



Implementation Services

The challenge of Vendor Selection and Management

By
John Brkopac

September 2020

About the Author:

John Brkopac is President of The BluMarble Management Group, a Western Canadian based, trusted provider of Oracle Hyperion EPM services. He has worked in the Enterprise Performance Mgmt space for over 30 years and has held various technical and management positions with the Arbor Software, Hyperion Solutions and Oracle organizations.

John has written multiple whitepapers on Oracle Hyperion related topics, presented at numerous industry conferences, and endorsed and provided a review for the first ever book on Oracle Essbase.

John Brkopac



Over the past 20 years, there has been a proliferation of Enterprise Software Suites in the marketplace with a plethora of consulting services providers lining up to implement the software. Many organizations are finding it difficult to rigorously evaluate, and then contract with the most suitable vendor for their implementation needs in a marketplace where everyone touts themselves as “the premium provider of implementation services”. This whitepaper discusses the reasons for this difficulty and offers suggestions for those currently looking to implement EPM solutions.

The Challenge:

When an organization selects an enterprise software suite as its Enterprise Performance Management (EPM) system, there are many important decisions to be made. One of those key decisions is what consulting organization to engage with in order to best implement the overall solution. There are many types of vendors that will present themselves as both qualified and competent to do the job. From Big 4 advisories, to EPM boutique consultancies. From ERP implementors extending their reach, to individual contractors. Local firms to Global behemoths. Evaluating and selecting which option is best for your organization can be difficult and is fraught with risk. This whitepaper will discuss the challenges of the selection process and the many options to consider prior to making a final decision.

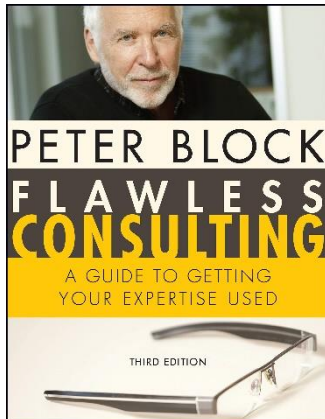


Service Providers: What to consider

Contracting:

Contracting processes can be flawed and unwittingly lead to poor outcomes in implementations.

In his seminal book, “Flawless Consulting”, Peter Block asserts that most consulting engagements that go badly can be traced back to poor contracting.



Organizations tend to look for the lowest cost solution, particularly those making their selection via RFP response. This practice drives vendor behaviour and forces vendors into lowball estimates so they can deliver a competitive response. These estimates assume every best-case scenario in the project plan to reduce billable hours. They minimize the effort required in process improvement, the production of first-class documentation, training programs, mentoring, and change management.

During the evaluation process, vendor firms will tout relevant domain references and experience. It's important to understand who the **KEY resources** are that will be assigned to **your** project, and what relevant domain expertise and experience **they** have. A firm may have deep domain expertise but will not publicly disclose that consultants with that domain expertise have left the firm.

Some vendors will tout their universal methodologies. These are not designed nor suited for EPM projects. Oracle Unified Methodology (Oracle) and Powered (KPMG) are examples of these methodologies. They are presented as an additional way to add value and mitigate project risk yet serve only to bloat the project and add unnecessary cost.

To further manage costs, vendors add inexpensive, offshore resources to their project team. The promise of cost savings rarely materializes as management of remote resources, communication challenges, language barriers, time zone, and especially the lack of personal connection to the project undermines any projected savings.

Once the contract has been secured and the project starts, there is both a contractual and emotional commitment to the selected vendor. As the project progresses, the vendor may eventually disclose that certain services have not been included in the contract or that they need more time to fully implement (now that requirements are fully understood). This is then followed by a stream of change requests (CRs). The CRs will be justified and total cost of the project goes up.

Travel expenses can balloon overall project cost. Understanding where consultants are travelling from (and their role) can help manage these costs. Using a per diem for out of town consultants saves time consuming expense receipt and reimbursement management.

If contracting with a US firm, organizations need to fully understand FX impact. Consultancy hours will be 30-40% more expensive than Canadian companies billing in CAD. US vendors will insist on being paid in USD, exposing Canadian clients to currency risk. US contractors who discount rates to be competitive with Canadian firms will need to shave their labour expense in order to meet profit / margin metrics. This often means junior resources will be more heavily utilized. Why would a US based company discount their best resources on Canadian projects if they can bill them out at full rates to US clients?

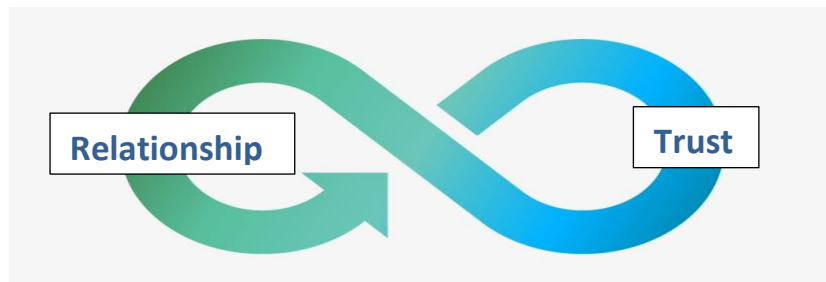
Implementation Team

The success of your implementation is rarely related to the vendor; project success is highly correlated to the solution architect and project team assigned to your project.



