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White Paper

Implementation Planning for Baan ERP LN

Presented by
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Your Business Partner for Success

Implementation Planning for Baan ERP LN

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How to Plan for Implementation of Baan ERP LN

When your organization is considering implementing a new ERP application, whether it is Infor's ERP LN (known to some as Baan LN) or any other application, you need to know what to expect and how you can make it a successful project. The same principles apply to any software implementation project.

The intent of this paper is to give you highlights of areas you need to consider. It includes recommendations on how to make this a successful implementation that meets timelines and falls within budget.

At the end of this paper, there is a sample schedule/timeline that integrates the various project elements. When this schedule/timeline is applied to your organization, there will be adjustments to the elements that make up the schedule in order to meet your organization's unique circumstances.

Project Management

One common problem we see is that project management is often viewed as non-value added activity. While it does take time away from other responsibilities of the person assigned project management responsibilities, a well-managed project can save the organization time and money. In the end, it also greatly reduces G&A (grief and aggravation).

Sometimes when a project plan and schedule/timeline are created in the early stages of a project, they collect dust and go unused as the project progresses. Depending on the scope of the project, a professional project manager can help you through the project and in the end reduce costs.

METHODOLOGY

The following methodology includes tools and approaches that have proven successful in the realm of project management. Whether your organization chooses to use all, some or none of these depends on a number of internal issues. These may include human resources, successful prior experience with these tools and methods, timelines and company culture.

Here are some methods that we recommend:

- Define the business goals and objectives that are driving this project and communicate them.

Inform staff members who will be involved in the project about the goals and objectives.

Periodically, throughout the project, send a project status email to the entire company. It minimizes rumors and speculation about what is really happening with the implementation.

- Define the project scope.
- Create a project plan that includes the goals and objectives, as well as the project scope. It should define the expected outcome of this implementation and the processes that will be used to achieve it. This will be your blueprint to help maintain project focus. It will also help you recognize 'creeping elegance'.

Creeping Elegance (CE) is a term used to describe the problem that many companies encounter during such projects. The reasoning many have stated is that "if we're doing 'this thing', we may as well add the 'other thing' I want". Being able to recognize

when CE infects a project and accepting or rejecting the CE elements will affect your project timeline and cost.

- Create a cross-functional project team.
Don't let it be a 'one man show'. Sometimes what starts out as a project team dwindles down to one, or a one-man team may be intentional by design.
- Use a task list and an issues log. Assign responsible parties and due dates; hold people accountable for their tasks.
- Schedule weekly status meetings throughout the life of project. Address the task list and issues log during these meetings or periodically throughout the project. One caution is not to let these tools become rusty as the project progresses.
- Use a phased approach to the project if it helps support internal requirements. It may also be a way to incorporate CE elements without disrupting the initial project plan, schedule and budget.

One common theme is that "we'll put it into Phase II", and Phase II never happens. Therefore, you need to assess which option creates the greater risk.

- Identify and document project risks. Address these risks as needed throughout project.
- Identify gaps and determine how they will be resolved. Some gaps may be accepted as gaps with no planned or immediate resolution.
- Identify the approach for managing costs on the project.

For example, you may want to have your core project team receive formal training; they in turn will train the rest of the organization. Another example involves data migration. If you have internal staff experienced in both the old and new application, then you may want the internal staff to handle the data migration, if their time permits. Otherwise, you may want to look for a data migration solution that already exists.

Time, resources, perception and past experience are key to managing this area.

PLANNING

- Develop a project plan at the beginning of the project and use it as your guide. It's not just for looks!

A project plan is not a timeline of the project. A project plan identifies what will be incorporated into the implementation project.

It defines the scope and expected outcome. These are elements that will improve business processes and practices. They are elements where you can leverage the implementation project as an opportunity to improve business processes, whether it be in Sales, Manufacturing or Finance.

