



Case Study: Harmonisation of Business Processes & Development of an ERP System for One of the World's Leading Building Materials Firms, Using Rapid System™

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The Brief

Harmonisation of Business Processes and development of an ERP System

Our Client, a European division of one of the world's leading Building Materials firm, engaged Torque Management to;

1. Develop an IT strategy for the division
2. As part of the IT Strategy, lead the accelerated development and harmonisation of key operational processes and the implementation of a centralised ERP programme as part of an Enterprise Transformation programme.

The concept of a centralised system was a "first" for the organisation which up to this point had a federated approach to the management of its business and approximately 25 ERP systems in place across the division. The intention was to develop common processes which would then be used to define the requirements of a new ERP system.

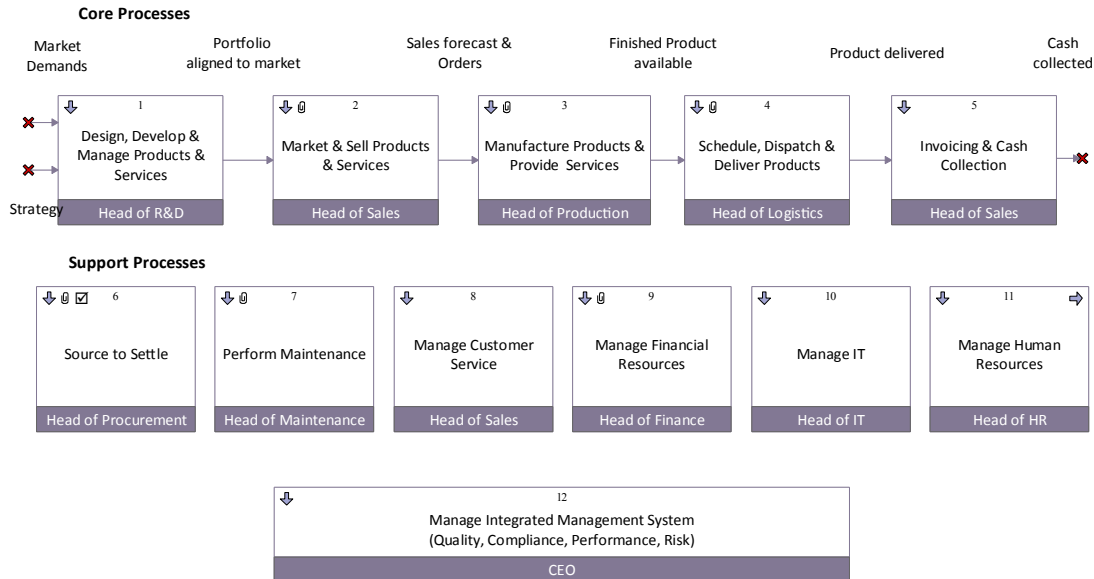
Torque Management used its Rapid System™ to provide an accelerated delivery of the development of an IT strategy and to harmonise key operational processes.

Approach & Method

Phase I - Common Process Architecture

Over a 4 month timeline, with a core team of six Torque Management business process consultants, common business processes were developed (view a typical Business Process architecture below).

Business Process Architecture



Statistics:

A series of 20 workshops were held over a four month period involving 110 persons from seven countries and eight languages. During this time 161 core and support processes were developed, documented and translated into eight languages, together with (per process stream):

- A Stakeholder Analysis
- Process Ownership model
- Process Vision Statements for the “To-Be” state
- Guiding principles / policies
- Process Scorecards for performance management and benchmarking
- High level requirements for the development of a future ERP system.

31,000 “hits” were recorded on the process maps in the BPMS, providing an indicator of the intense collaboration by the wider, geographically dispersed business community.

Torque Management provided and managed the services necessary for the delivery of the harmonised processes. The BPMS was rented and hosted externally.

Harmonised common processes were approved by Financial Directors and Country Management at a major workshop within three weeks of publication of the process architecture and competitive analysis.

This approval marked the completion of phase I of the project.

Phase II - Prototype

The Common Processes maps were enhanced with the addition of the initial ERP Solution footprint to those processes. This activity was completed over a 3 day period in a collaborative forum with ERP functional consultants, the results of which were used as the basis for scoping the Prototype build.

Over 4 weeks, using the common process architecture, a working prototype of the new ERP system was built, providing a basis for the ERP team mobilisation and detailed design workshops.

The prototype was developed to the standards required for the final system, ensuring no redundancy or re-work during the subsequent "build / realisation" phase of the project.

