

CPM Expert Series<sup>12</sup>  
CPM Delivery: Rise to the  
challenge.

*A rinedata white paper  
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## CPM DELIVERY: RISE TO THE CHALLENGE

### Why CPM?

One of the first questions you as an organisation need to ask yourself is: why do you feel that you need a Corporate Performance Management (CPM) solution?

Admittedly, CPM has been identified as the next big thing in terms of the enhancement of organisational performance, though, opinion alone is never a good rationale for commencing a CPM project.

So the question remains: why do you feel that you need a CPM solution?

### CPM - a definition

To answer this question satisfactorily, you need to understand the definition of CPM; what it is, what it does, and what it can deliver to your organisation. In simple terms, CPM is all about the efficient and effective management of business processes. It can be driven by a strategic approach - a top-down perspective - or by initiatives that have been identified at the operational level. Whichever approach you take, the purpose will be exactly the same; trying to make business processes better - just as Total Quality Management (TQM) and Business Process Reengineering (BPR) attempted to do in their heyday!

### Focus on processes and people.

The key to understanding the capabilities of CPM is to focus on the processes and the people involved. A common process many organisations seek to improve as part of a CPM initiative is the monthly management reporting process. It is imperative that organisations step outside this process and see it for precisely what it is. Such an objective approach creates an unbiased view of how the process operates - plus it allows for a review of improvement opportunities before designing the improved process. Purists would argue that the project team should adhere to best practice guidelines when reviewing processes, although in reality, organisations should define the process as: what would be best for them and the people running the process?

### Follow clear steps

Does focusing on one single process, such as monthly management reporting, constitute a CPM initiative? In our opinion, CPM is as simple or complex as you want to make, though there is no merit in trying to solve all process issues at the first attempt. A far better approach is to undertake a series of concise steps:

- Start with a relatively easy process
- Complete the CPM initiative
- Learn from your mistakes
- Move on to the next project armed with more knowledge than you started with

### Choosing a methodology for implementation

So what methodology should an organisation adopt when implementing a CPM solution? Rinedata recommend adopting a spiral methodology, a process employed in many CPM programs. This methodology does not assume that the client knows exactly what they want at the outset, especially if they haven't had exposure wide range of technology available with CPM solutions. Instead, our initial focus is on delivering the process improvements for the project phase in question, using as little or as much of the available functionality as required. Once the project phase is complete, the project team is able to iteratively develop and embellish the application, thus introducing more advanced functionality.

### Deploying advanced functionality

Using experience gained during the application development phase, users are in a much better position to deploy advanced functionality to their business needs. They can also identify how the new functionality could be used to improve other processes - and thus the scope of the CPM initiative could change to reflect an evolving user base. And whilst the normal application development methodology still applies, a spiral methodology allows for far better

knowledge transfer; it relies on the user to take the project forward, providing that the user is equipped to utilise the functionality available.

### Avoiding project failure - securing success

It's a harsh fact that CPM projects commonly fail. So how does this happen? And what can be done to avoid the pitfalls?

#### I. Scope limitations

The temptation is to scope a project of such magnitude that covers every process that requires improvement. If this method is adopted, the organisation is likely to remain in the analysis phase for the entire project duration.

Traditionally, the project scope includes a specification for each phase of development, accompanied by a Requirements Document specifying precise requirements for each phase. A better approach is to focus on the main objectives and simplify the scope to include the key process you seek to improve, such as monthly management reporting. Instead of defining requirements for every conceivable future phase, it's easier to focus on the core process and the functionality required to deliver process improvement.

#### II. The Team

Choose a project team with a balance of technical skill and business knowledge. Usually, a CPM project team will comprise external and internal resources, though it is clear from numerous projects that the internal element is essential for the success of the CPM deployment. The internal team should be available for the entire project, and be involved during each stage of the development lifecycle. If possible, they should be relieved of normal operational duties, with alternative resources available to replace them during the project lifecycle.