During the sales process, it is standard practice for vendors to introduce the "A" team; who wouldn't want their best people representing the firm? Once the project is secured, the vendor then assigns consultants who are "available" to staff the project. This is a significant project risk as it is the consultants, not the firm, who are responsible for implementing the new system.

Ultimately, relationships are the most important thing in getting things done. Developing relationship builds trust, which in turn builds relationship. In the difficult moments of any project, the relationship and trust that has been built amongst the project team will be instrumental in managing through issues. This dynamic CANNOT be underestimated.



In constructing the project team, most vendors will insist on "Partner" involvement. The Partner will typically be billed out at \$500-\$600 per hour. Rarely does this cost bring value to the project, but it does fulfill the needs of the vendor organization to keep their partners billable.

Consultants are often promoted to senior positions because of their ability to deliver a technical solution. Because of this, senior consultants assigned to your project may lack an understanding of your business. Or have poor communication skills. Vet senior resources for their business acumen and ability to communicate.

Consultants assigned to your project can also be shared resources and working other projects. This is a serious project risk. If there are issues with another client's project, it could seriously impact the attention and availability of your project resources. As identified above, building relationship within the project team is a key success factor. Working multiple projects works against this principle. In addition, be aware of the vendor swapping out resources during the project. Ensure that they are limited in this ability contracted.

Be wary of vendors highlighting their consultants' product certifications. Certified Professional designations are technical certifications. They ensure that consultants know the features and functions of the software. Knowing how to successfully implement a business solution is another skill set entirely.

Travelling consultants fly into town tired on Monday afternoon and leave Thursday afternoon. With the current restrictions on travel, it has become more difficult to navigate airports and flight schedules. If consultants are travelling, negotiate on-site hours and/or travel policies.

The Project



The project plan is the roadmap to success. Ensuring that the project plan is sufficiently detailed AND realistic requires experience and expertise. While many organizations assign a professional project manager from their PMO, this Project Manager will rarely have experience with EPM implementations. Working with the vendor architect to prepare the project plan is a must. There can be significant value in engaging a third party to peer review the project plan to ensure completeness and reasonability.

There are “technical” implementations and there are “business” implementations. For the vendor to simply recreate what the client already has and assume that the new technology will provide sufficient value is folly. Implementing a new system is a golden opportunity to review, evaluate and implement process improvements, as well as to take the greatest advantage of the software being implemented. There are too many EPM projects that are weighted toward a technical implementation. They usually fall short of client expectations and do not deliver sufficient ROI.

As businesses processes are reviewed and detailed requirements confirmed, a fatal flaw some vendors make is making assumptions about your processes/requirements. Asking the wrong questions, or worse, not asking any questions at all means that the consultants are going to do for you what they always do for every client. Consultants need to listen, learn, then innovate. They need to use YOUR business terms, not theirs. And they need to sufficiently involve the business at all stages of the project. An IT led project that delivers a technical solution will inevitably disappoint.

As the project proceeds, project progress will be tracked, usually against milestones. Because the PM does not have experience or expertise in EPM implementations, the **"90 percent complete"** syndrome is bound to show up. A significant deliverable is reported as 90% done, and then the next week it is still at 90%. A third week might bump the percentage to 95. Project oversight by a third party can help the client cut through this practice.

Part of this 90% syndrome may be the unwillingness on the vendor's part to deliver bad news. No project is without its issues. Not being transparent with the client is unprofessional. If a project is yellow, it should be flagged as such. If a project is red, it helps no one to know four weeks after the fact. Relationship and trust developed through the project minimize this type of behaviour.

Another way to compromise a project plan is a consultant saying YES to additional client requirements or claiming that additional capabilities can be incorporated without impact to project timing, resources or costs. Consultants are often unwilling to say no to the client. Certainly, there are times when changes need to be made. An experienced architect knows when to push and knows when to let go.

Documentation UAT Training Go-Live



The task that most consultants despise is writing documentation. The delivery of complete, professional documentation is the responsibility of the vendor. Waiting until the project is over and then quickly producing documentation is **UNACCEPTABLE**. Project documentation must be delivered throughout the project as each phase is complete.

