IS603 IT Project and Vendor Management

AN ERP STORY: Part A and B

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# INTRODUCTION

Our report analyzes the case “An ERP Story”. Firstly, we introduce basic characteristics of the specific IT project and identify its challenges. Secondly, we conduct the analysis of how to evaluate an appropriate product manager for the project. Finally, we will recommend a suitable project leader among three candidates and justify it.

# BACKGROUND

Aux Bons Soins (ABS), a Canadian general insurance company, had been offered a full range of general insurance products for individuals residing in Quebec since 1950. Three years ago, ABS acquired the insurance company General Maritime Protection which served Eastern Canada. Last year, ABS acquired Western General Insurance in Calgary to enter Western Canada market. These three companies operate independently but management at ABS decides to merge three individual companies to ABS Canada these days and makes an aggressive strategy for sales growth.

Jean Roberge, the newly appointed vice president of Information Technologies Management, has developed a strategic IT plan to prepare for the development of ABS Canada. The project named Integrated Management System and Process Project has been approved by the management level. The project plans to acquire COTS software packages that include modules for finance and accounting, human resources, and sales. The vanilla implementation strategy is adopted to minimize changes to the software packages and standardize the processes of the new ABS entity.

# PROBLEM AND ISSUE STATEMENT

As the project is the first big IT project for ABS Canada, the main characteristics and challenges of the project need to be identified. Mr. Roberge does not have enough effort to manage such a big project, so he wants to evaluate candidates and select an appropriate project manager to lead the project.

# ANALYSIS OF THE PROJECT

Main characteristics of the project:

* Name: Integrated Management System and Processes project (IMSP project)
* Unique purpose: to lay the foundation for future sales growth
* Project constraints:
  + time: 24 months
  + cost: $50 million
* Strategy: to acquire ABC software packages with vanilla implementation
* Phase delivery:
  + Finance, accounting and auditing module (12 months)
  + Human resource module (18 months)
  + Sales and distribution module (24 months)
* Expected outcome:
  + For the new information system:
    - The applications have identical functionalities for all ABS components, enable data exchange and can be maintained and managed simply.
    - The data are consistent and accessible in real time.
    - The interfaces are similar for all applications, which facilitates employee mobility.
  + For the business processes:
    - Harmonization of accounting and financial processes
      * standardized end-of-period processing;
      * accelerated processing cycles by eliminating duplication and manual verification;
      * consolidation of the three companies into one in accordance with provincial and Canadian regulatory requirements;
      * reports for tactical and strategic financial management rather than purely operational.
    - Harmonization of human resources management processes:
      * redefining the human resources management approach of the new ABS entity;
      * adding activities such as skill management, skill development and mobility;
      * improving process efficiency.
    - Harmonization of sales and marketing processes:
      * creating an integrated marketing vision for the new ABS entity;
      * improving process efficiency by increased use of Web potential.
  + to reduce 10% of operating costs at the end of second year following implementation of the new system.

Following are the challenges that ABS Canada may face in the project:

1. Technical complexity:
   1. IT function at ABS Canada changes from the development of applications to the flexible and rapid delivery of technological software solutions. The shift requires specialized skills and knowledge that may not be available within the organization. It is important to augment staff with the necessary expertise or hire new employees to fill the skill gaps.
2. Integrity challenge:
   1. The technological renewal includes a systematic review of various disparate, and even obsolete processes and finds reasonable processes that are suitable for three business units.
   2. Initiate an effective and well-targeted training plan to allow employees to understand the new system and resume their productivity.
3. Communication challenge:
   1. The official language of Quebec is French and other administrative regions in Canada is English. As ABS Canada plans to do business throughout Canada and North America in future, the software package must be designed to support both languages to facilitate communication and training.
   2. As this is the first big IT project at ABS Canada, it is important to establish clear communication channels and align work processes to ensure effective collaboration among team members.
4. Resource limited challenge:
   1. Finish the project with the set budget and schedule.
5. Talent limited challenge:
   1. Find a proper project manager to lead the project in time.
6. Other risks:
   1. As the project aims to group original IT functions for lower cost and better management, it may lead to redundancy for some employees, which could affect morale and productivity within the company.