The project team needs:

- i) A strong sponsor who understands the business problem and has the authority to call upon various resources when required. The sponsor must be especially good at quashing politics and empire-building tactics, whilst maintaining

an atmosphere conducive to collaborative effort and development.

ii) A good solution architect, often a highly seasoned senior technocrat who takes responsibility in designing and defining the solution, as well as developing or overseeing application development. The solution architect should also work closely with the technical architecture team to ensure delivery of a stable technical environment for the application, with consistent interfaces across the user base.

### III. Flexible Methodologies

Allow your project team the flexibility to go from requirements to development, then back to requirements, if the need arises.

One method we have adopted involved running through several iterations of the development lifecycle on a particular task (cash flow development). This method ensured that the project team validated newly developed functionality - and each iteration unearthed additional requirements which were missed during the business requirements phase.

### IV. Testing

Many projects fail simply because the project team have not allocated enough time for testing, and invariably plan for testing at the end of the project. Testing is always compromised, especially during a time frame when the core functionality has not been developed within the time allocated.

Using the iterative process highlighted above, the project team can run tests during the earlier phases of the project - in fact, there's no reason why each aspect of development cannot be tested during the application development phase, using the iterative process of i) define, ii) develop, iii) review, iv) test for each development task. In a more conventional development environment, it is essential that testing is not compromised if development overruns. Testing is as critical as implementation and it is better to push out the delivery date rather than truncate the testing time available.

### Key factors of deployment

In conclusion, it appears that a number of key factors should be considered when deploying a CPM solution:

- Define an implementation strategy matching individual needs, rather than the converse situation in which an organisation tries to mould itself around an unsuitable methodology
- Secure organisational CPM buy-in, via :
  - A tried and tested methodology
  - Internal constraints
  - Sympathy to the inherent culture
- Be pragmatic; there is no gain to be made by going for the 'big bang' approach. A consecutive series of quick wins will gain far more organisational confidence in the chosen solution than a protracted implementation cycle.
- Don't underestimate the importance of the 'softer' elements of an implementation - regular communiques and other non-technical sessions can contribute to a successful implementation and will create a willingness to embrace the system
- Use a partner with solid CPM references - and, importantly, has wider skills than simply knowledge of your chosen solution. An experienced partner has probably dealt with your organisational issues on numerous occasions, is likely to be sensitive to your culture and familiar with your existing systems. When interviewing solution partners, it is important to quiz them on their ancillary skills. How well did they integrate into the project team? How did they go about understanding the client processes? In essence, your solution partner should be a business partner and not simply a short-term product specialist.

### Our implementation strategy - allowing for a robust methodology

Rinedata's implementation strategy allows for a robust and risk-free scalable methodology that is still flexible in scope and approach. We also acknowledge the need to be pragmatic, since each project constitutes a balancing act between

time, budget, quality, risk and project team resources. Furthermore, we recognise that successful implementations are always a joint venture - enabling us to maintain our collaborative consulting approach and deliver Quality in Partnership. This philosophy ensures that you have project input and visibility throughout its duration; it also facilitates the generation of a sustainable long-term value solution.

### A finely tuned implementation methodology

Rinedata's best practice implementation methodology has been finely tuned over thirteen successful years of deploying projects of different sizes and complexities for a large and diverse CPM client base. Our breadth of experience and broad expertise allows for a clear understanding of an initial implementation's scope; this reliably sets expectations and enables efficient progression through all the many challenging stages of implementation.

*"We went to the market to see who was available and interviewed a number of potential partners. It was very difficult to find anyone that combined the appropriate amount of implementation experience with good business sense and a flexible approach. That's really where Rinedata stood out. They were a head and shoulders above everyone else that we evaluated. Their business knowledge was excellent and their breadth of experience meant we felt very comfortable partnering with them."*

Huw Williams  
Commercial Finance  
Edwards Limited



Quality through Partnership

Rinedata specialise in the selection, development and support of corporate performance management solutions. For over ten years Rinedata has delivered successful CPM solutions to numerous blue chip organisations across a wide range of industries. Our portfolio of experience encompasses SAP BPC, Infor PM, Oracle Hyperion, IBM Cognos and a selection of independent vendor solutions including Tagetik CPM and KCI Control.

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