

Rob's article - followup-20241001_103520-Meeting Recording

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27m 55s

● **Robert Miller** 0:09

Hey everybody.

Thank you for joining us today.

I'm Rob Miller.

I lead HCL SAP Practice in Europe and Africa.

AF

Welcome to our podcast. We've got a good conversation today focused on identifying and tracking value within SAP transformation programmes.

I'm going to be talking to one of our leading subject matter experts in this field, Andrew Fernandez.

Would you like to introduce yourself, and then we'll get started..

AF

Andrew Fearn 0:52

Hi Rob, thanks for that.

Yes, my name is Andrew Fearn.

I'm with HCL. I specialize in business transformation with a real focus on value management across major transformation programs.

RM

Robert Miller 4:24

So where I thought we'd start is look, you know, when it comes to the sort of benefits and value journey, very often we as HCL kind of intercept it at a certain point.

Because we'll come in more typically post sort of RFP when a transformation program has already been defined.

And clients are typically in a, you know, different places.

At that point, when it comes to their benefits and value journeys, some have fully formed business cases. Sometimes some have an outline of kind of benefits and different categories.

And so the point at which we pick it up.

And start kind of using that as the foundation for what we do in the program is often different, but you know in your experience, Andrew, what what's a good place?

What's a good place for a client to be?

You know, at the point at which when it comes to benefits identification.
Business case and value at the point at which.
a You know a program is formed.

AF Andrew Fearne

Yeah. So I think at the point, you know, the program is formed and it does depend on the reason for forming it. You know, in in fairness.

You know, I think what you would expect to happen is you know that there is a, you know, a high level view of the benefits and that might be a reflection of, you know, particular pain points that have been brought up or it could be, you know.

Some fairly, you know, high level view of what they've been sold and told they they can achieve but.

If it hasn't already been done, you know what you would need to do is really drill down into that to make sure that the, you know the specific.

And they're actionable, and they're and they're measurable because without that, it won't happen.

And the other thing that probably is key.

That you know, before you really start, you know the, you know, the blueprinting in any anger is that you have enough information to inform the you know the the the people doing the blueprint, the architects, you know, what are they designing for? What outcomes should they be looking to?

You know, make sure they do designing in the solution.

Because you know what you what is very hard.

If you is, if you've got, you know, a blueprint that's already completed, and then you've got to retrofit that against, well, OK, well, what can that actually deliver? Against.

You know from a value point of view.

So where you see, you know, oh, we've got X, you know, benefits attached to, you know, value stream Y, you know where has that actually come from. And you know, what are you need to get to the specifics of what is going to change to enable that to happen.

And part of that absolutely will be the enabling technology. But part of that will be process related and part of that will be people related.

So you also need.

Start integrating. You know your business change team into that as well.
I think those would be the starting points that I would have.

RM Robert Miller

Yeah, very often.

You know, when we start to engage on a program, it is very much starting to drill down into the benefits and value related.

To either organizational change in terms of efficient efficiencies.

Or and of course -Process change driven by the enabling technology itself, and very often the rationale is.

You know.

It is to drive because we're talking about SAP ERP primarily is to drive, you know, efficiencies through standardization and harmonization and of course, you know what that means in the new world of S4 is this idea of Lean core.

But how important is it?

You know, just coming back to the foundation for that because very often.

You know this priorities or business challenges or business imperatives that a client is facing that they have to deal with almost irrespective of you know the enabling technology.

And you know, in my experience that's not always as evident as it might be when we're starting a program.

So any thoughts on?

You know how.

At the pre-program stage when these.

When the kind of engagement with the businesses happening, how best of clients you know manage that process where they really identify the business imperatives or the burning platforms or the things that just need to be kind of fixed?

Again, as an input into ultimately the way the program is set up.

AF Andrew Fearne

Yeah, so I think.

I think that's pretty critical because if you if by the time you're getting into, you know that design phase, you're still having the conversation which is you know here is standard and then the, you know the business perspective is OK.

Well, you know, we are trying to align our current process to that.

And all you're doing is, you know you are reinventing what you do today with a different underlying, you know, technology base and there may well be some technology driven efficiencies that fall out the back of that. But there might also be a number of dis-benefits of inefficiencies that arise from.

