

CCM . Board presentation .
Blueprint Design Review.
SAP BTS Audit Value proposition

Executive Dashboard .
Functional Design Review

Enabling Chemical Company Malaysia to become a
Best-Run Business on SAP

OUR COMMITMENT

In delivering your trust, we in CCM conduct ourselves from a common culture shaped by strong values, innovation, leadership and integrity. To strengthen this social partnership, we look beyond your needs as an aspiration to carry our responsibility and providing support for you, community and the environment.



28th Feb , 2011

CCM , Headquarters, Kuala Lumpur . Malaysia

Industry . Chemical

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Author .

UJJAL CHAKRABORTY

PRINCIPAL

SAP BUSINESS CONSULTING

INDIA SUB-CONTINENT. BANGALORE



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- ☐ **Preface/Background**
- ☐ Areas of Blueprint review
- ☐ Risk matrix
- ☐ The Overall results of blueprint finding
- ☐ Project finding
- ☐ Financial Accounting and Controlling track
- ☐ Sales and Distribution track
- ☐ Production Planning track
- ☐ Quality management track
- ☐ Material Management track
- ☐ Next step



Background



The QA Functional Review Report presents the results of the review conducted from 21st February 2011 till 25th February 2011 for the Business Blueprint phase for the CCM project.

This Functional Review Service is delivered by an independent team of SAP Consultants to validate the solution at Check point 1: Business Blueprint Phase.

The Team Members includes :

Consultants	SAP Office
1. Chinn Jaruchotdamrong Chinn	SAP Australia
2. Chakraborty Ujjal	SAP APJ Regional
3. Marc Kuiper	SAP Netherlands
4. Romi Singh	SAP India

The findings and recommendations of the report are limited to the information provided to SAP, during on site interviews of key project stakeholders and project documents submission.

Agenda



- ❑ Preface/Background
- ❑ **Areas of Blueprint review**
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Areas of Blueprint Review



- A. Business Organization Structure review
- B. Business Blueprint Process (BPML/BPP) Review
- C. Issue Logs Plan review
- D. Enhancement and Developments (WRICEF) Plan review
- E. Security and Authorization Plan review
- F. Data Migration Plan review
- G. Change Management review
- H. Knowledge transfer and Training plan review
- I. Module Blueprint Activity Plan review
- J. Critical Success factors – KPI, PPI, Business driver

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Risk Matrix Ratings








Probability of Adverse Outcome	Near Certainty	Moderate	High	High	Critical	Critical
	Very Likely	Minor	Moderate	High	High	Critical
		Minor	Moderate	Moderate	High	High
	Likely	Minor	Moderate	Moderate	High	High
	Unlikely	Insignificant	Minor	Moderate	Moderate	High
	Remote	Insignificant	Insignificant	Minor	Minor	Moderate
		Negligible	Low	Medium	High	Critical
Impact/Consequence of Adverse Outcome						

* The **Finding Risk Level** indicates the impact of a finding on a successful implementation (if the design is left as is).

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Risk Setting Criteria

Risk Rating	Criteria for classification of identified issues
Critical 	A critical issue and it has a critical impact on the going live of the business processes and their operations. An immediate attention is required.
High 	A serious issue and it is likely to impact various areas. It is required to fix as soon as possible before go-live
Moderate 	A serious issue: you may go live with it, but you are likely to experience numerous problems.
Minor 	A minor issue: try to fix the area before going live if there are no other pressing issues.
Insignificant 	Not an issue: the Reviewer examined the area, but found everything in order and made no recommendation.

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The Overall Result of Blueprint Finding



No.	Area	Total Observations	Critical	High	Moderate	Minor
1	Project Finding	16	7	6	3	0
2	FI/CO Track	5	0	2	1	2
3	SD Track	6	0	2	4	0
4	PP Track	4	0	1	3	0
5	QM Track	2	0	1	1	0
6	MM Track	10	0	2	6	2
Total		43	7	14	18	4

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The Overall Result of Blueprint Finding: Project Finding



No.	Observations	Risk Level
1	SOW and Resource load/spread	Critical
2	Communication Protocol & Stakeholders analysis	Critical
3	Change & Scope control procedures	High
4	Enterprise Structure Definition	Critical
5	Baseline Scenario and Delta (Localization) Global Template Rollout Strategy	High
6	Team Training Strategy (core team, end user & power user)	High
7	Key Measures – KPI, PPI, Business drivers, Business benefit	High
8	Business requirement inputs	Critical
9	Gap & GAP Fit Strategy	Critical
10	System interface requirement	Moderate
11	Inter modules integration consideration	Moderate
12	RACI – Responsible, Accountable, Consulted, Informed	Critical
13	Security Authorization Profile	Moderate
14	Conversion Strategy	High
15	Load balances – Peak and concurrent usage	High
16	Organization Change and Impact	Critical

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The Overall Result of Blueprint Finding: Financial and Controlling Track



No.	Observations	Risk Level
1	FI/CO General Observation	High
2	Process (flow chart) Integration points	High
3	Posting Periods	Minor
4	Bank Reconciliation	Moderate
5	Cost Center and Profit Center Structures	Minor



