

Creating an ERP Project Blueprint - what to include

Designing and implementing a new enterprise system is like drawing and building a new house. Not only do you need to describe the appearance but also the construction, assembly methods, how the house is integrated into its environment and how you maintain it over time. The same goes for a system.

An ERP must be fitted to your processes

Your new ERP will not be a standard solution ready to operate from the vendor. Instead it will be like a container of thousands of settings making up billions of possible combinations. This is to allow widely disparate companies to adapt the solution to their business.

How can there be so many combinations?

One area which has a very large amount of configurations is the Chart of Accounts. Most companies have up to 1000 accounts and in many larger systems these accounts has a number of settings, around 20 is not unusual. So there alone you have 20,000 possible settings. Adding to this you also apply accounting templates to allow automatic accounting transactions to take place for example for VAT accounting or activation of prepaid expenses. And you get to chose these combinations for all the settings which means you have billions of possible combinations.

And that goes for the ERP software alone. However, most ERP projects includes a number of connected systems that are made part of the target architecture. So you have settings to do also in those systems. And all this is before you have started adding customizations to the solution in order to fit the solution to your “to-be” process landscape.

The document where you describe all of this is called the “Blueprint” (aka design document). The Blueprint will be your truth, the document describing your companies decided solution.

Summary of what to include in the Blueprint

As can be seen from the list below many more aspects needs to be included than you would first think. We hope you will see the point of having all these described. We attempt to explain the purpose of each of these.

- 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
- Structure of your financial model
- 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

Goal incorporation into solution

ERP Project goals are usually part of the Business Case (BC) so it would be foolish not to describe how you will realize the goals. For example if you would have a goal saying that “Eliminate manual accounting” you will need to make sure you build up a fully functional accounting logic, report structure and transaction process that takes out manual steps of the processes.

NB! The goal above will also require you to have business goals in the BC that places demands on the finance function to structure themselves in new ways and include these type of change activities in the business readiness part of your implementation project but all that is of course common sense.

Business and finance process designs

It is quite common to underestimate the importance of process designs but we claim them to be a key communication tool for a successful implementation. Furthermore, your system will just be a representation of your processes and information so how can you setup a system without describing your processes. It just makes sense to include. And any later changes to processes will need to be reflected in a changed system.

Roles and Authorizations

When you have designed your processes you will split up the activities performed in those processes in different roles. Then you will fit your employees to those roles so that work can get done. A part of this work will be to decide and design what access to certain types of information various stakeholders (ie employees connected to roles) will have. You will even be down to the level of detail where you decide what can be viewed, what will be editable and what will be exportable. This section in the Blueprint is among the most complex you will deal with.

NB! The more intricate and complex you make your roles model the more it will affect system performance. This is due to the fact that the system will need to verify access rights from the

user with detailed transactions. So try to be transparent in your company so you do not slow down the system.

