

# 1 Implementing Microsoft Dynamics

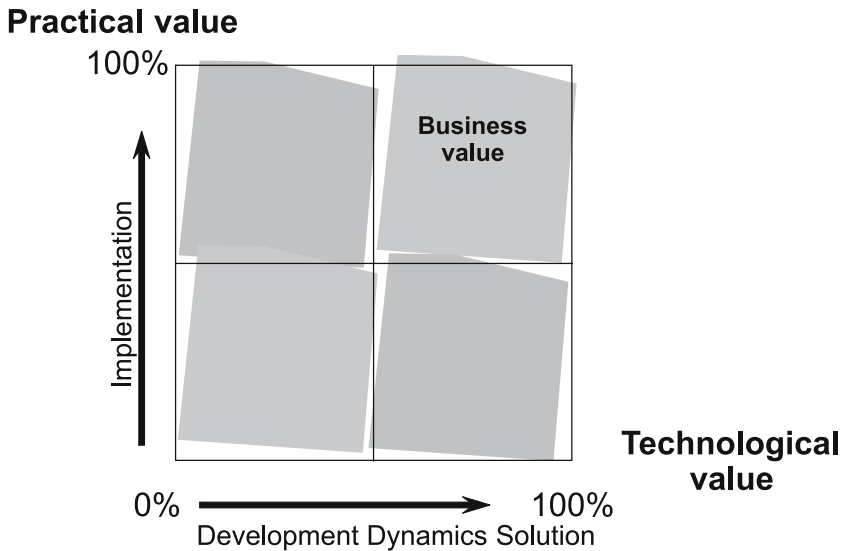
More and more often, businesses are choosing for standard Enterprise Resource Planning (ERP) solutions such as Microsoft Dynamics (Dynamics). However, choosing and implementing Dynamics is frequently linked directly to the realization of strategic decisions, with all the related consequences. Too often we speak too casually about the implementation of Dynamics, while focusing on a range of aspects such as installation, configuration, documentation, training, and support. We understand that no two implementations are alike and are very clear about what has to be done (theoretically, that is). But in reality, implementing an ERP solution such as Dynamics often turns out to be a lot more difficult.

## 1.1 Implementing a Change

The importance of flexible operational management means that the implementation of Dynamics involves much more than just filling in the blanks, which is the original meaning of the Latin word “implere.” A shallow look at the implementation of Dynamics simply does not do justice to the complex reality of running a company. In fact, it can even be harmful to the company’s success.

We are becoming increasingly adept at using Dynamics to develop IT solutions that are technically excellent. In order to support the business processes the right way, Dynamics needs to be tailored. Moreover, in order to realize the business value, by using Dynamics, it is necessary to pay attention and focus on what we call the practical value (such as the extent to which the process is supported, the business objectives realized, and the employees being able and willing to work with the solution) (see Fig. 1.1).

It is beyond dispute that all this is closely linked to the company in which Dynamics has to be introduced and embedded. Of course users are involved in the change process and of course we also ask those users what they want to gain from the solution.



**Fig. 1.1.** Practical value vs technical value

After all, project approaches such as Prince2<sup>1</sup> and DSDM<sup>2</sup> have shown how important this is. But it is not always sufficient in practice.

The sooner you take implementation into account, and the sooner you begin with business and people alignment in that context, the less the risk of subsequent disappointment. Implementation is therefore much more than just organizing everything after the decision to purchase Dynamics has been made. You have to look at the implementation of Dynamics in a broader perspective, that is, as a change. And in order to change successfully, you should not only take into account the whole company, including its surroundings, during the change process. You should also actively involve it in this change process, and that is the crux of the matter.

When implementing Dynamics, you often have to decide whether to adapt the business process to Dynamics, or vice versa. Yet many companies, let alone their users, are not always prepared for these types of choices and the changes that they bring about in day to day working methods and procedures. This means that the full potential, present in every company, is rarely utilized to the full. There is a lack of insight into who is responsible for what during the change process, and sometimes these responsibilities have not even been assigned.

<sup>1</sup> Prince2 stands for Projects IN Controlled Environment

<sup>2</sup> DSDM stands for Dynamic Systems Development Method [30]

To make the situation even more complex, company customers now have more influence on the company's business processes, while the life cycle of products and services is becoming shorter.

This shows that there is a relationship between business, company, and IT (in this case Dynamics). This relationship is crucial during the change process and you should integrate it into the process. All things considered, this is a formidable challenge.

From this perspective, the implementation of Dynamics, especially the embedding of Dynamics into a company, deserves more attention than it is now receiving. It is particularly important to realize the right practical value.

## **1.2 Microsoft Dynamics**

Microsoft Dynamics (previously Microsoft Business Solutions) is a Business solution for financial, supply chain management, and customer relationship management processes. The current Microsoft Dynamics (in early 2007) consists of four different ERP packages and a Customer Relationship Management (CRM) solution. The four ERP packages are Dynamics AX, Dynamics NAV, Dynamics SL, and Dynamics GP (previously Axapta, Navision, Solomon and Great Plains), each with its own functionality and trademarks. The following is a short description of these Dynamics packages.

