



*information, powering
new frontiers*

Sasol IM

Why do SAP projects fail and what can you do to change the trend and perception of failure.

Agenda

- Background
- Why are SAP projects the most likely to become the Black Swan projects
- Lessons learnt from SAP transformation journeys – what works, what doesn't
- Questions



Am I qualified to talk about this ?



- Been implementing SAP since the early 1990's
- Have played the ABAP, configurator, integration manager, project manager, programme manager and project director roles over the years
- Have played the consultant as well as the client in SAP implementations
- Have implemented small and large SAP projects, some with a global roll out
- CIO at Sasol and we are in the middle of another big SAP programme
- Headed up the SAP practice for PwC and then IBM for Africa, Middle East and Turkey

So why do SAP Programmes fail ?



In my opinion SAP Programmes have a high likelihood of failing as they are much more than just the run of the mill technology type of implementation – they are more about implementing a new way of working as a company and are transformational and not technological

- PS1 Upgrade
- Very complex, deep scope, customized and critical to the business
- Upgraded over a long weekend !

SAP Programmes that fail are usually the enabling part of a bigger programme – a transformation programme to relook the operating model, the processes of the company, the standardization and cleaning up of all data and finally the revisiting of competencies within the organisation which has a people impact.

Enabling a new Operating Model



from

to

Complexity: fragmented business units and functions

Simplicity: streamlined, consistent management structure

Siloed structure: independent business unit optimisation

One Sasol bottom line: optimising for the benefit of the whole

South Africa-centric: growth as 'add on' to South Africa operations

Global : leverage of scale and scope across geographies, including Southern Africa

Function vs. business tension: disconnected priorities

Function & business partnership: functions and businesses working for One Sasol bottom line

Syndicated accountability: decision making by committee

Single point of accountability: clear decision-makers

Transformation Focus Areas



1

business complexity

- Fragmented operating model, reinforced by silos
- Duplication in structures supporting growth
- Practical implications of Group strategy not clarified for BUs

2

organisational complexity

- Function and BU disconnect over functional service delivery
- Inflated seniority levels, especially in non-production areas
- Lack of decisiveness and syndicated accountability
- Weak performance differentiation and tolerated underperformance
- Weak and inconsistent cost consciousness

3

process complexity

- Sub-optimal activity allocation in supply chain
- Reactive maintenance with low productivity
- Insufficient rigour in the capital project management process

Critical Success Factors - Business Essentials



- Business Led Initiative not an IT led initiative – should be **subset** of a bigger transformation programme
- Senior Business Commitment to change
- Four levers of change working together
 - Process, Organisation, People/Culture and then Technology
- Governance
- Build with the end in mind
- Standardise and Simplify
- Sustainability

Critical Success Factors - Project Team Essentials



- Project Leader/Director – Step in Career Path
- Brightest and Best on Team
 - Business, IT and Partner
- Respected and Empowered project team
- True Partnership Culture
- Motivated and Passionate team
- Defined R&R's and Succession Planning
- Get audit to be part of the team
- Appoint and assign business partners to the project

Critical Success Factors - Project Essentials



- Good Project Management
- Branding
- Proven Tools and Methodologies
- Change Management
 - Communications, Stakeholder management, syndication, process fares, mads, sads and glads etc.
- Early and Effective Data Cleanup
- Scope Management
- Facilities
- Training, Training and then Training
 - Competency Assessments
- Test, Test and then Test again
- Effective Knowledge transfer

Questions

