SUPPLY CHAIN TECHNOLOGY:

7 SECRETS TO INSTANT VALUE WITH CLOUD ERP & CRM

HEADSTART

SIKICH

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> When our original implementation partner for Microsoft Dynamics 365 Finance and Supply Chain Management was unable to help us successfully complete our project, we contacted Sikich because of their ERP Rescue and Recovery offering. During that evaluation process, Sikich demonstrated a sound knowledge of our business (including configure-to-order and engineer-to-order solutions). They proposed using their **HEADSTART** program, supplemented by the work we had already done with our previous technology partner. Very soon, the Sikich team was ready to demonstrate ERP functionality for our business. Leaders from across our company were impressed that the preconfigured solution provided with **HEADSTART** did a better job of meeting our business requirements in just weeks than the previous partner had been able to deliver after more than a year.
>
> ***I wholeheartedly recommend considering Sikich as an implementation partner. The tools they bring to the table can be game-changing.***
>
> – ALEX INGRAM, IT DIRECTOR
> HAMILTON COMPANY

Today, companies simply cannot afford to wait that long to realize the value of their investment. The urgency presented by changing market conditions means that being too late to adapt can be catastrophic.

DEPLOYING MODULAR SOFTWARE SYSTEMS IN THE CLOUD ERA

Modern business applications require a modern approach to delivery. Not only have applications matured in recent years, the expectations of the businesses implementing them have also evolved.

Today, we think of enterprise resource planning (ERP) systems as business applications or platforms. These systems incorporate not only the functionality that enables business transactions and processes, but they also connect with the newest technologies. Options such as cloud connectivity to data lakes, which extends traditional analytical reporting to artificial intelligence and machine learning, are part of what organizations look for when they want to maximize the value of their back-office systems. When data is business-critical, a company's ability to take advantage of digital feedback loops is key to justifying investments in technology.

Another current development is a move away from monolithic applications that have to be implemented all at once. Instead, software implementers decouple major workflows so that it becomes possible to refresh aging legacy systems individually. This trend accommodates the rapid change in today's business environments and the need for software systems to keep pace.

In the past, business applications like ERP could take years to deploy, disrupting team productivity and business operations. Their scope and deep functionality presented such a complex set of processes that it was nearly impossible to deliver the outcomes desired without turning on all capabilities. ERP systems might then last 10 to 15 years or more, their complexity escalating with add-ons, modifications, and ancillary systems, often supported by large numbers of Excel spreadsheets or disconnected databases. The costs of maintaining these legacy installations quickly ballooned. Companies also spent money to deploy new apps to address needs that ERP upgrades might have met. Over time, integrations become more difficult. Specialized or disparate systems and workarounds fostered shadow IT.

THE NEED TO DELIVER DISRUPTION-PROOF TECHNOLOGY QUICKLY

Today, companies can no longer afford to wait that long to realize the value of their investment. The urgency presented by changing market conditions means that being too late to adapt can be catastrophic. They also cannot justify investing in a system that might work perfectly today but which cannot adapt to future requirements, or one that makes it easy to enter data but won't allow strategic data analysis to drive decision-making. In a recent paper, industry analysts at Gartner noted that the 2020 pandemic highlighted the fragility of many corporate systems. Designed to be ultra-efficient, many systems and processes in companies have become brittle. When disruption occurs, brittle systems tend to break.

While leading vendors of business applications have looked for ways to deliver products that address customers' ever-changing needs, system integrators like Sikich quickly adapted to ensure that their clients could realize the promise of this new way of thinking about business applications.

A SIMPLE APPROACH TO DEPLOYING MODERN ERP & CRM

To streamline business application deployments and shorten clients' time-to-benefit, Sikich has combined its industry and technology expertise with the new vision of modular, agile solutions in a comprehensive deployment approach called **HEADSTART**. The following principles guided the development of **HEADSTART**:

- Projects that are based on agile principles and are adapted to work with pre-built software applications can reduce the risk and cost of deployments. The old way of implementing packaged software, based on a waterfall approach to project management, takes too long and does not consistently result in successful projects.
- Starting implementation projects from a blank slate, beginning with lengthy requirements discovery and documentation, is a well-intended process that nonetheless cannot guarantee the best possible project outcomes. Such efforts result in too much focus on past practices and not nearly enough attention to how the business should operate in the future.
- Implementation partners and system integrators must increase the speed at which they deploy systems so that clients can realize value faster. At the same time, technology partners and their clients have to expand project scopes to incorporate data analytics and insight solutions as part of the initial deliverable.
- Clients rightly expect that the quality of the delivery services they receive should reflect their partner's cumulative, vertical expertise and will not vary greatly with the experience of the individuals on their project team. Every client deserves the vendor's A team, every time. Clients' project success should not be at risk because a trusted vendor includes junior professionals in the team.