For example, bills of materials and routings need to be completely revamped. It is not a task you want to undertake in your existing application; however, the implementation presents an opportunity for improvement. You need the resources, desire and planning to undertake such a task, and you need to understand how this task will affect the overall implementation timeline and resources.

- Create a project schedule/timeline at the beginning of the project. This may include Start date, Go Live date, Current Business Process Review, New System evaluation, Pilot Testing, Management Review of the new System, Training, Data Migration, Program Modification and Testing, etc.
- Review and adjust the project plan and schedule/timeline with key stakeholders
- Update the project plan and schedule/timeline as needed during the life of the project

BUSINESS PROCESS AND REQUIREMENTS DEFINITION

- Define the business requirements that must be met with this implementation project.
- As needed, add business requirements to your project plan to ensure that the scope of the project includes these items.
- Review and document your current business processes. If you have existing documentation, is it 'stale'?
- Use the functional overview training to document gaps between your existing application and the new application
- Identify the systems and processes you want to change as part of this implementation
- Identify what must be changed as part of this implementation
- As the project progresses and especially as it nears the end, business procedures must be updated to reflect the changes in workflow and processes.

PROJECT TEAM

- Identify human resources that will be allocated to the project. Define the project team's area of involvement, to what level they will be involved and time commitment expectations.
- Include a cross functional group in your core project team
- Include people who understand your business and the organization's strategic objectives
- Utilize the core project team to train business users in their respective departments. This group will become your knowledge base once you go live and the implementation consultants are no longer on-site.

HUMAN RESOURCES

Executive Management

All successful implementations have an executive sponsor. Their level of involvement varies depending upon company culture and the number of decisions that must be pushed to the executive level.

It is important that the management team understand their influence on the successful outcome of the implementation.

Core Project Team

The project team will have responsibility for keeping the project on schedule, dispensing information to the executive team and the user community, and raising the red flag when necessary.

Power Users

There are always business users in an organization who have exceptional skill in the application and/or understand the heart of the organization. During this project, you need to leverage this expertise to lead and inspire others in the organization. They can be a very positive influence on the project.

COST MANAGEMENT

In addition to project costs that are budgeted, areas where costs can increase beyond original estimates include customizations and utilization of outside resources beyond the original scope. Another caution is CE (creeping elegance). Here cost increases may result from increased time required by both internal and external resources to meet newly defined deliverables.

Also, to ensure you know how your actual costs align with budget throughout the project, we recommend you regularly receive invoices from any external resources that are involved in the project. If you are working with third parties that do not bill you directly, you should at minimum request a regular hours accounting.

Review hours for all external resources and make sure you understand how the time is being spent and by whom.

Testing Environment

Create a test server. This will be a valuable tool for as you go through the project. Your I/T staff can become familiar with the new application and new operating system, if applicable.

If new operating systems are involved, this will help I/T become proficient in maintenance and support of the new environment.

Training

Functional Overview Training

Functional overview training is an approach used by many organizations. High-level functional overview training is an approach where the application is presented to the key decision makers. This may be before or after the purchase decision. This enables key decision makers to evaluate the product at a high level, focus on specific areas of concern, and allow the executive group to get their questions answered from an organizational, strategic perspective.

Another use of functional overview training is to deliver training to the project team and/or key managers within the organization. This is normally done early in the project. The purpose is to expose this group of users to the application, present or reconfirm strategic objectives, and begin the gap analysis. This also prepares this group for pilot testing. This group of users will most likely conduct the hands-on training for the end users.

Application Training

Depending upon the approach you choose, in-depth application training may follow. Some organizations choose rather to move directly to pilot testing, with the understanding that training, discovery and testing are concurrent parts of the process.

End-user Training

The final phase of training is end-user hands-on training. This is normally delivered late in the project, just prior to the go-live in the new environment.

Pilot Testing

Before pilot testing begins, each functional area needs to identify the common transactions (scenarios) that flow through their area and the exceptions that cause issues. These scenarios will be used during the pilot test.

