

A large, decorative graphic consisting of numerous thin, curved lines that sweep across the page from the left side towards the right, creating a sense of motion and depth.

# Building an ERP Project Work Breakdown Structure - a few common scenarios

One of the keys to success in an ERP project is to have a solid understanding of what activities that needs to be included for a successful outcome. No matter what process you put in place to manage those

# Being with the end in mind

An ERP project influences how work will get done in most parts of your company after introducing your new ERP solution. And typically, we change more than the ERP, we also replace or update business and support systems integrated to it. So, having a clear view of this future state is key.

Imagine the future state 1 month past go-live

Take some time sketching your future business support system landscape as you imagine it today. Try to eliminate the applications that you will not modify, or replace, from that picture. Now you have your go-live scope penciled in. Time for the next step.

Imagine for each new/modified application the following three aspects:

- The user groups and companies affected
- The processes affected
- The data affected

Now that you have written down a high-level list of everything that will change and for whom you are beginning to see the work that must be planned in the WBS. To support your thinking, we are presenting three common cases throughout this paper.

## There is no such thing as a standard ERP project

Your ERP project will be unique, just as your company is uniquely different from other companies. In addition, your project goals are most likely unique in some respects, your employees and products/services as well. And since an ERP is servicing all of this, the work required to put your new ERP in place will be unique. Thankfully, the overall work going into it can be categorized, it is when you get down to the detail level it becomes more unique. So, we will try to provide you with the overall understanding hoping you will then be able to

move onto the details on your own (for support our contact details can be found on [erpandfriends.se](http://erpandfriends.se)).

To guide your understanding, we will use 3 common ERP project goals to distinguish into three WBS.

These are:

- Major upgrade (full version e.g. 2.0 to 3.0)
- New one company ERP fully integrated into digital eco-system of vendors/customers
- New multi-country platform roll-out with “one truth”

Of course, we can make up plenty of other goals but we believe the above are fairly common. Only you know your goals so you will need to adapt your WBS.

## The starting point – a template ERP WBS

For the reader trained in project management methods you will appreciate knowing that we typically tend to divide the work into deliverables. Apart from Project management and Change management which are process oriented. But, very important to grasp here, each deliverable in an ERP contains a large amount of learning why the deliverables are many times seen as part of a process in bringing an organization onto their new ERP.

The level 1 template WBS:

1. Project readiness (becoming “Startklar”)
2. Project management

3. Solution and technical setup
4. Data migration
5. Testing
6. Training and Guidelines
7. Roll-out(s)
8. Change management

We limit ourselves to adapt the template in the examples below to level 1 and 2 of the WBS. We also exclude diving into the level 2 for Project readiness (details to be found in [“Are you about to derail your ERP Project?”](#)) and Project management.

### Adapting the template for the upgrade project

We go through the level 2 structure for each level 1 of the WBS as is most common.

#### 3. Solution and technical setup

This is where you procure and design your solution incl. all connected systems and integrations. You also design and implement your reports and KPIs. Further, the way the system will be setup and the applications will be made available to users is covered here. So, most hours in your project will be spent here spanning all available competencies.

Since this is an upgrade project this section will mostly focus on handling the delta between versions.

- Analyze technical changes and adapt integration landscape incl. APIs
- Analyze and adapt access methods and distribution methods
- Analyze functional changes
- Analyze and adapt hardware (if on premise setup) or contract in case of cloud
- Perform upgrades of all customized code (if all to be kept)
- Develop upgrade scripts and routine
- Establish communication with integrated external partners about upgrade and planning

- Provide test environments to migration and test stream
- Perform production upgrade

#### 4. Data migration

For and upgrade project the data migration scope should be limited.

- Do data field analysis with vendor
- Develop data update scripts to fill needed table
- Perform production upgrade data jobs

#### 5. Testing

This work stream is the most critical in an upgrade project as the vendor have not tested the new version together with your company’s unique configuration, customizations and integrations. So, this a great opportunity to find things before the get to production.

- Regression tests on integrations and customizations
- Upgrade routine tests
- System Acceptance Test on added functionality

#### 6. Training and Guidelines

Since this is a major upgrade a lot of interfaces and process may have changes in them. This means extensive work.

- Train own team by vendor about solution changes
- Analyze and update process descriptions per process
- Analyze and update user guides per process
- Analyze and update company management system
- Devise and execute needed training program per stakeholder group

#### 7. Roll-out

In the upgrade, the roll-out scenario can become quite complex if the solution already today covers a multi-country setup. But this would all be covered in the test process. However, the risk

of a stand-still in the business after the upgrade due to some technical glitch can be quite uncomfortable. So, the process for the upgrade must be tailored to the challenge at hand. Perhaps even split per module if the ERP vendors upgrade process allows it.

- Devise a production upgrade plan that balances the risks of wide spread technical problems post the upgrade.
- Develop a crisis communication plan
- Setup and train the upgrade team and its routines
- Other

## 8. Change management

Based on the findings of all the analysis made about functional changes in process and interfaces this stream may have little or a lot to work with. But relative to a full-on ERP replacement project it is quite limited. Typically, we would at least look for this in a plan.