### ***Microsoft Dynamics AX***

Designed for midsize and larger companies, Microsoft Dynamics AX is a Multilanguage, multicurrency ERP solution. With core strengths in manufacturing and e-business, there is an additional strong functionality for the wholesale and services industries. Adaptability and scalability are key factors.

### ***Microsoft Dynamics NAV***

Microsoft Dynamics NAV offers growing small and midsize business a powerful yet cost-effective solution that can be tailored for your company. It can support customization and add-in software to meet industry or other specific needs. In addition, it can adapt as a growing business needs more power and functionality.

***Microsoft Dynamics SL***

Microsoft Dynamics SL is designed to meet the specific business management needs of project, service, and distribution-driven companies. Ideal for small and midsize companies that need to integrate with other systems and serve customers better, Microsoft Dynamics SL helps to automate everyday processes and improve business operations.

***Microsoft Dynamics GP***

Microsoft Dynamics GP provides a cost-effective solution for managing and integrating finances, e-commerce, supply chain, manufacturing, project accounting, field service, customer relationships, and human resources. It works with and like widely familiar software, such as Microsoft Office System and Microsoft SQL Server, to let people use skills they already know to access and manage the information they need.

***Microsoft Dynamics CRM***

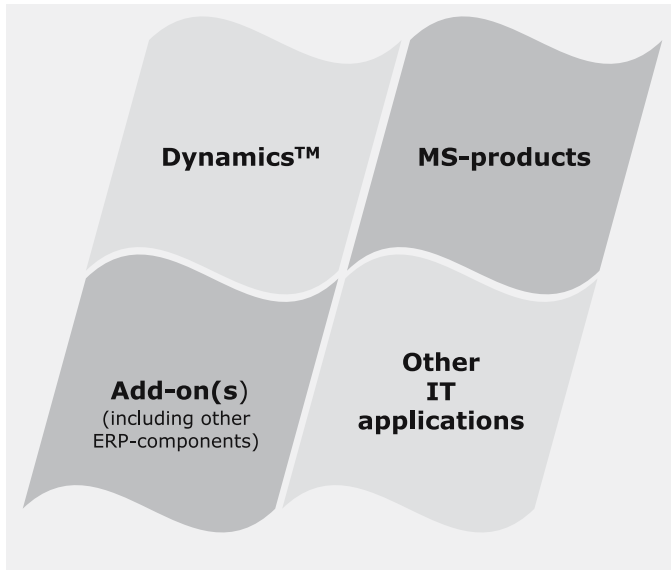
Microsoft is bringing CRM software into a new era with Microsoft Dynamics CRM 3.0. It is a flexible CRM solution that works the way your people do, works the way your business does, and works the way IT wants it to.

Microsoft will derive best-of-breed solutions from the above-mentioned software packages, hence creating a single innovative ERP business solution called Dynamics which integrates seamlessly with other Microsoft products.

**1.3 Dynamics Solution as an ERP Solution**

As indicated above, Microsoft Dynamics comprises the basic ERP functionality. This means that in many Dynamics implementations, we see that Dynamics is supplemented with a sector- or country-specific additional application (the Add-ons) and/or with customized solutions. Furthermore, the integration of Dynamics with the other Microsoft products creates numerous options for supporting the business process and the daily tasks of users.

If we look at the total ERP solution to be implemented, of which Dynamics is a part, you see what we call in this book the Dynamics Solution (see Fig. 1.2).



**Fig. 1.2.** Components of Dynamics Solution

This Dynamics Solution consists of the following four components:

<b>Dynamics</b>	This includes one or more Dynamics AX, NAV, SL, GP, and CRM modules
<b>Add-ons</b>	These are the standard additions available on the market and certified by Microsoft, which can be fully or partly integrated with a Dynamics product, for example, an extensive warehouse module for Dynamics AX developed by a Microsoft partner
<b>Other Microsoft products</b>	Many companies use Microsoft Windows, Office Exchange/Outlook and/or other Microsoft products. A number of these products have already been integrated with Dynamics modules (for example, CRM and .NET). Given the Microsoft strategy for full product integration, we have chosen to deal with this as a separate component in the Dynamics Solution
<b>Other IT applications</b>	These are actually all the IT applications that cannot be classified under the above three headings. Besides traditional customized solutions, they also include the interfaces with other legacy applications

When we refer to the *Dynamics Solution* in this book, we mean a solution consisting of one or more Dynamics modules, the Add-on(s), other Microsoft products and other IT applications. When we refer to *Dynamics* in this book, we specifically mean Dynamics AX, NAV, SL, GP, and CRM.

