Global Design Kickoff

Key Participants

May 16, 2024

PROJECT NORTHSTAR
MODERNIZING TECHNOLOGY AND FUTURE-PROOFING PROCESS

Your Drivers for Today

NAVISTAR CDL ILLINOIS

Becky Zeman
Functional Project Lead

Favorite fast-food stop: Freddy's

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NAVISTAR CDL ILLINOIS

Mark Ames
Technical Project Lead

Favorite fast-food stop:
Portillo's

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NAVISTAR CDL ILLINOIS

Rob Hunting
PMO Lead

Favorite fast-food stop:
Culvers

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NAVISTAR CDL Virginia

Yasi Akbari
OCM Lead

Favorite fast-food stop:
Chick-Fil-A

PROJECTNORTHSTAR

Agenda

Topic	Timing
Project Overview - What is Project NorthStar? - Project Management and Scope - Project NorthStar Timeline - Fit-to-Standard Overview	***15 mins.***
Global Design Deep-dive - Global Design Goals and Expectations - Workshop Schedule	***20 mins.***
Next Steps	***10 mins.***
Using Miro	***15 mins.***

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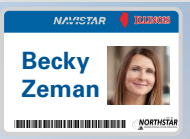
Project Overview

The Power of Project Branding



Background

Project NorthStar is our Enterprise Resource Planning (ERP) and Enterprise Performance Management (EPM) modernization initiative to deploy centralized software that manages procurement*, accounts payable, invoicing, cash application, accounting, forecasting, and the associated data and reporting.

PROJECT NORTHSTAR
MODERNIZING TECHNOLOGY AND FUTURE-PROOFING PROCESS

*In conjunction with Traton Procurement System

Objectives

- ☑ Reduce system downtime
- ☑ Enable strategic initiatives
- ☑ Reduce insight to action time
- ☑ Empower Employees

Project Management

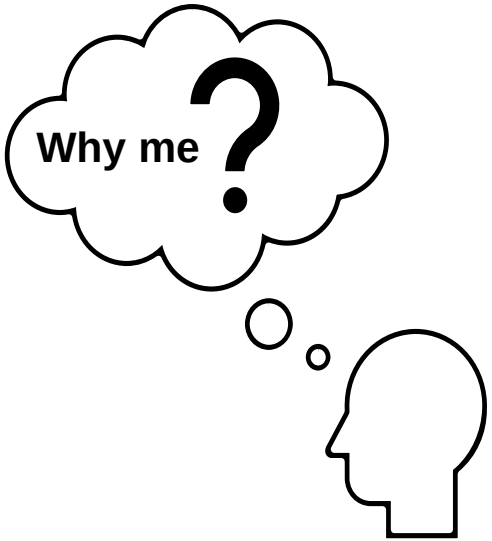
Project Leaders
Becky Zeman, Director of F&A Transformation
Mark Ames, Information Systems Director
NorthStar Product Owner
Catie Shah, Finance Process & Systems Sr. Manager
Project Management
Teresa Hamaker, Accounting Manager Sr.
Jessalynn Holman, IT Project Manager Sr.
Change Management
Adrienne Alvarado, Associate Director F&A Transformation
Technical Leads
TBD, Business Architect *
TBD, Solution Architect *

Reach out to our teams at ProjectNorthstar@Navistar.com if you have any questions!

* Recruiting

Your Participation is Critical to NorthStar's Success

- Process Expertise
- Outspoken Nature
- Continuous Improvement Mindset
- Leadership Capabilities



Project Scope

Core Parts

- Parts Procurement & Order Management
- TOLAS Replacement

- Manhattan Integration
- Dealer / E-Com Integration
- Parts Online Integration
- Pricing Integration
- Demand Planning Integration
- EDI / DIA / DCN Integration