You know things that have grown over time that just simply aren't replicable going going forward.

So I think the you know the that design team.

You know, needs to be on the page where they have a vision for what that should look like and the value and the reason for that which should be, you know, value based in some form or other, whether that is driving out an efficiency, whether it is. You know, ultimately driving revenue gain because of, you know, smoothing of customer journey or.

You know minimising drop out, so whatever it might be, but I think.

It's having that vision of what the outcome should be.

But then take that design process.

In a you know forward in a way which is designing for the future, not for the past.

RM

Robert Miller

Yeah, it's interesting because there's been a number of cases.

In the last few years, where?

Clients appear to be on the cusp of starting a major transformation program, and we might be in a sort of RFP process. You know, focusing on road maps and plans and etcetera only for the process then to suddenly come to a halt. And quite often I've noticed.

It's because the client there's a moment of realization.

I think the client realizes that that that foundation hasn't necessarily been set.

Not so much in terms of readiness to do a program, but in terms of forming that kind of, if not business, case, that sort of strategic rationale for what the program is actually doing and where the boundary is drawn and what the priorities are. And you know it's very frustrating to us when we're in the process of bidding for something, it's almost, it's almost, I say, almost in business terms.

That's good thing for them, right?

It's better. Better to take the time to step back and make sure that that foundation is there rather than just kind of forward your head.

You know and not have that in place.

AF Andrew Fearne

Yeah. And I you know, if you link that back into you know the kind of customer success.

You know, journey or process that that is what that is trying to establish and then put in you know the mechanisms and measures in place you know throughout to ensure that we're you know we're driving towards, we're still on track to meet that and not diverging from it and you know the you know that alignment.

As you know, you broaden out the people that you get involved.

The weaker that the more diluted that message gets because you know you can, you know, you can be in those kind of conversations and those discussions and people.

In shortest term, don't really know what they're there to do, and you know you do hit that that impasse of, you know, things just being too hard.

And you know, and all the technology doesn't work because of, you know, because of, you know, A, B or C and you have that and we see it all the time. And we're probably guilty of it ourselves.

RM Robert Miller

Yes.

AF Andrew Fearne

But let's just focus on SAP. You know, selling the dream or the vision without.

Any real?

Thinking process to say, well, OK, how will we, you know, use that, what bits of that will be used?

What bits are relevant to us and you know, how will we adapt ourselves to, you know, to doing that and achieving that and making sure you have that, you know alignment initially with you know the senior stakeholders?

And therefore the authority to take that down through the organization, you know, without that.

You know you do end up with and I think our challenge is you know we end up with a delivery and cost construct where you know time and cost end up becoming the parameters which we are being measured against and that does drive you know the program in a certain way and you know that's not.

Entirely down to us. Or, you know anybody else in that situation.

It is.

Just that, you know, we've signed up on cost, you know, go make it happen.

RM Robert Miller

Yeah.

AF Andrew Fearne

And the only bits of it that are defined are, you know, the hard technology type outcomes.

And you know, not the wider.

You know, business and process change that that needs to accompany it, so.

AF Robert Miller

So how have they? So having so having established that as everybody knows the real value is derived from people, process and technology just getting into the journey.

So let's just assume for a moment that foundation has been set and we're getting into the program proper.

So what does that?

What in our experience, what does that?

What does that look and feel like?

In the early stages of a transformation programme, thinking particularly around.

Discovery and design and what would we typically do?

RM Robert Miller

What sort of tools would we deploy?

What sort of approaches do we have to ensure that those those threads of value people, process and technology are actually being identified, captured in a in a way that's possible to track and execute against?

AF Andrew Fearne

Yeah. So I think the first part of that is.

Being able to, you know, have taken that.

That that definition, you know, to sufficient level of detail where there's some sort of tangible things you know in there around what it is that is.

Going to change or how it and how it's going to change. And then I think the second

part and you can talk about.

You know, benefits cards or whatever in that kind of context.

And then the second part is, you know before you jump into the technology itself.