The Overall Result of Blueprint Finding: Sales & Distribution Track



No.	Observations	Risk Level
1	General Observations	High
2	Organization elements: Distribution Channel	High
3	Organization elements: Sales Office, Sales group & Shipping	Moderate
4	Master Data elements	Moderate
5	Contract processing	Moderate
6	Sales & Operation Plan	Moderate
7	Export Sales Procedures	Moderate



The Overall Result of Blueprint Finding: Production Planning Track



No.	Observations	Risk Level
1	General Observation	High
2	Multiple plants within division	Moderate
3	Master Data maintenance	Moderate
4	SOP and Demand Planning	Moderate



The Overall Result of Blueprint Finding: Quality Management Track



No.	Observations	Risk Level
1	QM General Observation	High
2	QM Stability test	Moderate



The Overall Result of Blueprint Finding: Material Management Track



No.	Observations	Risk Level
1	MM Organization Structure Review (PLANT, SLOC)	Moderate
2	MM Organization Structure Review (Purchase Organization)	Moderate
3	MM Organization Structure Review (Purchase Group)	Minor
4	MM Business Blueprint processes Review (Overall Observations)	High
5	MM Business Blueprint processes Review: Pricing and Import Process	High
6	MM Business Blueprint processes Review : Down payments and Conditions	Moderate
7	MM Business Blueprint processes Review (Others)	Minor
8	MM Issue Log Review	Moderate
9	MM Development Plan Review	Moderate
10	MM Review (Other Deliverables)	Moderate

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Summary Project Finding



No.	Observations	Risk Level
1	SOW and Resource load/spread	Critical
2	Communication Protocol & Stakeholders analysis	Critical
3	Change & Scope control procedures	High
4	Enterprise Structure Definition	Critical
5	Baseline Scenario and Delta (Localization) Global Template Rollout Strategy	High
6	Team Training Strategy (core team, end user & power user)	High
7	Key Measures – KPI, PPI, Business drivers, Business benefit	High
8	Business requirement inputs	Critical
9	Gap & GAP Fit Strategy	Critical
10	System interface requirement	Moderate
11	Inter modules integration consideration	Moderate
12	RACI – Responsible, Accountable, Consulted, Informed	Critical
13	Security Authorization Profile	Moderate
14	Conversion Strategy	High
15	Load balances – Peak and concurrent usage	High
16	Organization Change and Impact	Critical

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Project Finding



- ☐ **SOW and Resource load/spread**
- ☐ **Communication Protocol & Stakeholders analysis**
- ☐ **Change & Scope control procedures**
- ☐ **Enterprise Structure Definition**
- ☐ **Baseline Scenario and Delta (Localization) Global Template Rollout Strategy**
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- ☐ **Key Measures – KPI, PPI, Business drivers, Business benefit**
- ☐ **Business requirement inputs**
- ☐ **Gap & GAP Fit Strategy**
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- ☐ **Inter modules integration consideration**
- ☐ **RACI – Responsible, Accountable, Consulted, Informed**
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Project Finding



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Finding

- Project charter plus contractual annexure (SOW) which lays the foundation for project scope for all conceived milestones are not available for review
- No dedicated business resources available to the project

Impact

- Workload balance and scope creep in absence of clarity on SOW

Recommendations

- To align project SOW inline with contractual SOW and communicate effectively to all project team members and stakeholders

Risk Level

- Critical

Project Finding



- ❑ SOW and Resource load/spread
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Finding

- No clear definition of business process owners and project stakeholders
- No distribution list of project deliverable available on ground
- RACI – Project Communication framework not available
- Escalation path and response procedure are not in place

Impact

- Inappropriate communication of decision points and action plans leading to project delay
- Solution buy-in from business stakeholders will be an issue

Recommendations

- Please maintain RACI matrix and communicate as per defined protocol

Risk Level

- Critical

Project Finding



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Finding

- No evidence in CCM project of adherence to scope change and change control procedure

Impact

- Scope creep, inordinate delay in milestone confirmation
- Risk to solution design

Recommendations

- Adhere to laid down change control procedure
- Suggest to look at the option of using standard available OTO CHARM functionality from SAP

Risk Level

- High

Project Finding



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- ❑ Organization Change and Impact

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Finding

- There is no proof that the proposed current enterprise model definitions are appropriately reengineered to represent the current business operation model subsequent to recent merger and acquisition
- Coding logic in various enterprise structure elements is not consistent and intuitive

Impact

- Leading to complex and inefficient inter-company financial and logistics transactions in the design

Recommendations

- The current CCM organization structure and coding logic need to be reviewed and optimized to gain high efficiency at process level

Risk Level

- Critical

Project Finding



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- ❑ Organization Change and Impact

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Finding

- No baseline harmonised scenario available in the business blueprint
- No exception and variation available for different countries and divisions

Impact

- Unknown delta rollout design will put enormous risk to the solution design and what has been implemented as a result of requirement change in the subsequent stage and resulting in project rollout delay

Recommendations

- Define a clear global template/ rollout strategies along with the scope and business requirement confirming to the schedule timeframe

Risk Level

- High

Project Finding



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- ❑ Load balances – Peak and concurrent usage
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Finding

- Function/module level training plan is not available for Business process owner, Core team, Power users and End users
- No dedicated business process owners who are able to provide clear business requirement and making informed business decision

Impact

- Risk to business acceptance of solution design
- Training consume resources and time and has direct impact of project cost and timeline