# CANDIDATE EVALUATION ANALYSIS AND RECOMMENDATION

We would like to assess the candidates based on following aspects:

**If he/she has an IT related academy background and professional knowledge.** As this is an IT project with diversity and quantity of information available in respective system and not just development of application, but also a rapid delivery technological software solution, as well as a simple less redundant IT function consisting various functions, thus a good master of profession knowledge is fundamental in understanding and control the project. Additionally, as the software package is outsourced from other company, the project manager needs to become familiar with global and procurement issues.

**If he/she has strong cognitive ability**: business and industrial knowledge and practice Is needed. As this project targeted at both business practices and skills, the candidates had better know the business model, business pain point, targeted market and customer. If the project manager is new to this area at all, it is hard to meet the goal of project — creating an information system aimed at expanding business in an insurance company by improving efficiency and reporting for tactical strategic financial management rather than purely operational messages.

**If he/she has strong leadership, especially strong judgement within limited resources available.** In this project the time and cost are limited: managers need to complete within 24 months and $50 million dollars with different stage and sub goal. Besides the function of the system is limited also, it is important for managers to balance changing and preserving, in other words knowing clearly what to keep and what to give up.

**If he/she has emotional intelligence & empathy: can the candidate stand in users’ shoes**? As Mr. Roberge mentioned above, the IT system would be readable & get users quickly learnt so that most of the staff are willing to learn and the process of application of this system would be accelerated. It is necessary for ideal pm to know how to think from others’ view and applied to his/her previous work.

**If he/she has control of integrity.** In this case, the function itself needs alignment: enable data exchanged through 3 original systems; similar for all applications, enable application facilitated employee mobility. It is important for managers to make sure the cross-department transferring is consistent and accessible in real time.

**If he/she has the ability of communication/numerical & verbal reasoning / Following instructions ability/Attention to detail ability**. The ability to quickly and logically deduce reasons behind the scenes is needed. c mentioned the ideal pm should follow up & provide tech support in time, which is connected to the **ability of communication / numerical & verbal reasoning.**

**Our recommendation among three candidates**

Mr. B would be recommended as the most suitable candidate for the project leader.

Jean Roberge has described the strengths and competencies an ideal candidate would need to possess in order to succeed in the role. The ideal candidate should:

1. Possess extensive technical knowledge to lead a homogeneous team of IT specialist
2. Exercise firm authority to quickly resolve conflict between parties involved in the project
3. Familiar with ABC software package suite and configurations

Additionally, it’s preferable if the candidate has experience in relevant business sector, and managing large complex projects.

Based on the summary table (see appendix 1), Mr A. and Mr. B are more technical both academically and workwise.

Mr. B has a very good reputation and receives the respect of peers. This is likely to enable him to assume firm authority among technical team members. Mr. B is also very familiar with ABC software suites from Business process, Tool details, Integration, to Implementation. Mr. B also worked in the insurance industry. This is an add-on advantage to ensure the success of user experience and regulatory compliance.

Overall, we recommend Mr. B to be the project leader.

# APPENDIX

Appendix 1: Summary table based on three candidates CV.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Area | Mr. A | Mr. B | Ms. C |
| 1. | Technical Skills | Bachelor Business computing | Master in IT management Science  Bachelor in computer science | Bachelor in Administrative sciences, accounting option |
| 2 | Character and reputation | Experience in training user for new software. The client has been very satisfied with his services. | Rooted in respect for objective, effective management of client relation and teamwork.  Brought success to all of the projects he has led, the appreciation of his clients and the respect of his peers. | Diverse background with professional achievement |
| 3 | Familiarity with ABC SW package | ABC certifications:  ABC Implementation  ABC Certification CC  ABC Start  ABC Academy (Boston)  ABC Canada (Montreal) | Wide range of ABC certification & experience:  ABC Implementation  ABC – Tools in Detail  ABC Business Integration Seminar (Certified)  ERP Integrated systems: ABC, Cincom | Limited ABC certification:  ABCFAST, Montreal |
| 4 | Business sector | Media  Aerospace  Government services | Food distribution  Financial Services  Pulp and paper  Government  Electricity and insurance | Procurement  Accounting  Distribution  Inventory management  municipalities  telecommunications |