Building the Business Case for

Supply Chain Technology Implementations

BY Dyci Manns Sfregola

LESSON NO 1 – Readiness Assessment

l Welcome to lesson one, your readiness assessment. So it's very important to make sure that you are preparing properly for a technology implementation. However first things that you should do is to make sure that the team and the organization is actually ready to embark on an implementation journey. No matter how small the implementation or no matter how small you think the implementation might be, there are always going to be different moving pieces for your internal stakeholders as well as your external stakeholders. So, It's no secret. All of the really big important research firms tell us, like Gartner and McKinsey, that the vast majority of these technology implementations fail in the sense that they don't achieve the ROI that they are expected to achieve. And a big part of that is because a lot of teams go directly into scheduling demos with different providers and technology vendors before they do an internal assessment of whether or not these different things are actually prepared and ready. So you'll want to make sure that you have the right team in place and that all of the stakeholders are considered. So you'll want to make sure that you have business subject matter experts, you have your end users that are testing, you have a project manager, and you're also considering all of the change management aspects of whatever implementation you are considering. Also, do you have a maintenance plan? This is a key factor for ensuring your total cost of ownership is calculated. You don't want to get into a situation where you have implemented a technology without considering if it will be owned by the IT organization or the business users themselves. And it could lead you into the trap of paying ongoing consulting fees to have someone else maintain your system. These things will also be discussed in lesson two. The other thing to consider, which is extremely important if you are transitioning from an on premises system to a cloud based system, is security and infrastructure for cybersecurity. These things can be very expensive. So again, considering we'll talk about that in a total cost of ownership lesson, then we will move on. Some things that you want to avoid, and this is why a preparedness and readiness assessment is going to help that you want to avoid excessive escalations, missed project milestones and deadlines, low or no user adoption, multiple change orders, continuous firefighting, and of course, resource burnout. We often overlook resource burnout as a potential when we are considering supply chain technology implementations. And it's very important to consider the people aspect of these technology implementations. So when we're thinking about all of the different roles that we talked about from your end users, your project managers, your business subject matter experts, you want to make sure that you're not giving what these people would consider and what I like to all a day job and a night job. So consider the amount of time that it's going to take for a project manager or a business subject matter expert to work with the software vendors as they're configuring the software and the functionality that your organization needs in order for the implementation to be considered successful. Remember that even if you choose a vendor who as a lot of experience in a certain industry vertical, your organization is always going to be different. While the processes might be similar, even some of the suppliers and external partners might be similar. The people aspect in the culture is always

going to change the outcomes as well as how the implementation is actually executed. So consider that you don't want to have someone working their full time job of getting product from point A to point B and then also trying to spend 15 to 20 hours a week working with the software vendors to teach them what the business processes and nuances are. So how do you actually conduct a readiness assessment? There are a couple of things that you'll want to consider. The first thing are your business processes. Are your business processes standardized, defined and documented? And what do we mean by standardized? It's not like a test to where there is an A-B-C multiple choice answer. But if you ask anyone on the team how something happens, you'll want to make sure that you get the same answer. If you ask five different people, you get the same answer of what all of these different processes are and how the workflow and the data flows actually happen. My favorite framework to use and that we use when we're working with our clients is the psyops framework. Now, the psyops Framework is not traditionally used for business process mapping in the way that we use it, but it's a great framework that can be used to identify the suppliers, the input, the processes, the outputs, and the customers of a particular process. And it's important to understand each of these because you understand who is doing an actual activity before you, as well as who's doing an activity or will consume the output of your process after you. And this means that your team will understand the true EndToEnd process. It's so much more value out and everyone understands what their role is in the process and what they are doing and how that data is going to be consumed downstream or how it is consumed upstream and how it is handled. So using that framework and making sure that you answer each of those questions for every step of the process is going to make it that much easier for the software team to understand how to properly configure the software for your needs. The other thing that you want to consider is do you have all of your stakeholders as well as executive buy-in And what buy-in looks like could be very different for every organization. So there is no cookie cutter straight line answer for what that looks like. But if you don't have buy-in and if you don't have some executive sponsorship, you can find yourself fighting an upstream battle, especially if you're trying to gather the team and make sure that this is an implementation that you're pushing up the ladder versus an initiative that's coming down from the C suite. We'll talk about building the business case and selling that idea within the organization in later lessons of this course. The other thing that you want to consider is, do you have an idea of what your current IT architecture looks like? So if you are going to put in a new software system that has to consume different data points, or if you're replacing a system, you'll want to have documentation of what your IT architecture and infrastructure looks like now versus what it will look like once your software is implemented. And that can be kind of tricky. So you'll have to get different people involved. If you've never done this before, you'll not only want to know what the systems are, but what they do, who their users are, what data sits in these systems, and what this will also allow you to do is to assess your data readiness, because that's another thing that you want to consider. Is your data ready for an implementation? And right now, we're seeing a lot of companies that have to do data projects before they can do software implementation projects. Remember, if you start a project with bad data, the only thing that you're going to do is to do bad things faster. But you're not actually going to achieve the ROI or the improvement that you're expecting if your data isn't ready. But what does it look like to have data that's ready? You want to make sure that the data is clean and that it's organized and that it's decision ready. Did you know that 92% of procurement executives still claim not having quality data to respond to market changes during the post pandemic era? And that's from Wakefield Research. Gartner found that 95% of IT and digital tech projects, if they fail, has something to do with poor data quality. So you want to make sure that you have a single source of truth as you're considering any sort of implementation. You're likely going to have different consumers of the data from these systems, as well as potentially different data points that are going to feed into your new system. Do they all tell the same story? Are all of the suppliers the same? Is it organized? Is the taxonomy the same? But on top of that, can you pull the data in the

same format consistently? That's a big hiccup that we see with a lot of companies. If I ask you for a file with certain columns and certain information, can you pull that file for me in the same way, quickly, every single day at the same time? Or will it take you hours and hours to put these things together. So consider that before you jump into your implementation, you can assess your data readiness on your own. Again, like most things, there are lots of tools right now that a lot of different data analytics companies and research organizations have made free to the public. One of my personal favorites is from the University of Chicago's Center for Data Science and Public Policy. They have a data maturity framework, and you can ask yourself as a team different questions. And what you want to consider is whether or not some of these basics of data are being used to elevate the organization's data from merely existing to actually being analyzable. And when you don't know what the issues are that exist in the data, you want to make sure that you're at least able to recognize them and catalogue these issues so that you can improve them before you start trying to use that data for your software implementation. And you want to make sure that data has a purpose. Once we start to talk about metrics and things like that, are you telling the entire story of the organization, of your entire supply chain, or are you only considering one particular feature that doesn't really tell the entire story as it relates to the value being added, cost, customer service, and other important supply chain factors? So, as a recap, you want to make sure that you can answer all of these questions before you kick off a software implementation project. And always remember, it might take a little bit more time to take care of everything upfront, but it'll save you a lot of headache and a lot of dollars, energy and potentially turnover if you do it the right way. So consider, is the data ready as we've talked about and described in this lesson? Are the business flows and the data flows documented and standardized? Have you identified an internal project team and provided time for them to actually dedicate to the implementation? Do you have a maintenance plan for post implementation? Do you have stakeholder buyin from everyone? Do you have a respected and empowered project sponsor or executive leader? Are there clear goals and success criteria for completion of the project? And have you tied those clear goals to an overarching strategic objective? If you can answer yes to all of these now we're going to teach you how to make sure your business case and ROI analysis is complete so that you can sell your idea for budget approval and get it put on the project road map for implementation. All of which we'll discuss in lesson two.

—————————————————