Recommendations

- Training execution plan should be in place to avoid cost escalation and risk of non-acceptance solution design by business users

Risk Level

- High

Project Finding



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- ❑ Load balances – Peak and concurrent usage
- ❑ Organization Change and Impact

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Finding

- No business benefits quantification at scenario or process level
- No measures, viz. key performance indicator and Process performance index align with business strategy and business drivers available in the business blueprint

Impact

- Visibility of target business benefit for investment is not available for CCM

Recommendations

- Define business KPI, PPI inline with business drivers

Risk Level

- High

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- ❑ Load balances – Peak and concurrent usage
- ❑ Organization Change and Impact

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Finding

- Inadequate business requirement definition and sign off available in the business blueprint

Impact

- The proposed solutions may not suit actual business requirement
- Unable to define business gap as the current business requirement is not available
- CCM will not be able to leverage and adopt SAP standard practice and innovation if their current business requirement is not defined
- Desired business process harmonization across divisions and subsidiaries cannot be achieved

Recommendations

- Business requirement must be clearly defined and signed off by business process owner
- Recommend use of accelerator and template provided by standard SAP for indentify business requirement definition

Risk Level

- Critical

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Finding

- GAPS are not appropriately defined keeping CCM business requirement in place and leveraging SAP standard innovation
- No business spec. and functional spec available in the business blueprint

Impact

- Inappropriate WRICEF definition leading to project cost escalation
- Inappropriate functional enhancement leading to subsequent upgrade cost

Recommendations

- Gaps and gap fit strategy must be clearly defined and signed off by business process owner

Risk Level

- Critical

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- ❑ Security Authorization Profile
- ❑ Conversion Strategy
- ❑ Load balances – Peak and concurrent usage
- ❑ Organization Change and Impact

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Finding

- No clear system landscape available giving the complete IT infrastructure roadmap for CCM
- Inter modules integration and interface consideration are not available

Impact

- Undesired break in the process value chain leading to inefficient interface design where standard application functionality may already be available

Recommendations

- Identify all interface requirement from business requirement perspective
- Use standard SAP extractors and interfaces as much as possible

Risk Level

- Moderate

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- ❑ Security Authorization Profile
- ❑ Conversion Strategy
- ❑ Load balances – Peak and concurrent usage
- ❑ Organization Change and Impact

THE BEST-RUN BUSINESSES RUN SAP





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Finding

- RACI – Project Communication framework not available
- Escalation path and response procedure are not in place

Impact

- Inappropriate communication of decision points and action plans leading to project delay
- Solution buy-in from business stakeholders will be an issue

Recommendations

- Please maintain RACI matrix and communicate as per defined protocol

Risk Level

- Critical

Project Finding



- ❑ SOW and Resource load/spread
- ❑ Communication Protocol & Stakeholders analysis
- ❑ Change & Scope control procedures
- ❑ Enterprise Structure Definition
- ❑ Baseline Scenario and Delta (Localization) Global Template Rollout Strategy
- ❑ Team Training Strategy (core team, end user & power user)
- ❑ Key Measures – KPI, PPI, Business drivers, Business benefit
- ❑ Business requirement inputs
- ❑ Gap & GAP Fit Strategy
- ❑ System interface requirement
- ❑ Inter modules integration consideration
- ❑ RACI – Responsible, Accountable, Consulted, Informed
- ❑ **Security Authorization Profile**
- ❑ Conversion Strategy
- ❑ Load balances – Peak and concurrent usage
- ❑ Organization Change and Impact

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Finding

- Security, authorization, access control requirements, consideration and approach are not appropriately defined in the business blueprint
- Not align with testing strategy

Impact

- Risk to data integrity and accuracy of transaction information
- Segregation of duty (SOD) not guaranteed

Recommendations

- Define input to PFCG profile with all composite roles
- Define high level authorization matrix in line with organization roles

Risk Level

- Moderate

Project Finding



- ❑ SOW and Resource load/spread
- ❑ Communication Protocol & Stakeholders analysis
- ❑ Change & Scope control procedures
- ❑ Enterprise Structure Definition
- ❑ Baseline Scenario and Delta (Localization) Global Template Rollout Strategy
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- ❑ Load balances – Peak and concurrent usage
- ❑ Organization Change and Impact

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Finding

- No conversion strategy available for master data as well as transaction data
- No dependency and sequence of data extraction, cleansing and conversion defined with time stamp and volume/load calculation

Impact

- Data integrity issues
- Impact to resource budgeted for all the data conversion activities
- Adverse impact to unit testing, integration testing and UAT programs

Recommendations

- Define conversion strategy in business blueprint and get it approved by business process owners
- Define clear roles and responsibility among CCM project team members

Risk Level

- High

Project Finding



- ❑ SOW and Resource load/spread
- ❑ Communication Protocol & Stakeholders analysis
- ❑ Change & Scope control procedures
- ❑ Enterprise Structure Definition
- ❑ Baseline Scenario and Delta (Localization) Global Template Rollout Strategy
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- ❑ Conversion Strategy
- ❑ **Load balances – Peak and concurrent usage**
- ❑ Organization Change and Impact

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Load balances – Peak and concurrent usage



Finding

- No functional inputs from application team to technology team regarding the estimated volumes of transactions and concurrent usage leading to inappropriate sizing of CI/DB Clusters and Load balance across LAN/WAN and network bridges.