Following training of the core project team, pilot testing can begin. The recommended process is to start with basic testing that allows the project team to become familiar with the application. Next they can go through the scenarios and accept or reject functionality. If the testing identifies a deficiency, this needs to be added to the list of gaps and/or issues.

During this phase, it is critical that gaps between the old and new application be identified and documented.

Gap Analysis

Gaps between the old and new application need to be identified and documented. Some gaps may be significant enough to delay or cancel a project. In other cases, you will use the pilot test phase to validate proposed solutions to gaps.

Some items that may be perceived as gaps will be resolved through procedure and process changes.

Rank the gaps and include them in your status meeting periodically to determine if and how they will be resolved. If they will not be resolved, determine the overall impact of that decision.

There may also be some gaps that are accepted as gaps with no planned resolution. Others may fall into a category where a solution will be implemented in a future phase.

Data Migration

Migrating data, whether to Infor's Baan ERP LN or any other ERP application, is usually one of the most time consuming tasks of an implementation project. The approach that is used for migrating data, and the process for validating data, are crucial to the success of the implementation.

If the project team does not understand up-front what approach will be used to migrate the data, they may encounter disruption to the schedule and additional cost.

If you have an internal team that will create the data migration process, they need to be familiar with your current application, as well as ERP LN. If you will use external resources, select an organization that not only knows the data structure of ERP LN but also understands your current application. This will expedite conversion of the data, reduce data migration effort and cost. A third option is to select a data migration tool that has been designed for the application you are migrating from and/or the application you are migrating to.

As each set of data is migrated, such as customers or items, there must be functional testing to validate that the conversion process worked correct. Once all the pieces of the data migration have been developed and tested, there should be multiple comprehensive data migration tests. This is an iterative approach and will help ensure that all the separate pieces flow together harmoniously.

Following the testing performed by the development team, there needs to be user acceptance testing. This testing validates that users can perform their daily and periodic duties as well as special processes and that the right data is getting to the correct tables and fields in ERP LN. Sometimes what seems logical to a developer may not be the best choice from the business user's perspective. This is particularly true if the data migration process is being developed internally.

Data cleansing is one of the most significant, and potentially one of the most time consuming, elements of the data migration. Once you have a solid data migration process and actually start looking at the data and not the process, you must validate the QUALITY of the data.

Data cleansing is an iterative process

For details on what major data elements need to be migrated from your existing application, see Appendix A. In addition to this master data, Baan ERP LN contains a number of unique tables that must be populated to create a fully functional company.

Customizations

Early in the implementation, all customizations that have been made to your existing application need to be identified. Customizations fall in several categories:

- Customization to the application
- Interfaces to your existing application
- Reporting

CUSTOMIZATIONS TO THE APPLICATION

You need to identify whether ERP LN contains standard functionality that will eliminate the need for the customizations or whether a customization needs to be developed in ERP LN.

If the customization must be re-created in ERP LN, you need to identify resources that are qualified to develop and incorporate the customization into the ERP LN environment.

INTERFACES

Identify whether current interfaces need to be created to the ERP LN application. Again, evaluate your resources and timeline to put these interfaces to ERP LN in place.

REPORTING

If your organization has been using its existing application for any length of time, chances are there are many reports have been created that are not currently used. Let each department assist you by identifying which reports they actually use. If you have daily, weekly and monthly report schedules, go through each and identify which ones you need in ERP LN.

Next, see if there are comparable reports in ERP LN. If so, then standard ERP LN reports can replace custom reports from your existing system. If not, then you need to determine how much time will be required to develop custom reports and whether these reports will be internal to ERP LN or external, for example, in Crystal.

For any of the above customizations, you must add the development, testing and validation time to the project schedule.

Implementation Schedule / Timeline

The following implementation timeline example includes many common elements of the project; however, it is not comprehensive task list. For example, if you have customizations that must be redeveloped, this would need to be added to the schedule.