You know, it's trying to establish that, you know, common understanding around the people that will be involved, you know, attached with executing that, you know both from, you know, the SI point of view and from the business point of view because you know what you what you want.

To do is make sure that they've got alignment on where they're trying to go.

You know, we've got clarity on, you know, what constraints there are.

Around that, you know what?

Both business wise and system wise so.

You know we, yes we have.

You know that clean core model we have, you know the, fit to standard.

And everything else that goes around that.

But you know what are the things that are negotiable?

And what aren't? And you know, how do those tie back into the, you know, the the value that's being derived?

And you know, the other thing that.

I think the other thing that helps in that conversation.

Is, you know, more honesty around TCO.

Certainly you know as you're starting that with the more you know senior parts of the of the organization.

And you know, I think they themselves need to have been, you know, honest about the reasons why, you know, they are.

They're looking to do this and what that is going to mean.

Some of those about the terms you know, the real tangible stuff and some of that is around, OK, you know if this is going to mean, you know, efficiencies and whatever else, then you've got to you've got to take the time to get.

The leaders on the same page of that, and I think the 3rd element is.

OK.

Well, who in who?

In the business is going to be, you know, held accountable for doing this because if their accountability is clear early on.

Then you know you can move that argument on from all the reasons why it can't be

done to having them invested in making sure that the technology is enabling it and that the things outside that are being put in place to make it make it happen.

RM **Robert Miller** 20:30

Well, I think you've landed on a very a very critical point there in terms of accountability because having identified, I've identified the benefits and value. And you know, got to the point where you're tracking them in an executable way. The critical thing is that there are people who are, you know, from the business who are accountable for, you know, then making sure that they're realised.

You know whether that means driving the process adoption, the technology adoption.

We are actually making the organizational changes, changes, or indeed the business decisions that need to be made having implemented the technology to derive those benefits.

What I often say, you know, again linking to your earlier point is that even programmes that have done all of that, they kind of set themselves up in the first instance to be a cost and schedule kind of outfit.

And the it seems to me that in the way that the program is actually set up.

It needs a structure that from the outset that is leading on, you know that that thread of accountability to actually deliver the outcomes that you've identified.

So of course a program has to be set up to effectively, you know, deliver through its phases.

But I think it's it.

I think it's an important part of the actual.

Program set up itself to make sure that that that that sort of accountability.

And the associated leadership is is there throughout the program any, any, any thoughts on that?

AF **Andrew Fearne**

I know I agree completely. And a number of reasons for that one.

Without that, the project team generally.

Are not empowered to action against those, so it's out of their span of control, and therefore you know to just say it's the project team means that they won't happen.

So you have to have that accountability there.

I already touched on in terms of making those accountable owners invested in the in

the solution outcome.

RM

And then the other point is you know.

Without having those.

Then how are you measuring success?

You do gravitate towards the things that are. I'm not saying they're easy to deliver, but they're easy to measure in terms of your cost and your delivery.

Because you've got no concrete way of

Either measuring those outcomes or delivering those outcomes in business, because the accountability for delivering the system.

Fairly straightforward, the accountability for the changes that need to happen to realise the value is almost exclusively with, you know, within the business. And if they don't know a that they've got to do it.

Then when it comes after the event, they will come disown it.

They will find all the reasons why the solution doesn't work.

And secondly, actually the solution might not work because that specificity of exactly what needs to be in place.

To enable them to do that.

Is not shared with the people that are designing it and you end up exactly as we said at the start. You know reinventing today and finding that the things that you needed to drive out the value aren't in place.

So the whole kind of governance model around that in terms of, you know having a somebody overall that is singly responsible for delivering the value and then people that can execute against the actions required to do it.

And baking that in.

And this is all stuff that.

And you will, you know, probably recognize from the you know the benefits framework that you know people used to talk about Benefits, Office benefits realization office and those kind of things.

You know, and possibly all, but certainly, baking those into people's, you know, performance measures for you know for the year and the paper talks about 12 weeks and 12 months and six months, 12 months, 24 months exactly that.

So, it's having some substance of that accountability in terms of the things that matter to them. And you know, we all.

And more focused on the things we're being measured against.