Impact

- Incorrect QAS and PRD sizing can result in poor system performance.

Recommendations

- Fine tune T-shirt sizing with estimated transaction loads to correctly forecast QAS and PRD requirements and conform to procurement lead times.

Risk Level

- High

Project Finding



- ❑ SOW and Resource load/spread
- ❑ Communication Protocol & Stakeholders analysis
- ❑ Change & Scope control procedures
- ❑ Enterprise Structure Definition
- ❑ Baseline Scenario and Delta (Localization) Global Template Rollout Strategy
- ❑ Team Training Strategy (core team, end user & power user)
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- ❑ Load balances – Peak and concurrent usage
- ❑ **Organization Change and Impact**

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Finding

- No visible framework to address and manage CCM OCM requirement

Impact

- Organization and process change –as a result of introducing new system- will significantly affect cost and time run
- Risk to user acceptance

Recommendations

- Proactively have mitigation strategy in place for anticipated change issues arising as a result of transformation requirement preventing project issues and escalation

Risk Level

- Critical

Agenda



- ❑ Preface/Background
- ❑ Areas of Blueprint review
- ❑ Risk matrix
- ❑ The Overall results of blueprint finding
- ❑ Project finding
- ❑ **Financial Accounting and Controlling track**
- ❑ Sales and Distribution track
- ❑ Production Planning track
- ❑ Quality management track
- ❑ Material Management track
- ❑ Next step



Documents Reviewed



Item	Documents	SAP Module	Date Reviewed
1	SST_SAP BBP Organizational Structure Design-9.6	Enterprise Structure	21–23 February 2011
2	SST_SAP_Master Data-101108 V10.1SST_SAP_FI_Blueprint_V1.2 SST_SAP_CO_Blueprint_101111 V1.5 SST CCM Requirements Log-FICO-20 Dec CCM RICEF list FICO-1	Financial Accounting and Controlling	21–23 February 2011



Summary Financial Accounting and Controlling Finding



No.	Observations	Risk Level
1	FI/CO General Observation	High
2	Process (flow chart) Integration points	High
3	Posting Periods	Minor
4	Bank Reconciliation	Moderate
5	Cost Center and Profit Center Structures	Minor



FI/CO Finding 1: General Observation



Finding

- No (adequate) relationship between described SAP functionality and Business Processes.
- A number of topics have not been covered or inadequately covered
 - Payroll interface
 - Consolidations
 - Petty Cash

Impact

- High possibility of incomplete solution or inadequate solution

Recommendations

- Complete documentation including the mapping of business processes to SAP functionality
- Comprehensive documentation covering topics identified above
- Clearly identified justification for including/excluding functionality
- Clearly defined requirements.

Risk Priority

- High

FI/CO Finding 2: Process (flow chart) Integration points



Finding

- Integration points between FI and other modules not clearly mentioned in the Process flow charts – applies to Accounts Payable and Receivable.
- Blueprint focus is on core FI functionality in the respective areas of Financial Accounting.

Impact

- Integration points if not clearly identified in the process flow charts can later result in issues during integration testing.

Recommendations

- Clearly mention all the integration processes
- Transaction codes also to be mentioned in process flow charts/Process Description

Risk Priority

- High

FI Finding 3: Posting Periods



Finding

- The proposed design is to assign a unique posting variant to each company code in order to control posting periods

Impact

- Timely presentation of statutory reports and consolidated figures is not guaranteed.
- Closing periods per company code is labor intensive.

Recommendations

- Limit the number of posting variants to streamline the period-end closing process.

Risk Priority

- Minor



Finding

- The Bank Reconciliation process is identified however there is no mention of the number of (operational) bank accounts and the way each bank account will be processed.

Impact

- Configuration effort not known; in case electronic provided statement format not supported by standard SAP this requires enhancement.
- Test effort not known.

Recommendations

- Include all bank accounts utilized by CCM and identify how each bank account will be processed in SAP: manual bank statement versus electronic bank statement.

Risk Priority

- Moderate

FI/CO Finding 5: Cost Center and Profit Center Structures



Finding

- The proposed design is to incorporate the company code in the cost center and profit center coding

Impact

- In case the cost center or profit center has to be manually entered upon posting of a document 8 characters is in general not desirable.

Recommendations

- Review the cost center and profit center structure and try to achieve a six character coding.

Risk Priority

- Minor

Agenda



- ❑ Preface/Background
- ❑ Areas of Blueprint review
- ❑ Risk matrix
- ❑ The Overall results of blueprint finding
- ❑ Project finding
- ❑ Financial Accounting and Controlling track
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- ❑ Quality management track
- ❑ Material Management track
- ❑ Next step



Sales & Distribution : documents reviewed



Item	Documents	SAP Module	Date Reviewed
1	SD Business Blueprint SST_SAP_Blueprint_SD_V7.6f.doc CCM_SD_Process by division.ppt	Sales & Distribution	21-25 Feb 2011
2	SD Business Blueprint SST SAP CCM RICEF list SD v1.3.xls	Sales & Distribution	21-25 Feb 2011
3	SD Business Blueprint SST_SAP CCM SD Requirements Log 2010-12-16.xls	Sales & Distribution	21-25 Feb 2011
4	Organization strcuture SST_SAP BBP Organizational Structure Design-9.6	Sales & Distribution	21-25 Feb 2011
5	Master Data SST_SAP_Master Data-101108 V10.1	Sales & Distribution	21-25 Feb 2011