Using a project management tool such as this one, dates and dependencies can be identified and managed from an overall project perspective.

The screenshot shows the Microsoft Project interface with a Gantt chart on the left and a task list on the right. The task list is as follows:

Task ID	Task Name	Duration	Start	Finish	Predecessors
1	MK to ERP LN Implementation	169 days	Mon 10/1/07	Thu 5/22/08	
2	Project Kick-Off	0 days	Mon 10/1/07	Mon 10/1/07	
3	Planning/Assessment, Environment, Installation & Configuration	14 days	Mon 10/1/07	Thu 10/18/07	
13	Data Migration	115 days	Fri 10/19/07	Thu 3/27/08	
14	Install data migration tools	1 day	Fri 10/19/07	Fri 10/19/07	3
15	Configure data migration tools	1 day	Mon 10/22/07	Mon 10/22/07	14
16	Initial Data Migration	7 days	Tue 10/23/07	Wed 10/31/07	15
18	Data Migration and Data Cleansing Cycle	106 days	Thu 11/1/07	Thu 3/27/08	16
19	Run data migration, load data, cleanse data	106 days	Thu 11/1/07	Thu 3/27/08	
20	Functional Overview Training	40 days	Fri 10/19/07	Thu 12/13/07	
22	DEM Training and Workshop	25 days	Fri 12/14/07	Thu 1/17/08	
24	Financial Integration Mapping	43 days	Fri 12/14/07	Tue 2/12/08	
26	Pilot Testing	90 days	Fri 12/14/07	Thu 4/17/08	
27	Pilot Testing #1	25 days	Fri 12/14/07	Thu 1/17/08	
29	Pilot Testing #2	25 days	Fri 1/25/08	Thu 2/28/08	
31	Pilot Testing #3	25 days	Fri 3/14/08	Thu 4/17/08	
33	Training	22 days	Fri 4/18/08	Mon 5/19/08	
35	Go-Live Migration	3 days	Tue 5/20/08	Thu 5/22/08	
39	Go Live Support	5 days	Fri 5/23/08	Thu 5/29/08	38

How to Ensure Failure

By ignoring basic principles of good project management or thinking your organization does not have the time or resources to dedicate to this function, you can help ensure a difficult implementation and, at worst, failure of the implementation project.

Here are some signs to tell you that you are going down the wrong path.

1. Make it a 'one-man' (or woman) show

Whether intentional or unintentional, a one person project team will become a roadblock, things will be missed or 'put on the back burner', and so forth. If you start losing project participants, it's time to reassess roles and responsibilities.

2. Don't hire experts; they're too expensive

Recruiting the services of implementation consultants who are experienced in ERP LN will save your organization time and money. Even though many in your organization may have been involved in past implementations, implementation consultants who are experienced in ERP LN can make the process much smoother and less costly in the long run.

The longer the process takes, the greater the potential for lost revenue or disruption to business.

3. Over estimate the quality of your data

Most organizations think their data is 'clean'. The longer you have been on your existing application, the more likely there is 'dirty data'. But, there is a lot you can do to start cleansing the data before the implementation project even begins that will be of tremendous benefit later on in the project.

4. Under estimate the time required to cleanse data

Double or triple your initial expectations, and make sure you involve the right people. No matter how long the I/T guru has been in their role or how familiar they are with the processes, you need to involve the subject matter experts (SMEs).

5. Create an unrealistic schedule and don't budge

Make sure your target date takes into consideration the effort level to implement ERP LN. Before you set a date, review the project tasks, determine project team participation, evaluate scheduling (vacations, holidays, shut-down periods, etc.).

If it becomes necessary to move the go-live date due to unexpected events, make sure there is some flexibility in the schedule.

6. Expect the project team to work as much as needed to accomplish their regular tasks and the implementation tasks.

Don't expect to do more with your resources than is reasonable.