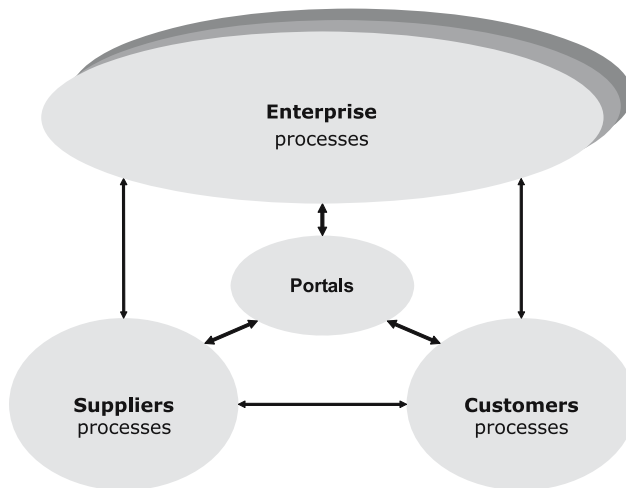
## 1.4 Market Developments

The market is developing all the time, but it is not within the scope of this book to discuss all current and future developments. However, we do want to mention a number of developments that have (had) an impact on the implementation of ERP solutions such as Microsoft Dynamics.

### ***Process Integration***

Customers and suppliers are demanding increasing insight into the company's business processes.

*For example, a UPC customer wants to know real-time where his package is located; a customer that has applied for a mortgage proposal does not want to wait for 2 days for a response; a supplier not only wants to access the customer's system for retrieving information but also wants to be able to update it at the same time.*



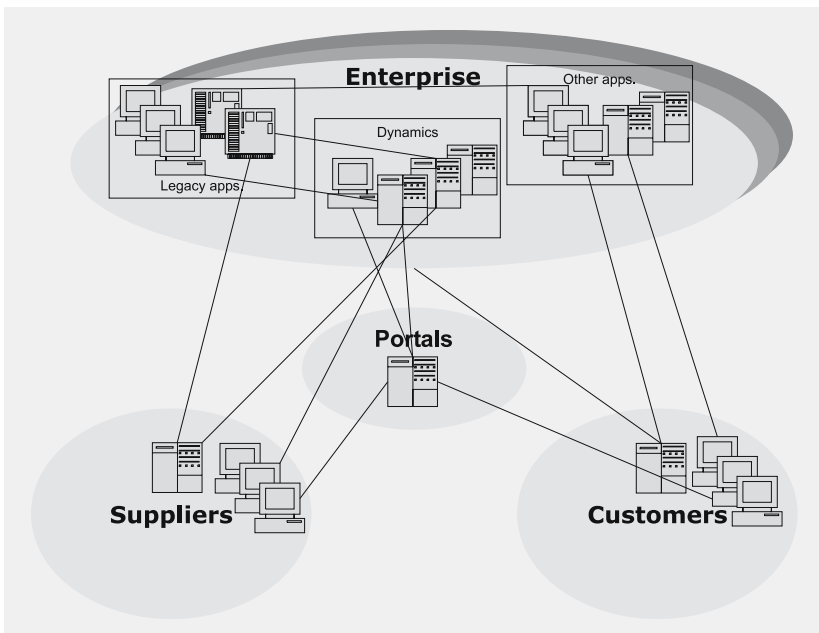
**Fig. 1.3.** Process integration

Moreover, new products have to be quickly launched on the market, which means that the company has to set up its business processes in a flexible manner. Not just front-office and back-office processes, but also external processes (the customer's and/or supplier's business processes), are part of this global chain integration. Although this integration is sometimes brought about directly (1:1), it is taking place more and more frequently through portals. Figure 1.3 displays the different relationships between processes.

### ***Information (and) Systems***

The integration of processes is already complex, and creating access to information (and) systems, both internally and externally, is making the process even more complex. Many companies have a mixture of systems, that is, traditional legacy systems combined with ERP components (sometimes from different suppliers), (see Fig. 1.4).

The IT solution islands created in this way cause a great deal of complexity when information needs to be accessed, and we have not even addressed any degree of consistency yet.



**Fig. 1.4.** Example infrastructure landscape

Added to this, the amount of available information is doubling every year. As a result, many companies are currently engaged in implementing Data Warehousing and Business Intelligence tools in order to streamline the amount of information to a certain extent.

What is less apparent is the fact that people in the future will no longer be able to (physically) handle all the available information. To solve this problem, we expect to see an increasing shift from “what you know” to “who you know” and “know where to find it”, with networks playing a key role. In fact, this is already happening on a large scale among young people.

Today it is impossible to imagine our society without email, text messages, MSN, mobile telephony, and the Internet.

### ***People***

The integration, mentioned before, and the constant transition that companies are going through are making new demands on the employees of these companies. Whereas employees in the past were only responsible for their own activities, they are now expected to think and work in a process-oriented way (over and above (hierarchy-) chains) to an increasing extent. Moreover, companies also expect employees to be able and willing to cope with constantly changing daily tasks. Research has shown that an average of 3 to 5 percent of employees have a flexible attitude and want to go along with every change. In other words, 95 to 97 percent do not have that attitude!