WHAT IS HEADSTART?

HEADSTART is the Sikich approach to accelerating the delivery of high-value industry business solutions.

METHODOLOGY

PRECONFIGURED SYSTEM

DOCUMENTED BUSINESS PROCESSES

INDUSTRY POWERPACK

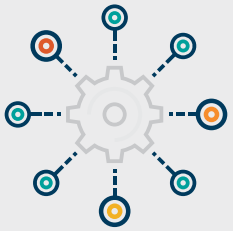
CORE ISV INTEGRATIONS

BUSINESS INTELLIGENCE

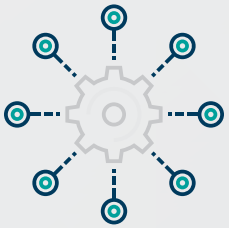
HEADSTART

A NEARLY PERFECT SOLUTION CAN BE THE BEST

Sikich has many years of experience in implementing business applications. We find that new clients typically share one of two opposing points of view that one could summarize as follows:



"Our business is unique, and we rely on a lot of 'secret sauce' in the way we work. It is doubtful that a one-size-fits-all business application will meet our needs. Given that how we have done things in the past got us to where we are today, why should we change how we run the business?"



"We are not unique nor special. Many other companies do exactly what we do. We should be able to use standard software exactly how it is designed. We trust that software will work as we need it to, and we will not require any customizations or add-on applications."

How does Sikich respond to these perspectives? Both have their shortcomings, although the second one is closer to the truth for many companies.

We understand that each client business has its individual conditions that we need to bear in mind. However, when you commit to certain industries like we do, you realize that you can address close to 90 percent of all business requirements for a given industry segment with a single set of configurations, ISV products, lightweight extensions, and minor process changes in clients' businesses. One other thing: whenever clients have an unrealistic expectation for a 100 percent software fit, they may risk incurring significant, avoidable, and unjustifiable costs and delays.

> "Let's create a vision of the almost perfect solution with few gaps that can keep pace as clients needs change."
>
> – DEBBIE ALTHAM
> SENIOR DIRECTOR, SIKICH