- Stakeholder impact from gap analysis
- Role changes and role description updates
- Anchoring plan for complex changes
- Communication plan for easy changes

So, with the above items you should be have a good starting point for your own upgrade project.

## Adapting the template for new company ERP in digital eco-system

### 3. Solution and technical setup

In addition to what is stated for the upgrade project you will be starting more from scratch here. We have dedicated an entire paper to discuss what goes into this “Blueprint”, you may find it on our homepage under the Resources heading. So, in short here the Blueprint will contain the following:

- Description for how your project goals will be incorporated in the solution
- Business and finance process designs

- Roles and Authorizations
- Detailed configuration of business logic
- Integration designs
- Report strategy and key KPIs
- Complete application landscape
- Service delivery and access methods
- Master data management and mapping
- Environment management
- Solution change management
- Quality assurance

Further, if you did not include detailed descriptions about the project organization, project responsibilities and way-of-working in your project plan.

When writing this document, you need to keep two very important aspects in mind:

- This document will in its decided final form be the baseline for all your future solution change management.
- The document will be your primary tool in getting business acceptance for your projects proposal.

### 4. Data migration

This area is the most prone to failure for various reasons, we have outlined the success factors in this paper, [Migration - How to do it with quality](#), so we will not repeat all of it here. This area is also a key to success if done right.

- Find and assign true expertize
- Devise a strategy and anchor
- Vendor training of migration team
- Perform x number of test migrations
- Perform x number of data validations

### 5. Testing

Although an ERP software package can be expected to function for standard processes inside the ERP the challenge is everything else. You will configure it for you, you will add customizations inside the standard solution, you will integrate it to other applications, you will put

in place new processes and eliminate old ones, you will develop new reports, implement mobile apps and you will change data structures. This taken together yields a huge number of test scenarios. It is not unusually to see 50 main and sub processes being tested for each functional area in the company. The testing is a great opportunity to find things before the get to production.

- System tests on customizations
- Integration tests on integrations
- System Acceptance Test on end2end processes
- User Acceptance Test on user understanding and user guidelines

## 6. Training and Guidelines

These days you have a choice of creating user guidelines in documents, videos or on-screen guides. Choose your strategy wisely because this area consumes a lot of hours. If you believe you will be changing the system fairly often, go for the option that most easily can be revised. Also think through which areas really need guides and which do not.

- Create user guides for selected areas
- Create process training material
- Devise a training strategy, delivery methods and key roles
- Plan training
- Prepare training system
- Analyze and update company management system
- Devise and execute needed training program per stakeholder group

## 7. Roll-out

If your Steering Committee has accepted the test results and the migration results you are ready for go-live and may start the process.

- Devise a cut-over plan for all affected functions

- Devise a support function, support process and routines that are aligned with the training strategy
- Develop a crisis communication plan
- Setup and train the cut-over team
- Establish team issue management system and communication tools
- Establish communication with external parties (i.e. vendor, customers, banks etc.)

## 9. Change management

Most of the time ERP projects have a few larger changes coming with it but a myriad of small changes. It is usually the amount of changes that creates the complexity as it is difficult to oversee how these changes affects different stakeholders and in what way the communication should be executed for maximum clarity. As changes of your individual job description best is communicated by your direct manager, reaching all of these managers with a clear message is the challenge.

- Stakeholder impact from gap analysis
- Role changes and role description updates
- Analysis of process changes and interfaces between stakeholders
- Revision of company documents as needed
- Anchoring plan for complex changes
- Communication plan for easy changes
- Execution of agreed plans
- Plan for Follow-up routines

So, with the above input you will start to have a complete level 2 WBS for your project. Now comes the stage where you will do your “network analysis” to identify dependencies. And then you will want to put in place some decision gates at points in the project that you consider as key milestones that mark the start end of your project phases. We leave that out here as that is not the topic in this paper.

## Adapting the template for multi-country platform with “one truth”

As with the previous two examples careful analysis of the goals and the challenges unique to this particular scenario is critical. For this example, we instead challenge you to think through what WBS on the level 2 you would include given what you have learnt in the previous two examples.

Some pointers;

- Multi legal settings means the ERP solution needs to be adapted to each country in the roll-out. The same goes for digital eco-systems in each country as well as the own company’s non-ERP solutions to adapt to.
- Companies typically have country finance management in place which means the project team structure will be unique per country.
- Multiple originating systems means data migration needs to be done for each originating system

## Finally

We hope you have gotten a sense of what aspects to cover in your work of structuring your project in the project plan early on. Keep in mind that this WBS is also the key ingredient in designing your project organization as discussed in this article; [Project organization - How align it with your ERP project scope](#).

If you have any questions and need guidance please find our contact details on our homepage at [erpandfriends.se](http://erpandfriends.se).