While it may work for a brief period of time for people to multi-task with the old and new applications, people generally cannot sustain long hours for the number of months the implementation will take without seriously impacting morale. Determine how responsibilities can be temporarily shifted to allow project team members to focus, even if part-time, on the implementation.

7. Do not scenario test or validate all types of transactions you plan to use

While this may seem rather basic, limited scenario testing and/or validation of transactions can lead to unpleasant surprises when you go live.

8. Create a project plan and don't look at it again.

You will use the project plan more in the beginning of the project, but open it use occasionally and make sure nothing is being forgotten.

If you identify any of these issues, it is time to *STOP* and re-evaluate where you are now and where you want/need to go with the project.

Summary

At a very high level, there are only two things you need for a successful implementation project – planning and execution.

The project plan is your blueprint, and project management is the framework to manage execution of the tasks. To begin, you need to identify the essential elements to your implementation project. Then you will know ‘what’ needs to be managed.

The project plan should reflect the objectives and strategic goals of your organization, since this is the key to successfully merging these elements with implementation of an application.

Following this basic foundation, the most critical elements in the project are communication and follow-up.

That being said, managing the project and its components are the most important things the project manager can do for the organization during an implementation. There are many ‘tips and tricks’ to this process, which range from helping people become accountable for their portion of the project to being aware of and determining how to stop scope creep.

Strategic Systems Group, Inc. has developed a number of checklists and guides based on good project management practices and years of experience in performing implementations and data migrations. Many of these tools can be found on our website as <http://www.ssgnet.com> under *Resources* or you may contact us directly at Anything2LN@ssgnet.com or MK2LN@ssgnet.com.

Results and Customer Satisfaction

Strategic Systems Group, Inc. (SSG) prides itself on delivering quality service and products to our clients. SSG offers full service implementation support covering project management, environment and systems consulting, application consulting, training, pilot testing, technical support, custom development and data migration. We will gladly share our expertise and help your project team deliver a successful implementation project.

For details on the implementation methodology or tools for your next implementation, please contact us at the following.

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Appendix A

Strategic Systems Group, Inc. (SSG) Professional Overview

BACKGROUND

Strategic Systems Group, Inc. is a leader in innovative business solutions and one of North America's leading ERP systems consulting firms. The organization was founded in 1989, and since that time, we have developed an outstanding reputation in a wide range of business communities.

SSG has been specializing in Baan IV, Baan V, Baan ERP LN, MK and Manman applications for nearly 20 years, with a current focus on upgrades, implementations, data migration and data management.

SSG is a business partner with Infor, and we are their preferred provider for data migrations of MK and Manman to Baan ERP LN. We are implementation and data migration specialists and have many years experience utilizing these skills to help our clients move to Baan ERP LN as well as other applications.

At **SSG**, we work with our clients to identify the best technology to accomplish their short and long-term technology goals and support them in evaluating and recommending business processes that improve productivity, operational flow and overall organizational efficiencies. Our consulting team works with you to manage and improve day-to-day operations, as well as long-term strategic I/T goals. Being knowledgeable in various ERP applications enables us to help your I/T staff and your senior management identify and implement information technology solutions that will help leverage existing I/S technology and make the best choices for new technology solutions.

Our depth of experience extends beyond the ERP application environment. We have in-depth experience and expertise in hardware, networking and security. We understand how to leverage technology and make it work for our clients.

SSG is currently a preferred business partner of Infor for data migration, implementation, training, consulting and software development. **SSG** works in cooperation with other consulting and software organizations and offers sub-contract services to complement their primary services.

SSG offers your organization 'full service' implementation, which means we can help you with systems, environment, infrastructure and security, as well as data migration, comprehensive application support for pilot testing, training, business process analysis and recommendations, and custom development.

OBJECTIVES

Our primary objective is to help our clients leverage information technology to stay competitive, gain market share and build a strategic advantage. We work with clients to optimize their technology environments and ensure consistent, predictable technology performance.