If there is one process that cannot be shortened, or worked around, or skimped on, it is User Acceptance Testing (UAT). The new system **MUST** be exercised by the people that are going to use it. They need to get comfortable with it, and most importantly, they must **TRUST** it. How many shadow systems exist in organizations because the enterprise systems are not trusted, or don't do what the users need them to do? If a project plan has not been well managed and there have been slippages in the dates for the deliverables, it is disastrous to cut UAT time in half to "get us back on track" The cost is too high. Better management of the project plan, being "in reality" with how long deliverables will take, and shining a light on issues immediately when they occur are much better strategies

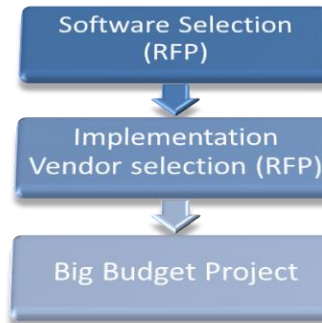
Once UAT is complete, users must be provided with training manuals and user's guides. Critical deliverables in the project, vendors will usually pass off the entire production of these documents to the client. Strictly speaking, the client must drive production of these documents. However, the vendor has templates and expertise in producing these documents and should be involved.

The project plan should include a post GO-LIVE support model. The vendor should include at least two weeks of this support in their proposal. Elements of this support includes hotline support, hands on help and mentoring. Of course, any bug fixes must be handled by the vendor. Client staff identified as system administrators must be receiving on-going training and mentoring through this process as issues will arise that are outliers. Attempting to train administrators at the end of a project is doomed to fail.

For many organizations, self sufficiency is a key goal in implementing the new system. As a mission critical system, you cannot be beholden to the vendor to resolve every issue and administer the system. In some cases, relying on the vendor can be justified. In most cases, it is not.

Alternative Approaches

The typical process for evaluating, selecting, and implementing EPM systems is:



For more and more organizations, this approach is not working.

- **Cost overruns**
- **Missed deadlines**
- **Overpromise**
- **Underdeliver**
- **Disappointment**

KNOWING that things SHOULD have gone better.

There are alternatives

Proof of Concept (POC):

Contracting with a vendor to develop a working proof of concept model that addresses key client requirements can be an effective approach. The POC is developed on-site and client personnel is involved in overseeing the development. This 3-4-week effort will also give the client an opportunity to work with the implementation vendor, get a feel for how they work, and familiarize themselves with vendor personnel.

An implementation vendor first or unified software/implementation approach:

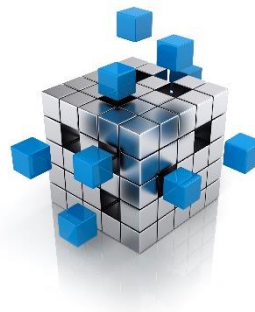
Most enterprise systems evaluations start with software selection first. They focus on feature function versus business value. Competitive knock offs presented by savvy vendor marketing become the differentiators. These features may not have anything to do with solving your business problems. The success of your project depends greatly on the implementation team, so why not evaluate that first? Or evaluate the combination of a software vendor/implementation vendor.

Phased based contracting, delivery and payment:

Consider contracting for each phase of the project separately. Especially system design. Once complete, have a trusted 3rd party, who will NOT be competing for the implementation contract vet the design. And the technical system design document. If the system design phase does not go well, why continue with the same vendor?

Project oversight:

Organizations invest in insurance in many aspects of their business. And they do so to minimize risk. The implementation of an enterprise wide management systems requires a significant investment in time, capital and resources along with the reputations of the project sponsor and the steering committee. Hiring an independent third party with depth of implementation experience as an advisor to the project sponsor can be a wise investment, and insurance policy. Acting as the sponsor's advocate, the advisor vets resources, project plans and progress.



Why BluMarble?

BluMarble has assembled the finest, most experienced Oracle EPM implementation teams in Canada. Our consultants have an average tenure of 10 years with the Oracle / Hyperion product set and have delivered dozens of successful implementations and cloud migrations. Our methodology has been specifically developed for EPM projects and honed over the course of many engagements. Our documentation is first rate and is always included in the project deliverables.

Our contracting is transparent, and we review with you, in detail, all project phases, deliverables and required resources. Adopting a new technology is a perfect time to assess your business processes and see where improvements can be made. Our consultants are skilled communicators and are well equipped to help you with this assessment.

All of our resources live in Canada and we bill them out at Canadian dollar rates. If they need to travel, we have adopted a 2 week travel cycle that keeps them onsite (when required) for the entire week. This maximizes their time at the client site.

We believe that relationships are the most important thing in getting things done. Relationship builds trust, trust builds relationships. It is important that our system architect and implementation team gets to know your project team, builds relationship and builds trust. All projects have tough moments. The better our teams are working together, the better we can work through difficulties and deliver an excellent product.

There are times when clients require short term expertise such as mentoring, administrative training, staff augmentation, and budget cycle support. BluMarble provides these services.

Finally, if you have decided to implement a non-Oracle solution, we are pleased to have one of our senior architects act as an advisor and client advocate.

Interested in hearing more about the range of services available from BluMarble?
Contact us at:

1-604-818-7995 or
John.brkopac@blumarblegroup.com