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Summary Sales & Distribution Finding



No.	Observations	Risk Level
1	General Observations	High
2	Organization elements: Distribution Channel	High
3	Organization elements: Sales Office, Sales group & Shipping	Moderate
4	Master Data elements	Moderate
5	Contract processing	Moderate
6	Sales & Operation Plan	Moderate
7	Export Sales Procedures	Moderate



S&D Finding 1: General Observations



Finding

- No (adequate) relationship between described SAP functionality and Business Processes.
- A number of topics have not been covered or inadequately covered
 - Export & GTM Governance & Control Procedures
 - Sales & Operation Planning
 - Date Rules for Contract Cancellation & Renewal dunning
 - Rebates & Settlement across customer Hierarchy for Trade & Promo activities

Impact

- High possibility of incomplete solution or inadequate solution

Recommendations

- Complete documentation including the mapping of business processes to SAP functionality
- Comprehensive documentation covering topics identified above
- Clearly identified justification for including/excluding functionality
- Clearly defined requirements.

Risk Priority

- High



Finding

DISTRIBUTION CHANNEL . Only one distribution channel configured for entire CCM and all holding and group companies for their entire product portfolio

Impact

common Distribution Channel assigned to these Distribution Channel can be used for reducing Master Data Loading and maintenance . & same time will give immense leverage to CCM in their GTM & pricing strategies specially those related to Consumer & trade promotions

Recommendations

Distribution channel is a very high level control over channel pricing for entire product portfolios and should definitely incorporate other GTM access channels , viz.

- DIRECT/INSTITUTIONAL , - PRIMARY SALES CHANNEL , - SECONDARY SALES CHANNEL , - DIRECT DISTRIBUTORS
- REDISTRIBUTOR STOCKIST , - RETAIL CHANNEL , - FORMAT RETAIL , - BRANDED RETAIL , - INTERNAT CHANNEL
- TELEPHONY/VOICE CHANNEL , - MOBILE CHANNEL (ONLine / OFFline)

Risk Priority

■ High

S&D Finding 3: Organization elements



Finding

■ SALES OFFICE - SALES GROUP .

- Current design maps the As IS situation of CCM but doesn't reflect the HQ>RO>ZO>FUNCTIONAL aspect of CCM Business Lines from territory coverage .

■ SHIPPING & TRANSPORTATION .

- All combination of Shipping Point assignment to Loading Group should be incorporated in the design .

Impact

- Sales office design is critical for SIS reporting , Auth Control & designing the bottom Up & Top Down SOP (Sales & Operation Planning)
- Shipment definitions are very Critical factor in RLT & lead time calculation in ATP check for delivery confirmation considering pick/pack time , transportation planning time & transportation scheduling

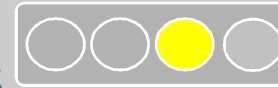
Recommendations

Review current design & incorporate desired changes as appropriate

Risk Priority

- Moderate

S&D Finding 4: Master Data elements



Finding

■ PRODUCT ATTRIBUTES .

- what should get defined as product hierarchy has been configured as Material Group . Very critical component in designing the Planning attributes in requirement planning .

■ CUSTOMER HIERARCHY

- CCM key account customer hierarchy has been designed to effectively rollUp credit exposure which is limited by one Credit Control Area for every Company codes created

Impact

- not effectively designed for taking advantage of Rebates & Group settlements across customer hierarchy

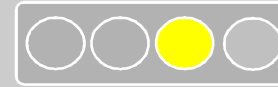
Recommendations

- Review current design & incorporate desired changes as appropriate

Risk Priority

- Moderate

S&D Finding 5: Process Definition – Contract processing



Finding

■ CONTRACT PROCESSING

- . no date rule incorporated in design for Contract cancellation and dunning renewals
- no date rules incorporated in design for Billing Plan

Impact

- specific pricing & revenue account determination for all posting keys need to be firmed up & designed

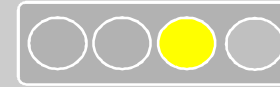
Recommendations

- Review current design & incorporate desired changes as appropriate

Risk Priority

- Moderate

S&D Finding 6: Process Definition – Sales & Operation Plan



Finding

■ SOP – Sales & Operation Planning

- no annual operation planning procedure defined for demand mgmt
- no annual rolling sales sop plan - based on top Down and bottom Up model-mix aggregation & dis-aggregation integrated with AOP .