And this is frequently a sore point: employees often do not understand the reason why yet another new system is being introduced, do not see the added value of a change, and do not want to or are simply unable to adapt to changing circumstances. In our methodology for the implementation of a Dynamics Solution, we devote a lot of attention to this fact.

### ***ERP II and Implementation***

In the past few years, billions of dollars have been invested in the purchase and implementation of solutions for ERP, CRM, and e-business. Yet only a very limited number of implementations have been successful with regard to budget and time.

The cause? Of course, we can always blame the suppliers for supplying undeveloped software, certainly in the early days of ERP (in the late 1980s). But this is definitely no longer the most common cause. Many ERP implementations were (and are) regarded as IT projects that involve the company only to a limited extent and that largely ignores both the internal and external surroundings, which ultimately determine the company's sphere of activity. The ERP suppliers also saw this issue, and so the



integration of workflow tools, access to data, open source and enterprise service architecture (ESA) are now high on the agenda. This time this is currently viewed from a business perspective.

The development of ERP II, the next generation, focuses on realizing the business objectives and making it possible to gain a competitive advantage. ERP II can therefore be regarded as the re-implementation of ERP, in which implementation is seen as a strategic activity. Instead of being based on time and money, more and more ERP II projects are based on realizing business processes and information facilities that can be applied flexibly, and this is what ultimately makes the expected contribution to business objectives.

What does all this have to do with implementation? Executing a project on the basis of added value for the business, rather than on the basis of time, money, and quality, requires a different implementation approach to what many companies have been used to up to now. In the following chapters, we take a more detailed look at how this works.

## **1.5 What is Implementation?**

Before you can start using a Dynamics Solution, you have to realize that it is a step-by-step process and that certain activities must be done first in order to be successful. For example, you have to make sure that a Dynamics Solution is up and running on the infrastructure, that the application parameters have been entered and verified, the basic data files are filled with correct data, and that the users are able and willing to work with the solution.

Based on our experience, we know that good preparation helps to successfully implement a change. Implementation therefore involves not just the introduction of the change itself, but also the process that leads up to the successful introduction of that change in the company. Also, to prepare a company for a change, it is vital that you know what the intended change involves. It is only then that we can determine what the consequences will be and for what exactly you should prepare the company.

Many companies are in a constant state of transition, with new products and services being developed all the time. Often, when a new product is being introduced its successor is already known. But can the company cope with all those changes, particularly if they require a complex IT environment? Implementation plays a crucial role in solving this issue.

Given the continuous character of changes, it is important to approach companies' preparations for changes in a structural way, in short, structured implementation.

Our *definition* of structured implementation:

Structured implementation involves preparing a company for a change in such a way that is unambiguous, reproducible, and recognizable for the company and actually embedding that change in the company.

## 1.6 Top Ten Success Factors

We are all familiar with examples of implementation projects that have gone wrong. From 1996 to 2000, there was even a “*Journal of Failures and Lessons Learned in Information Technology Management*”.

Fortunately, a lot more attention is paid nowadays to the specific challenges of all interrelated IT implementations such as the implementation of a Dynamics Solution.

Based on that journals and combined with our own extensive experience, we have compiled a list of the top ten implementation success factors. Structured implementation, based on these ten success factors, increases our chance of implementing a Dynamics Solution that is effective for the company.

Our top-ten implementation success factors are (in random sequence):

- sufficient use;
- business process versus Dynamics Solution;
- realizing the objectives and demarcation of these objectives;
- ready for future developments;
- alignment between business and IT;
- interfaces and data (conversion);
- testing Dynamics Solution;
- managing (business) expectation and commitment;
- knowledge and skills of suppliers;
- support base and involvement.

These implementation success factors are described in the following sections.

### ***Sufficient Use***

Make sure that the company (users and other stakeholders) know how to work with the Dynamics Solution. By this we mean make it clear to everyone why it must be done and what, when, where, and by whom it must be done. This category also includes a good understanding of how to work with

the information to be extracted from the Dynamics Solution. This can be realized by providing the relevant users with adequate training, for example, process-oriented instead of function-driven training; but also, when compiling the solution model, by jointly determining the information required by individual users so that they can perform their daily tasks properly.

### ***Business Process vs Dynamics Solution***

When a company starts implementing one or more Dynamics modules for the first time, it may face the dilemma: “Do we adapt the business process to Dynamics or do we adapt Dynamics to the business process?” The following rule of thumb can be used to solve this problem: If the business process is contributing to the company’s distinguishing capacity and is therefore a critical success factor for the company, you are justified in deciding to adapt Dynamics to the required unique business processes.

In all other cases, it is advisable to adhere to the software, particularly given the costs of maintenance and upgrades. Moreover, many companies are not accustomed to working in a process-oriented way, even though it is the basic principle of Dynamics. Employees must be trained to work in a process-oriented way, certainly given the future development of Dynamics in which role-based and rule-based principles will be used.