Detailed configuration of business logic

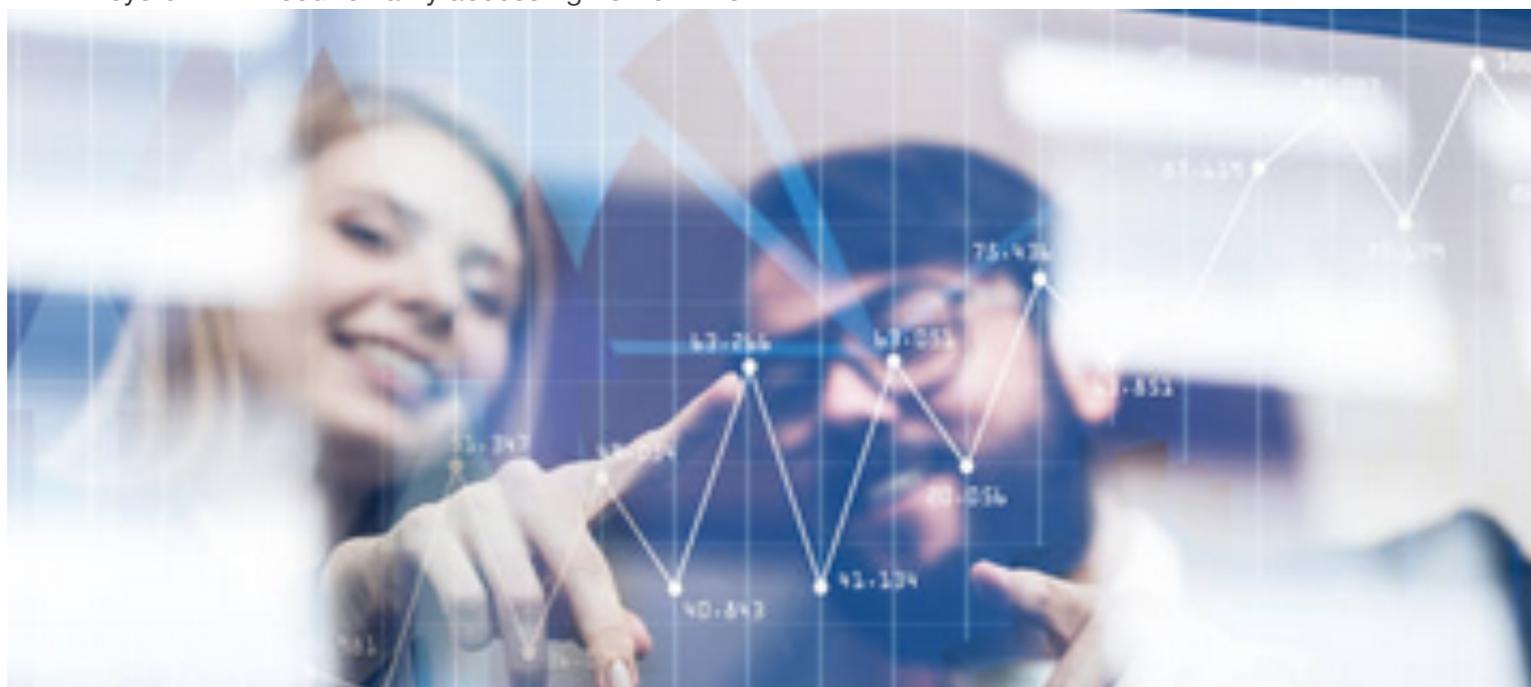
This part of the Blueprint concerns all the adaptations you make of the ERP and connected systems to align it with your processes and financial model etc. You will spend a great deal of time on this as it will take quite some time to fully understand how the choices you make impacts processes, reports and KPIs. To get you through this part it is critical you have a solution architect and business consultants from the vendor to guide you.

Structure of your financial model

One of the key ingredients in your company is the way you account costs and income in your profit centers and cost centers and how you then aggregate it all. And how you split costs from overhead to lower organization units. All of this should be working fairly automatic in your new system unless you do something foolish. One suggestion is that you begin designing your “to-be” income statement on profit center level and work from there. Then you get the vendor to explain how to set it up.

Integration designs

In this day and age companies find it



unacceptable to do “double-entry” which not so long ago was common. By integrating systems by sending information back and forth you may get rid of the administration inefficiency of double-entry and also ensure “one truth” instead of one truth per system. The integration area is intimately related to the section below called Master data management.

Report strategy and key KPIs

The key question to provide the answer to in this section is:

- What do you want stakeholders to focus on?
- What is your core performance metrics?
- In what way do you want to deliver “in your face” information and “on demand” information respectively?

Complete application landscape

You need to develop a target architecture to use as a communication tool in various settings but also as the platform from which other decisions will flow such as where to source various types of master data and in what applications employees will perform certain steps of their processes.

Service delivery, platform and access methods

A Blueprint is as you may suspect about much more than describing the functional perspectives of the application landscape, it is also about how it should be working on a technical level as well. Security and availability are such design choices that will dictate how you will set up the system ultimately. Questions such as up-time, redundancy, logins, security monitoring, performance tuning, on premise/cloud and network latency are described here.

Master data management and mapping

If you have a disjointed application landscape when wanting to move on to a new ERP you will have a lot to gain from preparing your self with a

project where you harmonize master data and set up rules for how to use data in various systems. If you do this properly you will be able to integrate systems and also be able to use one set of reports holding a single source of truth. Which is what almost every CEO and CFO is aiming for with a new ERP.

So in this section you need to describe your data set and the maintenance of it and mapping between various data points. If you do this properly it becomes a high-level specification for database designers and integrators to work from.

Environment management

In reality you will have one (unless you make an odd decision to have two or more) production system and several test systems. During your implementation project you will have at least 4 test systems (development, test, training and migration) and when you are in production your system management team will need a range of test systems for various purposes as part of day to day management.

Solution change management

With all the above sections described you have a full description of the solution. This Blueprint will be your baseline against which you will judge all future change requests. And each change that is approved will become part of your blueprint. To keep track of your full solution at any stage in time we recommend that you store the Blueprint and all approved change request designs together. This will you complete solution description.

Finally

We did not talk about who should approve the Blueprint. Typically it would be top management but we would expect executives to facilitate insights from subject matter experts from various functions in the company.