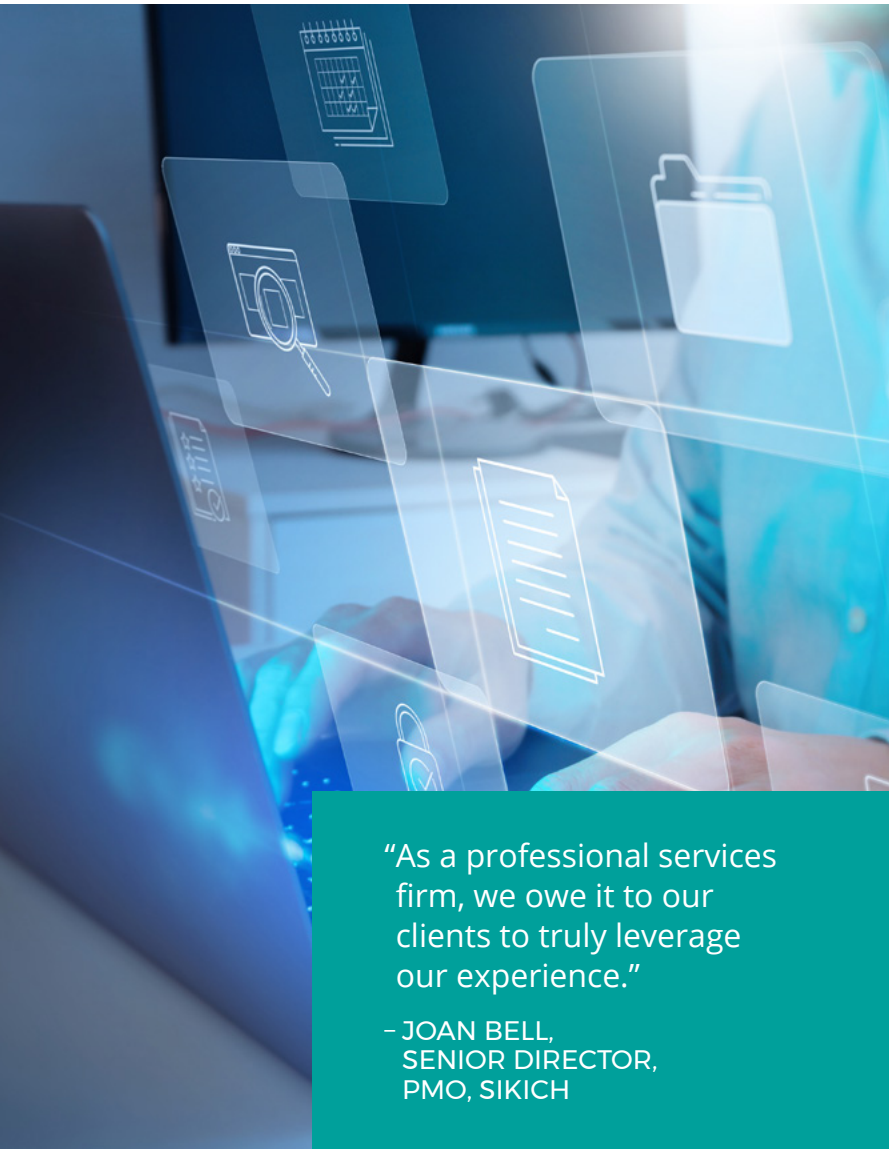
In creating **HEADSTART**, Sikich has invested thousands of hours to create a working model of Microsoft Dynamics 365 that can, without significant adjustments, provide a high degree of fit to most equipment manufacturers, distributors, and other companies that want to move from a legacy system to modern technology. We are committed to building on our investment and continually review and improve the **HEADSTART** model. We start most projects by deploying **HEADSTART**, because doing so reduces implementation efforts and costs, accelerates project completion, and delivers software functionality to users as quickly as possible.

Theoretically, once data migration, testing, and training are complete, the preconfigured system could already support live operation. However, deployments involve more than applications and data. Because they have an impact on how people do their jobs, we also need a process for allowing individuals and teams to validate the design, learn the application, apply it to their work, accommodate exceptions, and gaining competency in its use. Getting this right is a key aspect of successful project delivery and requires time and planning.

"Strive for continuous improvement, instead of perfection."[1]

– KIM COLLINS,
SPRINTING WORLD CHAMPION

[1]Referenced at https://www.quotetab.com/quotes/by-kim-collins and in many other resources



"As a professional services firm, we owe it to our clients to truly leverage our experience."

– JOAN BELL, SENIOR DIRECTOR, PMO, SIKICH

THE EXPERIENCE DIFFERENCE

Coding by developers and configuration by the implementation team determine how an ERP or CRM system handles business processes. When it comes to configuration, Sikich implementation teams reflect their understanding of clients' needs and how they can optimize the application for them.

Many solution integrators still approach each implementation as a unique activity, and deliver projects from scratch by implementation teams that have been gathered based on the scope of the project and who is available. As a result, there can be a wide variety in how implementers configure an application for different clients—even businesses that are very much alike—because this approach is vulnerable to gaps in individual consultants' experience and skill.

In developing **HEADSTART**, we gave our most experienced practitioners free rein to create a proven, powerful benchmark configuration for each of our industry verticals. We then built a digital feedback loop to ensure that we would continuously improve this benchmark as Microsoft releases new features and our consultants encounter new client scenarios and use cases. Today, Sikich **HEADSTART** implementations start with this configuration. Our clients benefit from getting a working system and can be confident that their solution was configured by talented, creative people who know industry and technology. They can focus on meaningful activities and capabilities, rather than processes that do not add value nor create a competitive advantage.