### ***Realizing the Objectives and Demarcation of These Objectives***

It is important to realize the set final (business-) objectives when implementing a Dynamics Solution. The successful realization of these objectives is based on three things. The first thing is to make every objective SMART<sup>3</sup>. It should therefore not be, “The Dynamics Solution must enable our company to contribute to work more efficiently” but instead, “By 31 December 20xx, 40 percent of our sales orders will be entered on our web portal by our customers themselves.”

Furthermore, adequate monitoring of the objectives during and after the change process should be in place. The latter is particularly important if one of the objectives can only be realized after the change process has been concluded. This will be the case, for example, if the objective is to reduce the number of FTE’s<sup>4</sup> or “... to produce savings of 10 percent per year in sales costs over the coming 3 years ...”

The third and last thing is to make sure that all the objectives are related to the creation of business value, because, as mentioned in Sect. 1.1, this is

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<sup>3</sup> SMART stands for Specific, Measurable, Acceptable, Realistic and Time-based

<sup>4</sup> FTE stands for fulltime equivalent

the main goal for the implementation of a Dynamics Solution. If possible, demonstrate this business value.

### ***Ready for Future Development***

Because companies are in constant transition, a Dynamics Solution needs to be flexible. It is important to look ahead, and to even be able to largely predict the consequences of the chosen strategy being pursued by the company. Therefore, when designing the solution model, always take the company's strategy into account.

### ***Alignment Between Business and IT***

Alignment between the business and IT is crucial for every Dynamics Solution implementation. It is important here to focus on the two different perspectives. The business will view the implementation of a Dynamics Solution from the perspective of its contribution. In other words, how will the Dynamics Solution contribute to my operational management? IT will view the Dynamics Solution from the perspective of realization, i.e., realization according to the agreed time, budget, and quality. We could call this the Bermuda triangle of project management. You should therefore schedule a control process that not only continuously monitors these two perspectives during the change process but also anticipates changes in either of the two perspectives.

It is also important to realize that in many companies, users on the business side are not accustomed to working in a project-oriented way and IT employees are often not accustomed to working in a process-oriented way.

### ***Interfaces and Data Conversion***

One problem that companies often underestimate involves the requisite interfaces and the data conversions to be performed. Particularly with the legacy systems, database fields are frequently used for a purpose other than originally intended, or the way the address is written (house number before or after the street name) is different, for example. With smaller files, therefore, it is often better to opt for manual conversion because it costs less time and money than if you have it done automatically. For manual conversion, AO descriptions are created so that a certain level of consistency is guaranteed when several people are performing the conversion.

As far as interfaces are concerned, it is important to remember that particularly interfaces with the external world often cannot be tested (for example, foreign banks that cannot or do not want to cooperate). You should

therefore build in extra procedures that test the relevant interfaces when going live and procedures that can be used to reverse the run.

### ***Testing Dynamics Solution***

Dynamics is a standard ERP solution. Many companies therefore assume that testing is less important. After all, has not the supplier (in this case Microsoft) already tested the product thoroughly? Of course the Dynamics standard configuration is tested in detail. However, defining new Dynamics parameters, and adding customized solutions and interfacing create an entirely new Dynamics Solution configuration. That is why the Dynamics Solution must be tested – at the least, it must undergo a production acceptance test (PAT test). A user acceptance test (UAT) is even better. One additional advantage of the latter test is that it helps to promote acceptance of the solution among users.

### ***Managing (Business) Expectation and Commitment***

Explain, in certain detail, what is going to happen and what is expected of everyone involved in the change process. It is never too early to start managing people's expectations, especially if the implementation of a Dynamics Solution is going to have unpleasant consequences for a number of employees (for example, if the Dynamics Solution is part of a change process aimed at producing savings in FTE's). This ensures that employees do not start off with resistance to the change, even if it only involves some gossip around the coffee dispenser.

The same applies to commitment. Make sure there is enough commitment, not just among the Business Decisions makers but also throughout the entire company. Work out the win-win situation for each interest group and explain it clearly to the relevant interest group. They must be convinced and see it as a win-win situation, too.

### ***Knowledge and Skills of Suppliers***

One of the characteristics of an ERP solution like Dynamics is the scale and complexity involved in defining the parameters, especially when Dynamics is to be integrated with other Microsoft products or IT applications. For many companies, it is too expensive to train their own employees as Dynamics specialists; therefore, be assured of the knowledge and skills of your supplier by doing business with a supplier that employs certified specialists with thorough knowledge of both business processes and Dynamics. Never hesitate to ask about these credentials.

## ***Support Base and Involvement***

Just 3 to 5 percent of employees are unconditionally willing to deal with and accept changes. All too often, too little attention is paid to these figures during change processes. Companies think it is enough just to involve key users and circulate a weekly newsletter to drum up support and get people involved. You will be amply rewarded later in the change process if you identify the target groups involved in implementing the Dynamics Solution at an early stage, and conduct surveys into motivation, resistance, and willingness to change, for example. Focus on realizing the support and involvement of 70–80 percent of the stakeholders. As for the other 20–30 percent, research has shown that even if you spend a great deal of effort and therefore time and money on this group, you will achieve very little.