O2C/P2P

- Centralized Invoicing
- PeopleSoft Replacement

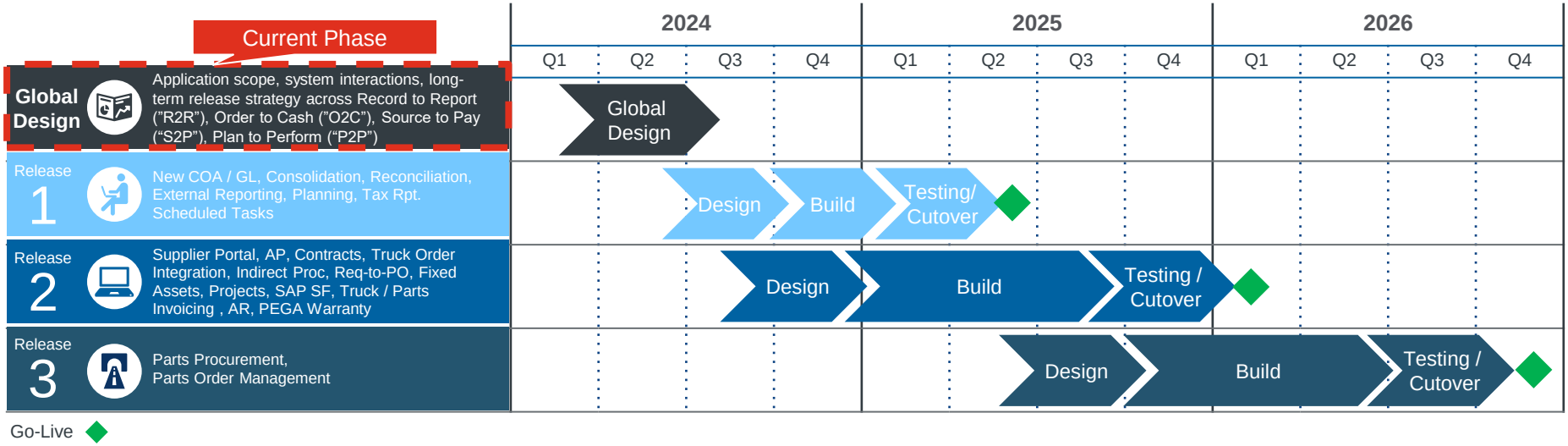
- Invoicing from SA, Payment Portal
- AR/AP Migration to SAP
- Vendor Portal, Contracts
- Projects, Fixed Assets, Inventory
- T&E to Concur
- Mexico Document Compliance

Foundational R2R

- Stand up new GL (new COA)
- Parallel GL
- Planning & Consolidations

- Closes still happen in Legacy GL's
- Central Finance integration
- Changes to EPM
- Legacy to new COA X-REF

Project NorthStar Timeline



Successful ERP Modernization requires a Fit-to-Standard approach that will enable the flexibility for capability differentiation

What is Fit-to-Standard?

Fit-to-Standard is an SAP best practice that helps **adopt** and **unlock** transformation value by ensuring organizations utilize the system as close to the standard as possible, only making exceptions where necessary. This enables us to **define** 'future state' end-to-end process flows, while **identifying** gaps and defining backlogs.

- Begin with demonstrations of SAP Standard Processes
- Understand considerations at Navistar and the why behind possible customizations
- Gradually refine future-state system functionality and key design decisions

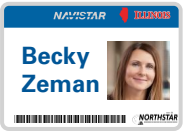
A guiding principle of the program is to avoid building legacy processes again and transform into industry standard processes

Exception Management Decisions:

- Is it driven by **legal** or **regulatory** requirements?
- Does it provide a **competitive advantage** or **differentiating capability**?
- Does it provide **long-term benefits** and align with **Navistar's future goals**?
- Is it **requested** by **most of Navistar's customer**s or critical for retaining **high value customers**?

Global Design Deep-dive

Global ERP Design Round 1: Objectives and Expectations



Your expertise and knowledge will be critical success of this project and will be the foundation for Round 1:

Global Design

Foundational Workshops Objectives

1. Introduce and explore SAP Fit-to-Standard concepts to the Core group – we expect to answer a lot of questions and welcome it
2. Introduce the SAP Enterprise Hierarchy and Master Data and begin to design the company code, plant and purchasing org structures for Navistar. During these sessions, the PWC SME's will be explaining the definitions and usage of the mandatory and key SAP fields. The SMEs will also address questions on how the hierarchy-design impacts the standard processes
3. Identify Navistar Business Differentiators and Use Cases where fit to standard might need tweaks
4. Document known big gaps and risks that require more attention during Round 2 (business pain points)
5. Align on an initial Fit-to-Standard design for each Level 3 Processes and identify any significant changes.
6. Determine which key use cases require demos in Round 2 (business differentiators)
7. Prep as a Core Team to share the floor together in Round 2

Our ask from you:

Prepare

- ❑ Review current state business process documentation
- ❑ Familiarize yourself with process exceptions
- ❑ Identify key considerations for discussion

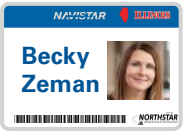
Participate

- ❑ Attend workshops and follow-ups by value stream
- ❑ Actively participate and be vocal throughout the process
- ❑ Lookout for additional communications

Activate

- ❑ Keep your teams informed of your participation and key takeaways
- ❑ Share key messages from the project team with your teams
- ❑ Reach out to our teams at ProjectNorthstar@Navistar.com

Global Design will continue across three iterative cycles



Building upon the foundation of the Foundational Workshops, we will begin Rounds 2 and 3:

May

June - August

Foundational Workshops
Round 1

Differentiating Workshops
Round 2

Integration Workshops
Round 3

Review and validate the recommended Fit-to-Standard processes and more deeply explore **Navistar Business Differentiators** where non-standard designs may be warranted

Present the proposed design to key stakeholders and pressure test design decisions. **Validate the go-forward configuration model** and the minimal enhancements based upon the building block processes from Rounds 1 and 2

Increased opportunities for engagement and participation will be available as Global Design continues

Getting started with Round 1 Workshops

Key

Source to Pay | Record to Report | Order to Cash

** All times shown in CST*

5/20/24			5/21/24			5/22/24			5/23/24			5/24/24		
WS	**Time***	**Duration**	**WS**	**Time**	**Duration**	**WS**	**Time**	**Duration**	**WS**	**Time**	**Duration**	**WS**	**Time**	**Duration**
PwC traveling to Lisle			BIG 2C - STP - Enterprise Structure (Focused Meeting)	9:00am	1 Hr	STP1 - Procurement Master Data	9:00am	2 Hr	OTC2 - Order Management (Parts)	9:00am	2 Hr			
BIG 1 Enterprise Structure/ Big Rocks	1:00pm	2 Hr	BIG 2B - OTC - Enterprise Structure (Focused Meeting)	10:30am	1 Hr	OTC1 - Sales Master Data	10:00am	2 Hr	STP2 - Indirect Procurement (Ariba Buying)	1:00pm	2 Hr			
BIG 2A - RTR - Enterprise Structure (Focused Meeting)	3:30pm	1 Hr	RTR1 - Finance Master Data	1:00pm	2 Hr	RTR2 - GL Accounting	1:00pm	2 Hr	RTR4 - Treasury/Cash Management	1:00pm	2 Hr			

5/27/24			5/28/24			5/29/24			5/30/24			5/31/24		
WS	**Time**	**Duration**	**WS**	**Time**	**Duration**	**WS**	**Time**	**Duration**	**WS**	**Time**	**Duration**	**WS**	**Time**	**Duration**
Memorial Day			OTC4 - Shipping/Delivery (Parts)	9:00am	2 Hr	STP4 - Purchasing & Inventory	9:00am	2 Hr	STP5 - RTR 8 Accounts payable	9:00am	2 Hr	RTR5 - Project Accounting	9:00am	2 Hr
			STP3 - Direct Procurement	10:00am	2 Hr	OTC - Order Management Overflow Placeholder	11:00am	1 Hr	RTR7 - Credit Management, Dunning, Collections/AR	1:00pm	2 Hr	OTC3 - Pricing (Parts)	9:00am	2 Hr
			RTR6 - Revenue & Cost Accounting	1:00pm	2 Hr	RTR3 - Fixed Assets	1:00pm	1.5 Hr	OTC5 - Customer & Intercompany Billing	10:00am	2 Hr	STP - Indirect Procurement Overflow Placeholder	11:00am	1 Hr

6/3/24			6/4/24			6/5/24			6/6/24			6/7/24		
WS	**Time**	**Duration**	**WS**	**Time**	**Duration**	**WS**	**Time**	**Duration**	**WS**	**Time**	**Duration**	**WS**	**Time**	**Duration**
STP8/RTR15 - Travel & Expense	1:00pm	2 Hr	RTR11- AR Process Payment	9:00am	2 Hr	RTR13 - Period End Close & Consolidation	9:00am	2 Hr	OTC9 - Overflow	9:00am	1.5 Hr			
			RTR12 - Tax	1:00pm	2 Hr	STP6 - Overflow	1:00pm	1.5 Hr	STP7 - Overflow	9:00am	1.5 Hr			
			OTC6 - Billing & Invoicing (Other Scenarios)	9:00am	2 Hr	RTR10 - Overflow	1:00pm	1.5 Hr	RTR14 - Overflow	9:00am	1.5 Hr			
						OTC8 - Overflow	1:00pm	1.5 Hr						