DRIVING FOR THE RIGHT OUTCOMES

Project participants are not in the best position to articulate their requirements if they don't understand what a new system can help a company accomplish or how it works. They typically rely on their

knowledge of their existing technology. It may also be difficult for them to make a distinction between *why* they perform certain tasks and *how* they perform them. This is often the case when legacy software enforces certain ways of working. In the past, most projects began with an intensive study of business requirements that involved copious amounts of interviews and documentation. Participants shared their experience and often felt that the consultants' acknowledgement that they understood the process was also a confirmation that this was what they would get in the new system.

However, following such detailed discovery sessions, close to 80 percent of the system configurations performed by consulting experts were identical across projects within the same industry. It made next to no difference how a company operated or what was communicated during in-depth interviews. In the consultants' minds, on the other hand, the main value of these interviews was to establish project scope and identify capabilities gaps early.

Starting with the greatest impact

Sikich focuses client discovery on understanding the high-level impacts of a project and its desired outcomes, not the processes themselves. By delivering an industry-specific, preconfigured system as a technology foundation, we avoid the effort and change management issues that are typically associated with traditional, all-in-one approaches.

We help client stakeholders understand that the working system they see early on is just a starting point. They learn how we advance from "generic" to "good enough" functionality and on to "works for me." This process of refinement occurs as they evolve the preconfigured system through collaborative pilot workshops to land on a solution that is an excellent fit for them. Often, people are more ready to embrace change when they play an active role in driving it. When client stakeholders participate in system configurations, they deeply care about the reasons why these should happen in addition to how to adjust them.

CREATING VALUE FROM EXPERT CHANGE AND PROJECT MANAGEMENT

The Sikich **HEADSTART** methodology assumes a standard system configuration and outlines a process for justifying changes to it. Our consultants are rigorous about making a business case for any system changes, which could be implemented through extensions that modify the software or through enhancements by means of Microsoft Power Apps or independent software vendor (ISV) innovations. They always ask clients, "Why does the standard configuration not work for you?" This approach helps project stakeholders maintain control of project scope, schedule, and budgets.

In general, certain conditions need to be in place so organizations can realize value from their technology investments. ERP systems need to:

DELIVER BETTER CUSTOMER EXPERIENCES

HELP WORKERS BE MORE PRODUCTIVE, ACHIEVING MORE WITH LESS EFFORT

CONTRIBUTE TO REDUCING COSTS, ERRORS, AND RISKS

OFFER OPPORTUNITIES FOR INCREASING REVENUE BY ENABLING NEW BUSINESS MODELS OR MAKING IT POSSIBLE TO ACCESS NEW MARKETS AND GROW MARKET SHARE

HELP COMPANIES ADAPT FASTER TO MARKETPLACE CHANGES AND COMPETITIVE PRESSURES

ALLOW EXECUTIVES AND OTHER ROLES TO MAKE BETTER DECISIONS, FASTER

The discipline of business application deployment requires engagement at a high level of detail. When Sikich consultants review the standard business processes with client resources, they are often able to demonstrate ways the application can be used to improve client's business practices. This is where strong project messaging and disciplined project leadership are essential.

Easing change management with project messaging

Part of overall change management, project messaging is critical for everyone who will be impacted by system changes. People need to understand that, in order for the implementation project and themselves in their roles to be successful, they will have to change how they do their jobs. When you develop project messaging and test it in communications, you need to find the right balance between desirable outcomes that can be of value for the company and individual contributors. Sometimes it can help to set expectations and prepare a project if there is less messaging that implies that people's jobs may become significantly easier or faster, but more regarding that the company sees the system implementation as a strategic step and how valuable employee participation will be in pulling it off.

Project leadership should focus on standards and business value

At a minimum, resolute project leadership is about learning when to say yes or no to requests for changing the software standard. Ideally, project leaders should be able to insist on a value-based business case for any changes to the standard system. They should also follow a standardized process for evaluating and justifying such changes. Some important considerations in this context:

- Often, businesspeople make their most valuable suggestions for system changes after they have used the software for some time and they are more familiar with the new way of working. You need a way to gather and benefit from their experience.
- A system roadmap should help prioritize the timing of enhancements. Consultants and stakeholders should feel free to respond to change requests by asking, "Can it wait?" As an alternative to the often heard, unsatisfying statement, "This is for the second phase," we recommend that our clients set up a team for driving continuous improvements. This team can regularly evaluate and sponsor ideas for enhancing the system.
- Sikich also suggest that clients include in their project budget unallocated funds that can be used for justified changes to the standard system. We usually recommend 15 percent of the total estimated project cost as sufficient for covering unanticipated requirements that pop up while a project is underway.