Impact

- incorrect Forecast Accuracy – both probabilistic & deterministic
- Reservation rules and incorrect Availability to Promise ATP checks

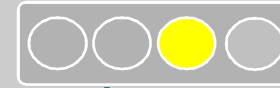
Recommendations

- Review current design & incorporate desired changes as appropriate

Risk Priority

- Moderate

S&D Finding 7: Process Definition – Export Sales Procedures



Finding

Export Control and Governance Processes & Procedure not defined comprehensively for CCM

Impact

confirming challenge for local Legal and Export Promotion council framework

Recommendations

- Letter of Credit (LC) Opening, Negotiation & closing not designed
- No Export Promotion Council control build in including Quota , Licenses & Restricted goods to OBA/non-OBA countries
- No Customs Packing List & Custom Invoice designed for custom filing
- No VISA / Certificate of Origin [w r t EPC Endorsed Commercial Export Invoice]
- No GSP Inspection & SDF Endorsement designed
- No FCR - Forward Cargo Receipts designed for CNF Processing
- Design of Waybills , Airway Bill , Bill of Lading , EP & EC copy of EPC endorsed Export Invoice , not incorporated in design
- pre & post shipment negotiation & Bank discounting procedures not incorporated in design

Risk Priority

- Moderate

Agenda



- ❑ Preface/Background
- ❑ Areas of Blueprint review
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- ❑ Material Management track
- ❑ Next step

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Production Planning reviewed documents



Item	Documents	SAP Module	Date Reviewed
1	PP Business Blueprint SST_SAP_Blueprint_PP_BasicData, V6	Production Planning	21-25 Feb 2011
2	PP Business Blueprint SST_SAP_Blueprint_PP_Planing, V6	Production Planning	21-25 Feb 2011
3	PP Business Blueprint SST_SAP_Blueprint_PP_Execution, V6	Production Planning	21-25 Feb 2011
4	Organization strcuture SST_SAP BBP Organizational Structure Design-9.6	Across modules	21-25 Feb 2011
5	SST_SAP_Master Data-101108 V10.1	Across modules	21-25 Feb 2011

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Summary Production Planning Finding



No.	Observations	Risk Level
1	General Observation	High
2	Multiple plants within division	Moderate
3	Master Data maintenance	Moderate
4	SOP and Demand Planning	Moderate



PP finding: General Observation



Finding

- No sufficient relationship between business requirement and the proposed solution
- Requirement logs, issues logs and proposed solutions are not finalised

Impact

- The proposed design may not suit all business requirement and that may result in more issues arisen in the subsequent stage
- Unsettle issues and requirements will impact user acceptance

Recommendations

- Identify business requirement for all related business division and seek requirement sign off from business process owners
- All proposed solution for requirement and issues list must be signed off by business process owner

Risk Level

- High



PP finding: Multiple plants within division



Finding

- The design of multiple company codes and plants per division affect production Material Requirement Planning (MRP)
 - Reference blueprint document: SST_SAP BBP Organizational Structure Design-9.6 at section 6.

Impact

- It is not possible to utilize SAP MRP function to share materials across production areas within product division
- Additional steps for production planner to check materials viability across other plants and move material to replenish material stock

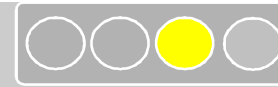
Recommendations

- Review with FI and MM for Enterprise design

Risk Level

- Moderate

PP Finding: Master Data maintenance



Finding

- No Roles and Responsibility in maintaining Production Planning master data
 - Reference blueprint document ST_SAP_Blueprint_PP_BasicData at section 3.2
 - Whether who is authorized in creating, changing or deleting production master data is not clearly defined in the blueprint document
 - The process of “Master data where use list” is missing

Impact

- PP Master data is used to control product process. Incorrectly deleting a master data without checking the where-use-list will significantly impact or obstruct the production process
 - Eg. Before deleting BOM, an authorized person must check if such BOM has been assigned to any active master recipe .

Recommendations

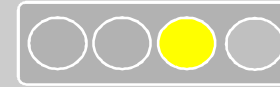
- A system process step to check material where-use-list must be included to ensure that changing one master data will not affect other dependent master data.
- Approval process step should be in place to prevent incorrectly master data change/deletion.

Risk Level

Moderate

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Finding

- Production plan to be entered manually. Demand planning, production demand depends on a customized demand forecast report
- Standard SAP functionality of SOP – Sales & Operation Planning– is not utilized

Impact

- Ineffective system integration between Sales & Marketing (SOP Forecasting and Planning) and Production Planning (Master Production Scheduling) in resulting in inaccurate demand forecast

Recommendations

- Review current design & incorporate desired changes as appropriate

Risk Priority

- Moderate

Agenda



- ☐ Preface/Background
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- ☐ Material Management track
- ☐ Next step



Quality Management review document



Item	Documents	SAP Module	Date Reviewed
1	QM Business Blueprint SST_SAP_Blueprint_Quality Management Quality Inspection and control V1.1	Quality Management	21-25 Feb 2011
2	PP Business Blueprint SST_SAP_Blueprint_Quality Management Quality Planning V1.1	Quality Management	21-25 Feb 2011
3	Organization strcuture SST_SAP BBP Organizational Structure Design-9.6	Across modules	21-25 Feb 2011
4	SST_SAP_Master Data-101108 V10.1	Across modules	21-25 Feb 2011



Summary Quality Management Finding



No.	Observations	Risk Level
1	QM General Observation	High
2	QM Stability test	Moderate



QM Finding: General Observation



Finding

- There is no relationship between proposed design and business requirement
- The proposed design is too high level. It does not reflect CCM specific business requirement. This issue applies to all QM master data
 - Eg. QM master data, Inspection characteristics: The blueprint document just proposed inspection characteristics qualitative and quantitative. Whether What inspection criteria to be proposed and whether what inspection criteria are use in CCM are not defined.
- RICEF and Gap fit analysis are not appropriately defined. Mitigation or proposed solutions are not finalised. The status are still open