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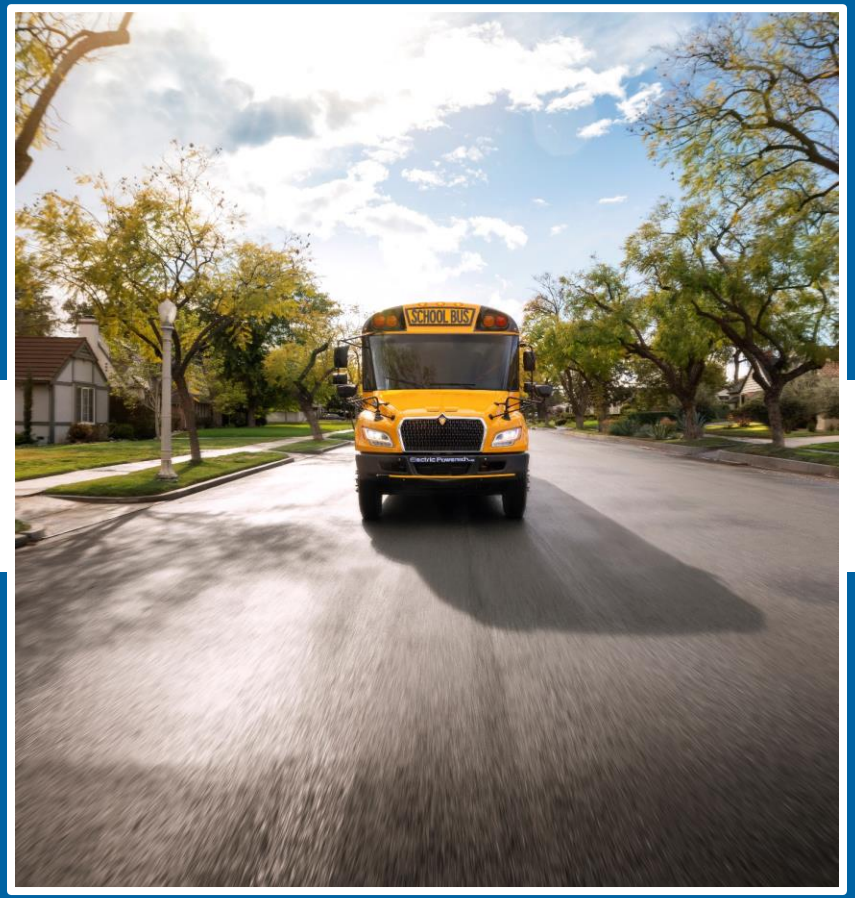
Next Steps



Next Steps

1. Attend workshops
2. Learn our new software!
3. Provide subject matter expertise
4. Provide requirements for the future state
5. Champion the Change

Using Miro

Effectively utilizing Miro

All users can leverage Miro without logging in, simply click on the link to the board for each session and leverage the quick tips below:

Yasi Akbari

Miro

Navigation

Using a mouse to navigate

Click and drag the canvas to pan around the board

Zoom by scrolling the mouse wheel!

Using a trackpad to navigate

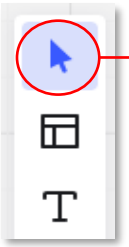
Scroll the board in any direction by sliding two fingers

Zoom by pinching in and out

Icons to remember

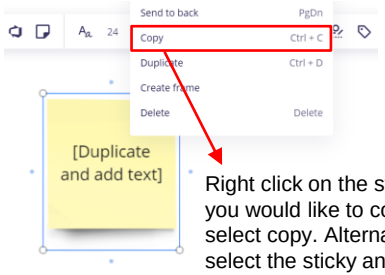
In most cases, our Miro boards are built so you can simply copy and paste stickie notes where needed. We have outlined how to do this below:

1 Ensure your arrow is activated



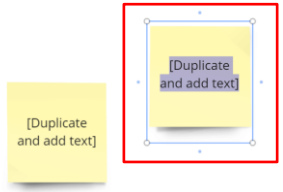
To select anything in the board, make sure the arrow in the tool bar is blue

2 Copy and paste a sticky



Right click on the sticky note you would like to copy, then select copy. Alternatively, select the sticky and hit Ctrl + C

Now that you have duplicated your sticky, populate accordingly



Thank You

Appendix

Your roles and responsibilities throughout Global Design

Global Design Round	Key Participants	Business & IT SMEs	Project Team	PMO	Change Management
Round 1 May - Review SAP standard processes - Capture Navistar considerations for Round 2 - Highlight key focus areas for Round 2	• Attend sessions to educate yourselves on SAP standard processes • Provide Navistar-specific subject matter expertise	*N/A* **This Round**	• Facilitate Global Design workshops • Compile outputs from Workshops and communicate to attendees	• Facilitate program management standards, controls and governance • Maintain Process Design Documents (PDDs) • Document RICEFW items	• Define change impacts and generate insights for business readiness • Identify change intervention • Develop change strategy
Round 2 June - Conduct business process deep-dives - Review considerations and focus areas from Round 1 - Identify and evaluate initial deviations from standard	• Provide technical and functional inputs for the future state S/4 HANA environment	• Support value stream efforts to define technical and functional requirements for the future state	• Finalize outputs and facilitate validation with Process Owners		
Round 3 July - Validate SAP Global Design - Review key process deviations, gaps, and change impacts	• Review and validate outputs and process design	• Support integration decision and data requirements discussions	• Prepare key process decisions and gaps for review		