ACTIVE QUALITY MANAGEMENT

RECOGNIZING ORGANIZATIONS THAT MAKE THE EXTRAORDINARY LOOK ORDINARY

THE UNDERLYING PRINCIPLES

SAP Quality Awards 2011

THE BEST-RUN BUSINESSES RUN SAP™

THE 10 PRINCIPLES OF QUALITY

1. Understand the business objectives as well as the technical requirements
   Throughout a project many design implementation decisions have to be made. All involved parties must fully understand the business objectives and technical requirements to help ensure that the proposed solution will meet the specific needs of the business it will support. The business case for the investment should also be clear to everyone involved.

2. Agree on what can be delivered, in what time frame, and how timely delivery can be ensured
   The timetable, along with the deliverables and their respective acceptance criteria, must be agreed upon and signed off by all parties. This will ensure that the implementation is delivered on time and with expected quality and scope. The implications of a proposed solution and any changes along the way must be communicated formally to guide decisions about the project scope (and changes to this) and to set a realistic and desirable timetable.

3. Work cooperatively with all stakeholders to achieve project or program objectives
   Everyone working on the project must be focused on achieving the project's objectives and must maintain open and transparent communications when working with subcontractors, business partners, competitors, and stakeholders in the organization(s) involved in and impacted by the implementation.

4. Agree on project roles and responsibilities from the outset
   Roles and responsibilities must be defined in the initial engagement phase to ensure that everyone involved in the project clearly understands who is responsible for the various elements of the project. A full governance structure, systems supporting practical processes, and formal reporting and escalation mechanisms help ensure success.

5. Ensure that the right people with the correct level of authority, skills, and experience are available for the project
   As part of a continuous training and development program, regular reviews of the implementation team's skills and competencies should be conducted to ensure they continue to satisfactorily meet the demands of the project. Ongoing assessments must be made throughout the implementation to determine if the right level of authority exists in the team to make the necessary decisions in a timely manner. Similarly, assessments of the project team members' commitment and time allocation must be carried out regularly and acted on if not adequate. If the right resources cannot be made available immediately, resource issues should be discussed and addressed through subcontracting or specific training.

6. Manage all projects professionally using a formal methodology
   Before implementation begins, the assigned project or program managers must agree on the methodology they will use to guide how they will work together. The ASAP methodology from SAP (or an equivalent proven implementation methodology), together with tools such as the SAP® Solution Manager application management solution and backed up by industry-recognized project management training and certification, helps ensure that an implementation is managed professionally and efficiently.

7. Identify and manage risks jointly
   Careful identification, analysis, and management of risks are key to the success of all implementations. The implementation project should follow a formal risk management process, involve all relevant parties – the organization(s) involved in and impacted by the implementation as well as implementation partner(s) – throughout the implementation phases, and be supported by an effective governance policy. All parties must be prepared to acknowledge risk honestly; be committed to recommending pragmatic, rigorous actions to mitigate risk; and be ready to help in implementing those recommendations.

8. Always develop and execute a quality plan
   Everyone involved must work according to the same quality plan and adopt clear measures that reflect the organization's quality standards, methodology, and industry best practices. A formal quality management system provides a neutral forum for evaluating the new software solution and the deliverables against agreed-on standards and helps ensure that lessons learned can be leveraged in later stages of the implementation and in regional roll-outs as well as in new implementation projects.

9. Ensure that the project team understands where standard SAP software functionality and industry-specific best practices will best suit its needs
   The flexibility and variety of configuration possibilities of SAP software enable many seemingly unique business requirements to be satisfied without major modifications. This means that a more sustainable solution can be delivered at lower risk and at lower total cost of ownership in the long term. All parties must be committed to demonstrating the advantages offered by the standard SAP software.

10. Ensure sufficient staff training and help to manage the impact of change
    Training for the project team and end users is key to a successful implementation. Advice must be provided on what training is required and how it can be optimally carried out to ensure that users are ready, willing, and capable of embracing new ways of working. The impact that change will have on employees, partners, and management systems must be discussed, and appropriate help must be offered to help ensure that the new solution and new processes it supports are successful.

KEY AREAS OF SUCCESS

Implementation success is the sum of success in eight areas.

Transformation Success

1. Architecture/IT strategy
   Is the business strategy aligned with the application landscape and system architecture?

2. Program/project management
   Have plans for implementation, work (including data cleansing), resources, and budget been set up?

3. Functional/integration readiness
   Was the functional test successful? Were end-to-end processes and data quality successfully tested?

4. Organizational change management
   Are key users integrated into the project team? Was the user acceptance test successful? Are the end users well prepared and ready? Has data quality been validated?

5. Support readiness
   Is the operation of the solution optimized (costs and quality)? Is the support organization prepared for software changes and upgrades? Is the help desk ready to assist end users?

Technical Success

6. Solution feasibility
   Are business process objectives being met by the new solution? Is the delivery schedule aligned with the project plan?

7. Technical readiness
   Are project milestones feasible and aligned to the cutover plan? Has an operation strategy been worked out for the time period before and after going live? Has the technical integration of core business processes, the solution landscape, and critical interfaces been performed?

8. Operational readiness
   Is the backup and recovery strategy finalized? Has the technical robustness of the production environment been ascertained (optimized performance, availability, and consistency of core business processes)?

IN SEARCH OF EXCELLENCE

Making the extraordinary look ordinary and delivering software solutions that bring significant benefits to the business do not just happen. It takes careful planning and execution that can be measured against established criteria for excellence.

From the experience of tens of thousands of organizations that have successfully implemented SAP solutions, we developed a set of quality principles and identified key areas of success. It has been confirmed that these are fundamental for achieving excellent results.

A commitment to quality underpins everything we do at SAP. It is a core value of our organization. The focus on quality principles in implementations is aimed to help us work with our partners and customers to achieve success through effective cooperation among all stakeholders.

SAP Quality Awards celebrate customers who use SAP's quality principles to effectively manage software implementations that meet or exceed the organization's business process requirements and, in the end, deliver significant business value. These criteria are used as a gauge in the selection of SAP Quality Awards winners by our panel of experts, who include industry experts, primary figures in academia, leading SAP partners, SAP experts, and previous SAP Quality Award winners.

The principles of quality provide customers, partners, and SAP with an effective framework that leads to success.

SAP ACTIVE QUALITY MANAGEMENT

Achieving extraordinary results isn't a matter of luck. It demands superior planning and a commitment to following the 10 principles of quality and achieving excellence within the 8 key areas of success. These principles and areas of success are set out in this booklet.

To find out more about the 2011 SAP Quality Awards, visit www.sap.com/qualityawards2011.

SAP Quality Awards recognizing excellence in SAP software implementations

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