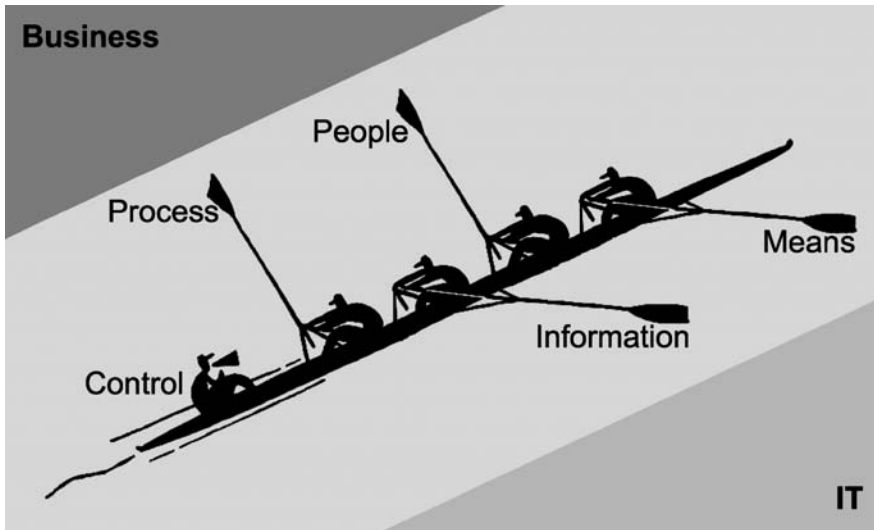
By consistently using the success factors mentioned above, you create a sound basis for the successful implementation of a Dynamics Solution, i.e., a solution that is used properly, does what it is supposed to do, and can be used flexibly for new organizational developments. In short, a Dynamics Solution and a company in perfect balance with each other. You achieve this by means of structured implementation. Starting from Chapter 3, which describes the change process, you can read how we have integrated the above success factors into our methodology.

## **1.7 Our Vision**

The pressure on employees and the company itself that often accompanies the introduction of an integrated system like a Dynamics Solution, and the complexity of, and relationships between, changes and management based on time and money, often mean that we lose track of the original plans and goals. As a possible consequence, the quality and usability of the realized solution do not provide the business processes with the desired support. Because the scope and depth of implementation as an activity are still often underestimated, many ERP implementations fall short.

In our view, when implementing a Dynamics Solution there should be a balance between IT, on the one hand, and the Business, on the other hand. The need for this balance can be clearly explained using the “rowboat” metaphor (see Fig. 1.5).

Rowing is a sport in which the balance in the boat is of overriding importance if success is to be achieved, that is, if the team is to win the race or regatta. There is constant communication and coordination between the Cox and oarsmen, and especially between the oarsmen themselves, not just before but also during the race. This teamwork will determine whether the



**Fig. 1.5.** Rowboat metaphor

boat wins the race or not. The Cox has no intrinsic task (rowing) but is responsible for the coordination and management (direction) of the boat.

The oarsman in stroke position (Process) has the most important job. He is responsible for the rhythm in which the oarsmen will row. This means, based on our approach, that the business process must play the leading role in a change process. When the oarsman on stroke starts to row faster or slower, the other oarsmen must follow suit. If not, the boat will become unstable and will end up veering way off course.

By identifying the various oarsmen and both banks of the river, we can establish the relationship with a Dynamics Solution implementation.

The route runs between the business side, on the one hand, and the IT side, on the other hand. In the boat there are two oarsmen on the business side, namely the Process and the People. On the IT side, there are the two oarsmen Means and Information. If only the oarsmen on the IT side start to row, the consequences are immediately evident: the business side will get bogged down. This is no different when implementing a Dynamics Solution. Many implementations have failed because when it was being introduced it was not coordinated with the business process or because the employees were insufficiently prepared and did not want to grasp the use of the system. The opposite also occurs, of course.

When the oarsmen on the business side are indeed developing and the options of a Dynamics Solution have not been incorporated into the development, it also shipwrecks the entire process.

The effort you have to make to achieve the desired result is just as important, of course. *The energy, and therefore the investment in time and money, required to win Olympic gold is many times more than for a local warm-up race. And that can also be justified.*

The same applies to a Dynamics Solution implementation. The effort you make must correspond to the goal and the result to be achieved. Implementing a Dynamics Solution is therefore a question of cohesion and balance. An implementation only has a chance of succeeding when the entire team starts preparing for it well in advance; otherwise, there is a good chance that your efforts will be uncoordinated. Then you can go off course or lose your rhythm, or you might even sink altogether.

**Conclusion:**

*You can only successfully conclude an implementation when you can balance the five factors (Process, People, Means, Information, and Control) with each other during a Dynamics Solution implementation. In other words, in keeping with the metaphor: you can only win the regatta if you keep the boat in balance.*

## 1.8 What Does Implementation Deliver?

Several (empirical) studies (amongst others by Forrester [8, 25]) show that it is important to invest in implementation. Organizational implementation, in which the basic principle is *being able to* and *willing to* work with a Dynamics Solution, requires particular attention (in balance with IT, of course).