HEADSTART ENGAGEMENT OUTLINE

INITIATION	EXECUTION		OPERATION
STEP 1: INITIATE	**STEP 2:** DEPLOY	**STEP 3:** REFINE	**STEP 4:** OPERATE
• Business Goals • Planning & Phasing • Scope and High Level Estimage • **FIRST Statement of Work: Step 2 DEPLOY**	• Project Team Training • Application Setup • Pre-config Load • Data Upload & Validation • Solution Workshops • Guided Conference Room Pilot on Prototype • Fit / Gap • Final Scope • **SECOND Statement of Work: Step 3 Refine**	• Design Workshop / Gaps • Develop & Test / Gaps • Iteration 2+ • Solution Validation • Live Deployment • Post Live Support • **THIRD Statement of Work: Step 4 Operation**	• System Health Monitoring • Next Phase Development • Continuous Update Cycle • Solution Optimization

HOW THE HEADSTART METHODOLOGY WORKS

The Sikich **HEADSTART** methodology is simple. It's designed so that our clients can achieve a successful project of clearly defined scope, generating a high value in the shortest time possible.

Our partnership begins before we sign a statement of work (SOW). Before you, the client, decide to sign an SOW, we will jointly define and agree to a high-level scope for the project along with a basic estimate of services to complete delivery.

The ensuing project execution comprises two steps. First, we deploy the preconfigured application and the full suite of **HEADSTART** management and system maintenance tools. We populate the application with a comprehensive set of sample data and facilitate workshops to prepare and execute a virtual conference room pilot (CRP). A CRP involves hands-on, guided training and testing that allow team members to explore in-scope business processes in the configured system, working with data they know. This first iteration of the application is as much a training session as a testing activity. Once the CRP is complete, the project team

identifies any perceived gaps between the business process outcomes they need to achieve and what the system offers.

Consultants and client stakeholders review the resulting gap/fit report. The team determines which business processes could be changed to fit the software, what alternatives could help achieve the desired results, and if it is necessary to develop a business case to justify any desired system modifications or the introduction of third party products. Following this step, we refine project estimates to reflect the agreed scope of work as we complete the deployment.

In the refine step, we address functional gaps in the way we and our clients agreed, which could involve re-engineered business processes, alternate processes, ISV solutions, or system modifications. We perform CRPs to close all gaps. Once the project team signs off, the system can go into production. This method prioritizes strategic enhancements, puts them into practice, and builds on them by means of continuous testing.

As these iterations progress, the team also works on data migrations and prepares for live operation by scheduling final user acceptance testing (UAT), performance load tests, and end user training.

"With 10 years of experience in Microsoft Dynamics 365 and AX, I've never seen a solution that offers such an incredible combination of process improvements, functionality, extensibility, and use of the Power Platform together with a proven implementation methodology. **HEADSTART** results in faster deployments and better project collaboration, and allows employees to focus more on value-adding activities."

– JEREMY CENTNER,
DYNAMICS 365 ENTERPRISE PRESALES ARCHITECT, SIKICH

NO NEED TO STOP YOUR JOURNEY

Traditionally, at the end of lengthy deployments stakeholders and their organizations hoped never to have to go through a similar effort. They wanted to be able to focus on reaping the value of their investments and labor. Even many of the capabilities anticipated for a second project phase were often set aside because of fatigue or a lack of funding. As a result, many organizations never achieved their goals for implementing solutions like ERP, even if the project happened 15 to 20 years ago. Wary of the risks of schedule and budget overruns or process disruption, some companies never upgrade the system after the initial deployment. Very few Sikich clients have taken advantage of every available software upgrade. Many delay until they have a backlog of years of upgrades. While it's generally understood that this is not a great idea, many still feel that it's best to avoid upgrades.

With today's software-as-a-service (SaaS) applications, you are on a journey that does not need to have an end point. This is also a much better fit for thriving businesses—nobody builds a company with the intent of closing it at a certain time, never growing, or operating forever in the same way. However, for business applications the concept is still relatively new.