Impact

- Configuration and testing cannot be carried out in the realization phase as business requirement is not sufficient and ultimately result in project delay
- Risk to user acceptance

Recommendations

- Business requirements must be clearly defined and signed off by business owner
- All business issues must be mitigated and signed off
- Proposed solutions in the business blueprint must be in a comprehensive level where readers are able to link to the current business process

Risk Level

- High



Finding

- Incorrect proposed solution in using QM notification for Stability study
 - Reference to QM.IM.020.10 “Quality Inspection and Control”

Impact

- Quality notification is to capture defect during quality inspection process for complaint (vendor or customer complaint) or internal defect notification purposes. It does not capture inspection result for stability analysis

Recommendations

- SAP has various standard reports to capture inspection result for quality analysis. These reports can be found in QM Information system. A number of quality KPI (eg. Cp and Cpk) are also available.

Risk Level

- Moderate

Agenda



- ☐ Preface/Background
- ☐ Areas of Blueprint review
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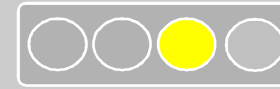
Summary Material Management Finding



No.	Observations	Risk Level
1	MM Organization Structure Review (PLANT, SLOC)	Moderate
2	MM Organization Structure Review (Purchase Organization)	Moderate
3	MM Organization Structure Review (Purchase Group)	Minor
4	MM Business Blueprint processes Review (Overall Observations)	High
5	MM Business Blueprint processes Review: Pricing and Import Process	High
6	MM Business Blueprint processes Review : Down payments and Conditions	Moderate
7	MM Business Blueprint processes Review (Others)	Minor
8	MM Issue Log Review	Moderate
9	MM Development Plan Review	Moderate
10	MM Review (Other Deliverables)	Moderate

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MM Organization Structure Review (PLANT, SLOC)

Finding

- Coding of plants is scalable. However, There is little correlation between the coding of Co Codes and Plants. Numbers are missing in the ascending sequence. SLOC not coded as per coding logic
- In some cases multiple plants have been defined for a single physical location.

Impact

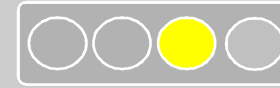
- Difficulty in identification while performing transactions.
- Additional transactions and data maintenance.

Recommendations

- Relook at the correlation of coding for easy identification and also sorting in drop down lists while performing transactions. Detail the coding logic for future reference.
- Joint discussions between FI, MM, PP and QM required to confirm that the levels at which plants have been defined is appropriate. Create SLOCs / Profit Center as an option.

Risk Level

- Medium



MM Organization Structure Review (Purchase Organization)

Finding

- At least 1 Purchase Organization has been defined for each Co Code. In some cases there are multiple P Orgs for a company code.
- The P Orgs listed in the BBP are not created as per the naming convention defined.

Impact

- Addition master data maintenance due to multiple P Orgs within a Co Code
- Difficulty in identification while performing transactions.

Recommendations

- It is recommended to use a single P Org per company code as far as possible. For Release strategy related requirements, a combination of Plants, P Grps and Document Types may be considered
- It is recommended to define the naming convention logic clearly and create the Data accordingly. Care should be taken to ensure a logical co relation with Co Codes and Plant Codes.

Risk Level

- Medium



MM Organization Structure Review (Purchase Group)

Finding

- Purchase groups have been defined based on the type of purchases being done. The 1st Char is based on the Division and the rest are running numbers.

Impact

- No significant impact.

Recommendations

- It Correlation of the 1st char between P Grps , P Orgs and Co codes may be considered for easy selection during transactions and also during role creation and assignment

Risk Level

- Minor



MM Business Blueprint processes Review (Overall Observations)

Finding

- No inputs in the form of Process Diagrams, Process Steps, Requirements/ Expectations have been included in the BBP. There is very little mention of how the proposed solution relates back to specific business requirements.
- Being a Template/ Rollout implementation methodology, there is no evidence in the BBP that points to Harmonized processes applicable to all divisions/ countries.
- There is no identification of the delta that can be expected during the future rollouts.

Impact

- The proposed solution may not meet the actual business requirement.
- Targeted Processes harmonization will not be effective.
- Changes done to the system during rollouts can seriously jeopardize the solution that has been defined and tested. May cause stoppage of the system for the divisions that are already live on the solution.

Recommendations

- Clear business requirements to be included along with proposed solutions and gaps if any.
- All harmonized processes must be signed off by all divisions/countries and signed off.
- All expected delta processes must be listed and signed off

Risk Level

- High



MM Business Blueprint processes Review: Pricing and Import Process

Finding

- Pricing procedures not defined.
- Import Process not defined
- Asset Procurement process is not adequately defined based on the various asset purchase scenarios

Impact

- Pricing may not be accepted during UAT resulting in rework and delays in testing.
- If the Import procurement process is not there could be delays for business or transactions being done outside the system. Appropriate payments to customs / clearing agents may be affected.
- Lack of clarity in the Asset procurement cycle for various assets will result in users not using the appropriate approach in asset purchase.