Management guru Michael Hammer [11] even talks about an investment of at least a third of the total project budget (ratio between building: testing: implementing). In other words, Hammer says that for a successful implementation, the budget to be reserved must be at least equivalent to the price paid to purchase the package. Based on this various studies, plus our own experiences, we can calculate the difference between the investment and the returns using the classical implementation approach and the structured implementation method.

### ***Classical Approach***

We start by illustrating the difference for the classical approach to implementation (Fig. 1.6). When we look at the classical implementation approach, we see that the start of the preparation for implementation is actually after the start of the change process. Activities for the benefit of



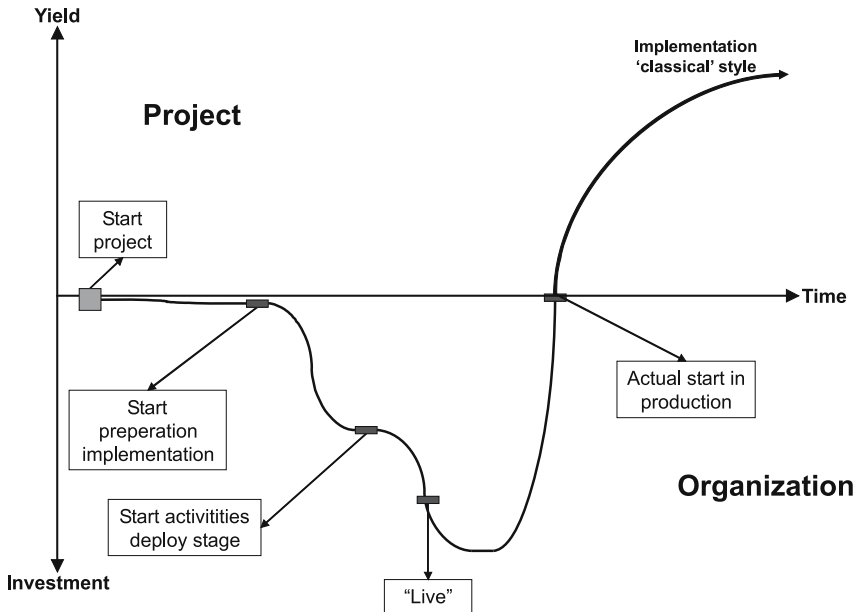


Fig. 1.6. Classical approach

implementation are still performed between the start of the change process and the preparations. However, these activities are often just in the context of the development project without actually focusing on the company. During the Pre-operational phase (the period between start activities deploy stage and live), the activities include training users and setting up the helpdesk.

What is also remarkable is that after going live there is a considerable dip, that is, extra investments, on the one hand, to make sure the IT solution actually links up with the business process(es), and on the other hand, to make sure that the employees are still able and willing to work with that solution. Particularly the latter often costs a lot of money. If, for example, the users are unable to use the system properly for whatever reason, the company often hires extra capacity or gets people to work overtime to keep the level of production up to standard. These costs are usually not charged to the change process, and we believe that this is a mistake. These costs could also be called the *hidden costs* of a change process.

The start of the production phase is the moment the line is transferred and the change process is discharged. It is also the moment at which the change process starts to recover the costs. But with the classical approach it is very difficult if not impossible to calculate the *break-even point*, especially if we want to do that before the change process has even started, for example, for a business case. In fact, some implementation activities are so unpredictable

(particularly due to the implementation starting point and the dip after going live) that in many cases the unforeseen cost item is already swallowed up, and often even exceeded, just from the implementation activities alone.

If we were to measure the break-even point against the life-cycle line of the product/service, it would probably be located somewhere in the saturation or decline phase. This is amplified by the fact that life cycles in general are becoming increasingly shorter and the chance of recovering the investment is becoming ever smaller.

*For a change process involving the introduction of a large number of Visual Basic applications, it was decided at the start of the implementation to introduce online help (for each screen item). However, 780 screens had already been made. Estimated extra costs: one million euros. What would it have cost if it was decided to include the help function at the start of the change process? Almost zero.*

### Structured Implementation

Structured implementation can be illustrated in a way similar to that of the classical approach (see Fig. 1.7). In the structured implementation figure, a number of items strike the eye. First of all, the starting point for