If your company is on an ongoing journey with cloud technology, the software can always be current. Ongoing innovation and enhancements by the developer means that you should expect to deploy an update roughly every six months. Updates can be significant, requiring processes, extensions, and integrations to be re-tested and validated. When organizations today plan their business application deployments, they also need to create the accountabilities and processes to keep the system fully current.

With Sikich **HEADSTART**, we make it easier for companies to keep their systems current with as little manual work and maintenance effort as possible. As part of **HEADSTART**, we deliver the tools and training necessary to keep the software fully up-to-date.

> "With these new SaaS applications, you invest in a journey, not a destination."
>
> – DEBBIE ALTHAM, SENIOR DIRECTOR, SIKICH

RIDING THE WAVE OF CONTINUOUS SOFTWARE IMPROVEMENT

According to Gartner[1], major system changes took place roughly every three to five years when companies ran their business software on-premises. However, when these systems run as a cloud-based software service, change is constant. Companies can take advantage of this endless software evolution to become ever more valuable, competitive, and accomplished.

[1]See Smarter with Gartner article at https://www.gartner.com/smarterwithgartner/top-10-technologies-driving-the-digital-workplace

From real-life tasks to software capabilities

Microsoft ships a regression suite automation tool (RSAT) with Dynamics 365, thereby greatly reducing the time and cost of UAT. UAT is typically required before you apply Microsoft application updates or custom code and configurations to a production environment. RSAT lets functional power users record business tasks by using the Task Recorder and then converts the recordings into automated tests without having to write code.

Out of the box, however, Dynamics 365 does not come with a complete set of robust task recordings. Some recordings are shipped with the demo data, but a majority of our clients had reported that they were not good enough for use in production. Therefore, Sikich has created task recordings for the thousands of processes at work in the businesses of our clients. These task recordings, updated every time an update is published, are part of **HEADSTART**.

SIKICH HAS SUCCESSFULLY DECREASED THE TIME NEEDED FOR UPDATE TESTING **FROM AS MUCH AS FOUR WEEKS TO JUST EIGHT HOURS.**

Without an obvious, consistent starting point, many clients in the past neglected technical process documentation. Using our library of task recordings, we expedite testing, so clients can deploy the next update and benefit from new features faster. We have successfully decreased the time needed for update testing from as much as four weeks to just eight hours. It's an enormous benefit for Sikich clients to be able to rely on the **HEADSTART** task recordings. They support training, accelerate implementation, and establish a model for creating documentation and thorough testing scripts.

CONCLUSION

When companies decide to deploy a modern, cloud ERP or CRM solution like Microsoft Dynamics 365, they want to reap the transformational benefits of the technology as soon as possible. At the same time, they hope to avoid the disruption, budget and schedule overruns, risk, and uncertainty of poorly planned deployment projects. To streamline Dynamics 365 deployments and ensure the right outcomes, Sikich has developed the **HEADSTART** approach. We use **HEADSTART** in nearly every project to our clients' benefit, and continue refining the methodology as Dynamics 365 evolves along with organizations and industries. No matter if you're a business leader looking to modernize your technology or a Professional Advisor helping clients find the best partner' advising companies, **HEADSTART** could give you a critical edge.

TAKING THE NEXT STEP

If you're interested in exploring what your **HEADSTART** deployment of Microsoft Dynamics 365 might look like, here are some great jumping off points:

- Contact the Sikich consulting team
- See how other companies benefited from **HEADSTART**
- Find out about Sikich ERP services
- Understand how Sikich helps you manage change
- Share feedback and ideas that could help us improve **HEADSTART** and our Dynamics 365 deployment practice

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ABOUT SIKICH

Sikich is a leading professional-services firm that is among the top 1 percent of all enterprise resource planning solution partners in the world and ranks as one of the United States' Top 30 CPA Firms. Sikich is also ranked as number 9 in the country's top 100 technology providers. To every project, Sikich ERP and CRM experts contribute more than 30 years of team experience and an outstanding track record with a success rate of 97 percent. Sikich partners with the industry leaders, including Microsoft, NetSuite, and SonicWALL. Sikich is a Microsoft Dynamics Inner Circle Partner focused on delivering technology solutions for tangible business improvement and organizational excellence.

To learn more about Sikich, go to **www.sikich.com/technology**
or contact **info@sikich.com**