automated Mapping/Facilities Management (AM/FM) system onto Windows NT and integrated with SAP to enable efficient cost estimating of facilities projects.

2000 – Migrated SAP from UNIX servers to IBM servers.

2001 – Selected and tested SAP Enterprise Portal.

2002 – Launched SAP EP, beginning with 2,500 users for communications and using SAP ESS and MSS. A Gartner study revealed that by implementing mySAP HR, the company would save $30 million over 10 years.

2002 – First pilot of the Visual Information for Plants (VIP) xApp.

2003 – SAP Mobile Asset Management Ramp-Up customer.

2004 – Went live with SAP EP and IBM WebSphere portal interoperability.

2004 – Implemented SAP Partner Mobile Solution with RFID for operator rounds.

2005 – Driving new SAP enterprise architecture community.

Advice for Early Adopters

The benefits of being an early adopter don't make the role any easier. Kurchina offers the following advice for anyone contemplating a promising but unproven technology:

- ☑ If it's possible, look to other companies within and even outside your industry that have tried the technology, and solicit their advice.
- ☑ Get to know the developers of the technology. They will be as invested in your success as you are, and often they will go the extra mile to make it work in your environment.
- ☑ Set expectations appropriately with both management and the user base. Let them know how the technology will benefit the business and the types of challenges that they will likely face. Prepare them for the unexpected.
- ☑ Engage the business by seeking its input on how to implement it. Make sure you understand the needs of the people who will use the technology, and keep them informed about the progress of the project.
- ☑ Plan for additional user training. New technology often means new processes, new user interfaces, and perhaps new hardware.

Becoming an early adopter has meant more to TransAlta than changing hardware and applications. It has forced IT into de facto partnerships with the business, with other leading-edge companies, and with its technology vendors. The resulting organizational changes and relationships have yielded additional intrinsic benefits for TransAlta. IT alignment with the business has resulted in the business driving more and more technology initiatives, which Kurchina says prevents IT "from installing technology for technology's sake." By building a support network with other leading-edge companies, Kurchina has created a spirit of collaboration and cooperation, virtually increasing the workforce.

"Just like the advertising slogan says, 'Membership has its rewards,'" says Kurchina. "So does being a 'member' of the early adoption club, but only as long as you focus on the paramount benefit: early value for the business." NWM