Phase III – Detailed Design / System Blueprint

Over a period of 11 weeks, the detailed design of the ERP System was completed. This rapid development and documentation of the detailed design/System Blueprint was made possible by the pre-existence of the common processes and the system prototype.

In addition to detailed design, a proof of concept of the overlay of SOX controls and the Business Control Framework was undertaken to initiate a work stream to realise the project goal to embed compliance and business controls in the ERP system and thereby reduce the cost of compliance.

Following an intense period of collaboration, validation, and formal voting by each business, the Detailed Design / System Blueprint was approved.

This approval marked the completion of phase III of the project.

Phase IV – Realisation

This phase is on-going and it will be greatly accelerated by the re-use of the common processes for user training and testing, as follows:

Training

Each activity on the process maps is linked to the actual transaction code(s) that will execute it and / or the business requirement id (something requiring additional work e.g. interface), providing the ability for storyboards to be quickly developed and providing interactive links to the application(s) and associated documentation. Storyboards will form the basis for initial and on-going User training. It will also provide a feedback loop for system improvement and system adoption.

On completion of detailed design, an initial 144 role-based "storyboards" were created across 101 resources, providing a major contribution to the early realisation of the training strategy.

Testing

Role-based Storyboards, developed with the primary purpose of training, will form an integral part of the User Acceptance testing when combined with storyboard "Use cases" and other tests.

This approach will:

- Focus test coverage on what is important to the business (risk management)
- Improve test coverage
- Allow users to satisfy themselves that the system is truly "fit for purpose".
- Provide a high(er) degree of confidence for business management in system and business readiness for cutover and live use of the system.

Compliance requirements (Business Control Framework, SOX and system authorisations) will be overlaid on the processes and embedded in the system during realisation, enabling a single point of compliance and compliance reporting.

Phase V – Operational Use

As businesses roll-in to the centralised strategy the business processes will be re-used to:

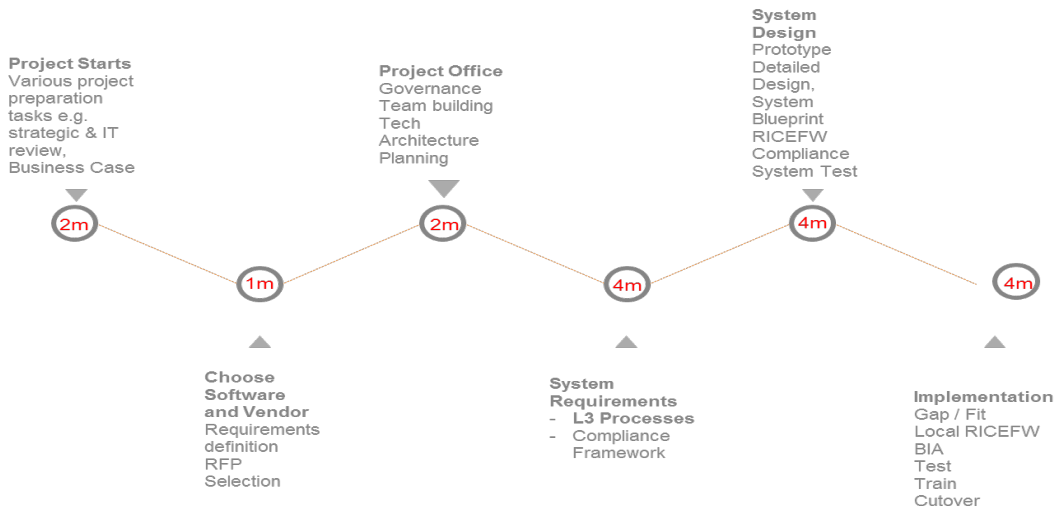
- a. Perform a benchmark against the “To-Be” state to establish the local business case for change and develop the formal the Capital Expenditure Proposal
- b. Perform fit-gap analysis for each new implementation (process and technical)
- c. Record local variation (legislative)
- d. Train Users
- e. Perform process monitoring to ensure process performance targets are achieved
- f. Control and report on compliance
- g. Perform benchmarking to ensure the “To-Be” state is achieved and Benefits realised
- h. Enable wider strategic structural changes e.g. shared services implementations and centralisation of certain activities.

Outcome

Timeline to Value: 17 Months

The adoption of a process-based approach to the ERP system life-cycle provided a significant reduction in the time required to deliver value to the business (and therefore the cost) which is 17 months. This compares favorably with similar implementations that typically deliver in a 3-4 years.

Torque Management offers Rapid System™ as an accelerated, process-led solution for IT and ERP project delivery. Find out more on www.torquemanagement.com.



For more information on how we can help your organisation visit www.torquemanagement.com