Recommendations

- Clear definition of pricing per country must be defined along with all the relevant conditions. This pricing must be common across all divisions. Signoff from all divisions must be taken.
- Process of Import Procurement must be detailed and all customs, insurance, clearing agent commission, CVD etc must be included in the Import Pricing procedure.
- Various asset purchase scenarios to be documented and process to be frozen along with FI.

Risk Level

- High



MM Business Blueprint processes Review : Down payments and Conditions

Finding

- Down payments in procurement process is a requirement and has been covered in FI. Tracking of pending down payments, partial down payments and down payment clearing will not be adequate using the older standard SAP process.
- General terms and conditions that may be part of a purchase order have not been identified in the BBP.

Impact

- Tracking of advances and clearing is limited.
- Important aspects of terms and conditions may have been missed resulting in the solution not being comprehensive in handling them

Recommendations

- Activate the business function LOG_MMFI_P2P available with EhP 4 and use the new functionality of identifying down payments and retentions in the Purchase Order itself. The further transactions can then be done in reference to this Purchase order right from Down payment Requests to Down Payment clearing during LIV.
- Get all the requirements for General Terms and conditions by looking at sample purchase orders from all divisions and subsidiaries. Any development requirement arising from the analyses must be included in the development list.

Risk Level

- Medium.



MM Business Blueprint processes Review (Others)

Finding

- Loaning In and Loaning out of material process to be finalized.
- 2D Warehouse Management Application has to be used for visibility of stock in racks and columns
- Versions of packaging material have to be maintained

Impact

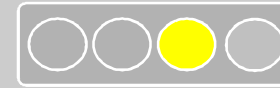
- Processes to be finalized and tested for implementation during the realization phase.

Recommendations

- As discussed explore the option of using “Returns Indicator” in PO.
- Suggested implementation of Warehouse Management module as additional scope.
- Batch management may be explored so that duplication of Material codes is avoided.

Risk Level

- Minor



MM Issue Log Review

Finding

- Issue log has not been maintained by the Project team. A list of requirements has been created based on the review of the first draft of the BPP by the end users. Solutions have been proposed to some of them. Issue log is not updated appropriately.
- The requirement list is not final. This means that in further workshops this list can increase in number
- There is no effective feedback / follow up / communication mechanism between the Consulting Team / IT Team and the Process owners to ensure timely closure / agreement on the solution proposed.

Impact

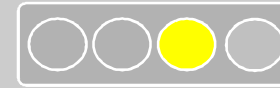
- Improper issue management will lead to issues not being closed which will result in delays in User acceptance and solution finalization.
- Unknown issue / requirements coming up will cause delays
- Non closure of issues and without effective feedback and follow up mechanism will result in project delay.

Recommendations

- Issue log to be updated with dates (reporting date, target date etc), priority, person responsible, status, remarks etc. Also there is no effective feedback / follow up / communication mechanism between the Consulting Team / IT Team and the Process owners to ensure timely closure / agreement on the solution proposed.
- Workshop to be conducted and final inputs / requirements to be documented and signed off.
- Feedback mechanism with person responsible and target dates to be put in place for each issue / requirement. Suggest use of SOLMAN service desk functionality to have one single window to log issues, exchange communication and close issues. Reporting on Project issues will be better.

Risk Level

- Moderate



MM Development Plan Review

Finding

- WRICEF list has been created. However the list seems incomplete as it does not take into account the variations that will come because of multiple divisions, countries and processes. (For Eg. PO Print is only 1 development, however to accommodate the various divisions, processes and countries the number of PO prints programs will increase significantly)
- The WRICEF list is not updated with the status, person responsible to give inputs, priority etc

Impact

- Final number of developments not known. This will affect resource planning and will cause delays.
- Improper status and priority will may lead to critical developments not being completed on time.

Recommendations

- Review the development requirements again and finalize the total number of developments
- Certain standard SAP reports have been recommended for reporting requirements. These have to be demonstrated and closed along with the End Users to ensure that the std reports meet the requirements raised by the users.

Risk Level

- Moderate



MM Review (Other Deliverables)

Finding

- The following areas which are deliverables of the BBO phase have not been covered.
 - MM Authorization plan and Matrix
 - MM Change Management Considerations
 - MM Knowledge Transfer and Training Plan
 - Module level activity plan for BBP phase and realization phase.

■ Impact

- Will affect BBP phase closure

■ Recommendations

- Complete all activities and deliverables of the BBP phase.

Risk Level

- Moderate

Agenda



- ☐ Preface/Background
- ☐ Areas of Blueprint review
- ☐ The Overall results of blueprint finding
- ☐ Risk matrix
- ☐ Project finding
- ☐ Financial Accounting and Controlling track
- ☐ Sales and Distribution track
- ☐ Production Planning track
- ☐ Quality management track
- ☐ Material Management track
- ☐ **Next step**



Next step



- Set up program governance and communication structure with clearly defined stakeholders roles and responsibility
- Revisit organization design and CCM data integrity requirements and streamline as much as possible
- Adopt SAP standard processes and industry innovation keeping CCM business requirement definition and signing off all items
- Closely monitor ETC/EVA of project schedule and deliverables as defined and released in approved project charter
- Set up Center of Excellence (cCOE) and OCM framework to link execution with strategy





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