We pride ourselves in delivering quality information technology projects to our clients by taking advantage of the latest technologies. With our expertise, we can help you leverage your

information assets and deliver improved communications and customer service to your business partners and employees.

AREAS OF EXPERTISE

- Project Management
- Application Implementations and Upgrades
- Data Migration
- EDI Implementation
- System Implementations and Upgrades
- Systems and Application Support
- System Integration and Interfaces
- Systems Administration and Management
- Remote and On-Site Support
- Information System Audits and System Utilization
- Security Audits
- Software Enhancements and Custom Development
- Host System Interface from PC-based or client-server applications
- Graphic Design / User Interface Design / Website Design
- Web-based Business Development
- Business Process Analysis
- Financial Analysis, Reporting and Reconciliations
- Training and Documentation in a wide range of topics including:
 - Finance
 - Sales and Purchase Order Management
 - Warehousing
 - Manufacturing and Operations
 - Shop Floor Control
 - MPS/MRP
 - Financial Analysis, Queries, Reconciliations
 - Software Development Tools

APPLICATIONS / SYSTEMS / TECHNOLOGY

- Baan IV, V
- Baan ERP LN
- MK
- Manman
- Microsoft SQL Server
- Microsoft NT
- Microsoft Axapta
- Microsoft Great Plains
- Microsoft Small Business Financials
- UNIX
- Security
- Oracle database

PRODUCTS

- EDI Interface to ERP systems
- Business Intelligence Reporting and Analysis tools
- Web-based interface to ERP systems

Your Success Equals our Success

Appendix B

Data Migration

Three segments of data must be considered – master data, transactional data and historical data.

MASTER DATA

Most of the master data will come from your existing application; however, the new ERP application most likely has additional master tables and fields that will need to be populated to create a fully functional company.

Master data includes the following:

- Items/Parts
- Customers
- Vendors
- BOMs
- Routings
- Warehouses

Referential data, such as:

- Area (used by Sales side)
- Number series
- Statistical groups

TRANSACTION DATA

This group of data includes the following:

- Open Accounts Receivable
- Open Accounts Payable
- Open Purchase Orders
- Open Work/Production Orders
- Inventory, Lots

There are several approaches on managing the open orders. Depending on the volume of data and other internal factors, you may choose to handle these transactions in one of the following ways.

Accounts Receivable

1. Migrate open receivables to the new ERP application, **or**
2. Receive payments in existing system and post adjusting entries in the new ERP application

Accounts Payable

1. Migrate open payables to the new ERP application, **or**
2. Process open payables in existing system. Hold checks until normal mailing time. Do not enter new vendor invoices in existing system if they will not be paid from that system.

Sales / Production / Purchase Orders

1. Migrate open orders to the new ERP application, **or**
2. Run a report of open orders. Manually enter the orders into the new ERP application.

HISTORICAL DATA

Historical data can be dealt with in several different ways.

1. Migrate part of the historical data based on transaction date
2. Keep all of the historical data in your existing application
3. Create a data mart; export all historical data to the data mart and turn off the old application

The benefits to the last approach greatly outweigh the other options. You do not need to keep your existing application up and running to access historical data. This eliminates the requirement to maintain the system and be concerned about user access to the data.

OTHER CONSIDERATIONS

1. Use the training and testing phases of the project to determine the gaps between the old and new applications; identify and validate proposed solutions
2. Implementation of a new ERP application is often the time organizations choose to make changes that have been under consideration for a while or changes where everyone has been waiting for the 'right time'. Now is the time to evaluate your options.
3. The best way to get a head start on configuring your new production company, which results in a more efficient go-live conversion, is to set up a master company in parallel with the test environment(s). Some of the ways you can use this master company are:
 - As decisions are made on how you want 'new' data set-up, populate the master company
 - Export the configuration from this master company into pilot test companies
 - Validate and test assumptions on the way this master company is configured
 - Import the configuration of the master company into your new production company after you have completed the validation and as part of your go-live data migration

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