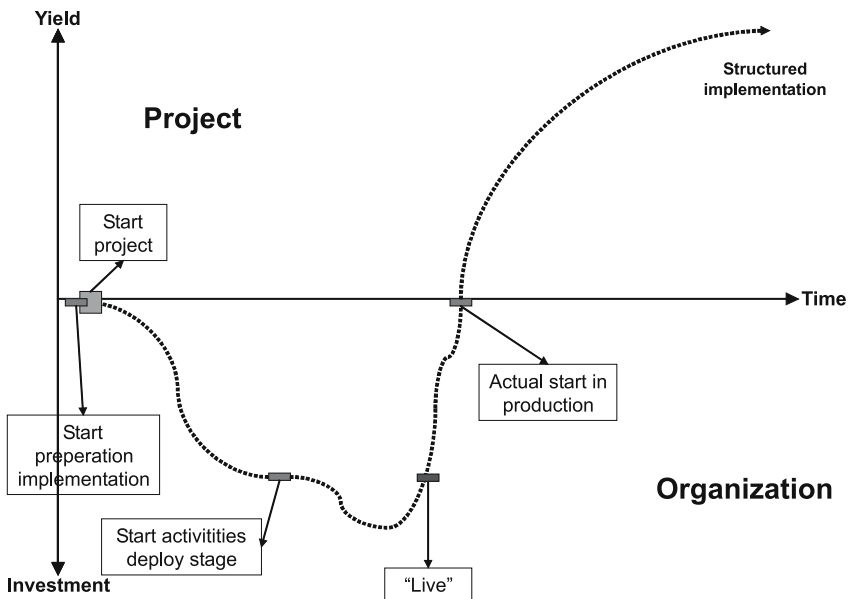


Fig. 1.7. Structured implementation

implementation is before the start of the change process. By this we mean that when testing the motivation behind the implementation and compiling the business case, implementation activities are always taken into account. In this way, we not only avoid the problem described in the example in the previous section, but also, because the company is involved earlier, there is also a greater chance that people will accept the change actively.

We also see in the Fig. 1.7 that there is no dip after going live, but that this investment is made before going live. Because of this investment, the period between live and the in production moment is also shorter, and that means that the cost recovery period will begin earlier. As indicated in the definition of structured implementation, this method is unambiguous and repeatable. Particularly because of the latter, in addition to gaining time and or money we can also create a company that is involved in the change process. This in turn means that we can be in production faster.

By using standard templates and methods and carrying out the implementation strategy before the start of the change process, we can also predict the break-even point.

### Analysis

When we now place one figure on top of the other, we get the following picture.

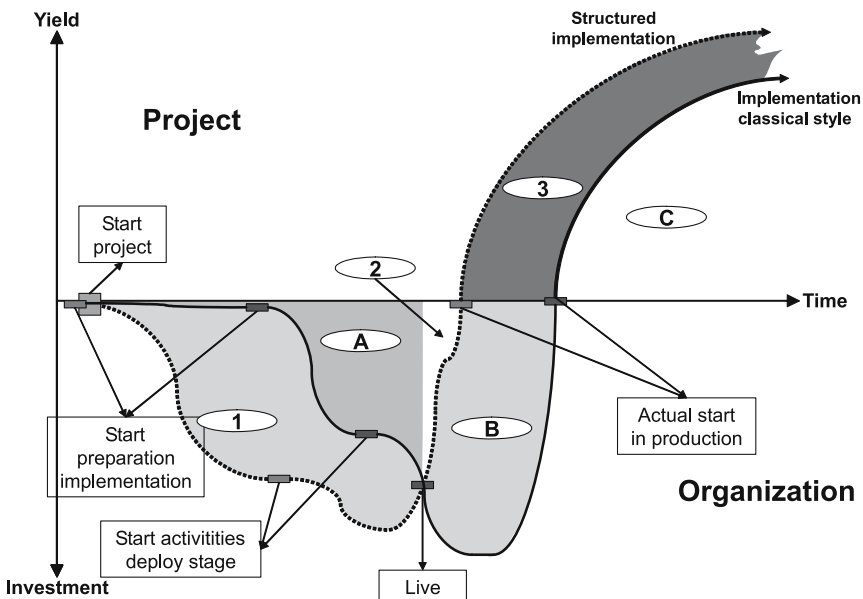


Fig. 1.8. Yield from IT through structured implementation

As we can now clearly see, with structured implementation the Implementation and Pre-operational phases start earlier in the change process than with the classical approach. With structured implementation (levels A and 1), the costs incurred before going live are much higher than for the classical approach.

Amongst other things, this is caused by bringing forward activities that are on level 1 in the classical approach and paying more attention to the organization, particularly to generating a feeling of involvement. These extra costs are partially earned back in the period after going live. During this period, we see not only that with structured implementation (level 1) the costs are considerably lower than with the classical approach (levels 1 and B), but also that the in production moment is earlier. This makes it possible to start recovering the costs of the investment earlier.

As mentioned above, the costs incurred in level B are not usually charged to the change process. After all, the product is already live and the costs incurred after that will be paid by the company. These are the hidden costs of change processes. With structured implementation, therefore, the total costs are often less than with the classical approach.

**Conclusion**

With structured implementation, we can actually start the production phase earlier if we prepare the company properly in combination with the Dynamics Solution. As a result, it is possible to start recovering the investment faster. Another important result is that the new product or the new service will also be introduced earlier. In other words, the time to market is shorter. When a company can introduce a new product or new service faster and with fewer problems, it generates extra revenue (level 1 in Fig. 1.8).

*In summary, the structured implementation of a Dynamics Solution generates earnings earlier and costs less.*

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