

Chapter 3: What is it that I want to do in business terms?

The first phase of any project should include the following:

- Define what you want to achieve in the project based on your business needs.
- Identify what is required prior to starting the project.
- Assess if you are ready to begin the project.

Now that you have determined that you are ready to start the project, what are the next steps in an SPM Rapid Deployment Methodology?

As a project manager, you may recall traditional project management principles or enterprise consulting methods of documenting an “as is” process, then proposing a “to be” process either prior to or during the analysis phase. In the 1980s and '90s, this was the standard procedure for analysis of any project, but it caused great concern in clients about the high cost of implementations.

As a result, many methodologies were revised with the big consulting firms to embrace a streamlined approach known today as a “rapid” methodology. For example, Deloitte’s Fast Track, Oracle’s Fast Forward, and KPMG’s (now Bearing-Point) Rapid Return on Investment are all variations on the Rapid Deployment Methodology. The key element of all of these approaches is that the documentation of a company’s “as is” business process is no longer required to implement a solution. Rapid Deployment by definition leverages best practices and templates; therefore, the costly and timely “as is” process during an analysis phase is no longer necessary, allowing the SPM implementation to be streamlined.

In this chapter, we look at the best practices of an SPM solution and common tools that can be reused and tailored for your company’s implementation. Note that this approach is not a replacement for any business process or plan design strategy changes. Assessing your existing processes and incentive compensation plans is a valid and strategic initiative and should be a continual process. However, this chapter focuses on defining the requirements for your current business needs, as well as embracing new business processes instead of customizing an application to a specific process (also known as “automating the cow path”). The more closely a customer is willing to adhere to this principle, the more quickly an implementation can be completed. This is primarily due to:

- Reducing the time and effort of consultants focusing on “as is” process redesign.
- Minimizing customizations that result in longer configuration and testing time, more complex maintenance, and higher total cost of ownership.
- Increased flexibility through reusability of common objects, templates, best practices, reports, dashboards.
- Clear management to avoid project scope creep.

Recall from Chapter 1 the following key principles:

- Document, document, document: Identify key milestones. Maintain a record of where you started, where you are going, and how you got there. The documentation will help manage scope, changes in project requirements, approvals, commitments and project expectations. Ultimately, documentation is key to ensuring successful customer enablement and satisfaction.
- Rapid deployment does not mean “short cut”: You are not cutting corners on process or quality. You are just accelerating the pace of delivery, acceptance and adoption for a quicker, more efficient and effective project.

Regardless of how many templates, standards and best practices you are leveraging, you still need to clearly define in your own business terms the goals of the project. The power in an SPM Rapid Deployment Methodology is that much of this evaluation has been done already and you can leverage templates to speed your delivery of this phase. But it is critical that you not skip this step: It becomes the baseline for designing a solution and the key to making sure everyone on the project understands the goals and what is considered “in scope” and “out of scope” for the project.

Roll Up Your Sleeves and Start Analysis!

To help you in this task, the appendix includes a sample **functional requirements document(FRD)** template that outlines the key areas of an SPM solution that you should understand for every project. Before you jump directly into documenting the functional requirements, however, it is strongly recommended that you not only review written requirements, but also collaborate to ensure you understand and can clearly communicate these requirements.

A few workings sessions that include the following agendas can help you organize your thoughts, inventory your resources, and analyze your requirements:

- Working session
 - Review plan documents, reports, people data
 - Review source systems and associated data
 - Discuss areas requiring further clarification
- Follow-up sessions
 - Working sessions for functional (business) and technical (data) requirements scheduled for each day
 - <Customer> delivers items on pre-project checklist (FY200X)
 - Development of functional requirements begins

Some key areas to consider during any SPM requirements analysis session include the following:

1) Which data do you want to have available for reporting or analytics, in addition to core data requirements for processing incentive calculations? For example, you may pay commissions on booked revenue, but want to see the delta between booked revenue and actual invoiced revenue. Or you may look at a total revenue number for paying commissions, but want to analyze commission payouts or revenue recognition by product or geography. This data is not required for accurately calculating results, but is necessary for analysis and reporting.

2) Are you overengineering the solution? You should have an application that is flexible and easily adaptable to the constant change required in SPM. Although you want to be smart in your analysis, to consider additional data elements you may want to report on, you do not want to overengineer a business solution right out of the gate.

- It is quite common to focus excessive time on exceptions, but keep in mind they are just that—exceptions. Although you could automate a business rule or data process to capture and manage all exceptions, the time spent to develop and configure the automation does not make business sense if you need the exception only 10% to 20% of the time. A good rule of thumb is to ask if it occurs 80% of the time. If so, automate. If not, leverage an existing tool that is flexible to accommodate such occurrences.

FRD - - What is an FRD? Functional Requirements Document may come in the form of a full blow document or as a template and/or worksheet. Primary goal is to document business requirement in business vernacular.

Key Areas to Consider

1. Reporting
2. Don't over engineer
3. Consider Common Abilities
4. Data Intergration Basics

PAIN POINTS – Ask are there other pain points or processes not documented that need to be considered.

- Data integration is a common area for automation. Consider what needs to be automated immediately and what can be enhanced and automated at a future date? How can you quickly deploy a solution for end user adoption and acceptance, and then add enhancements in a future project phase or release?

3) Consider common incentive compensation questions:

- How frequently do you process results? How frequently do you pay?
- Do you have clawbacks; that is, recover previously paid commissions in the event of a transaction cancellation? Or frequent retro-processing?
- Do you have guarantees or draw payments? Recoverable or non-recoverable?
- Do you have non-cash incentives?
- Do you have decelerators, accelerators, thresholds?
- Do you have individualized goals, targets, quotas versus team or both?
- Do you have management by objectives(MBOs) or key sales objectives (KSOs)? If so, are they tangible or intangible? Or are they quantitative or qualitative?
- Do you have frequent manual adjustments?
- Do you have multi-currency requirements?

4) Consider common data integration questions:

- What are the data sources (both inbound and outbound)?
- Is the data reliable? What type of transformation or manipulation is required on the data prior to being valid?
- Are there specific validation considerations or rules to apply?
- Can you capture all the data required for your business requirements? If not, how is the other information gathered and validated?
- Do you want to have seamless integration of data sources inbound and out bound? Or a combination of automated and manual data inputs/outputs?

The above list represents common questions you should ask during discovery in an analysis session. These are not all encompassing, but represent common questions you should always consider. It is strongly recommended that you ask the other question: Are there any pain points or other areas unique to your business that you want to consider or evaluate? This is a good catch all to get the team thinking about things that are typically managed with a sticky note, a phone call, or at the water cooler, and are not documented practices. This is a good time to determine whether this is standard protocol to be considered in a project, or something that is not to be included in an SPM solution, but managed either by sales management or through other policies and procedures.

Gain Acceptance

Once you have completed the analysis and documented your understanding in a Functional Requirements or Specifications Document (FRD), you will want to gain acceptance from the full project team, including the vendor and the client, prior to moving onto the next phase of the project.

We often find the best approach for gaining this acceptance is to follow these steps:

- 1) Document a draft of the FRD after the analysis sessions.
- 2) Review the draft internally with the vendor project team and update accordingly.
- 3) Provide an updated draft to the full project team (vendor and client), a day or two prior to the walkthrough, for preliminary reviews. Sometimes this is best done with a preliminary person on the client side or project lead to do a dry run or initial review of the requirements before the entire team.
- 4) Conduct a walkthrough/review session of the FRD.
- 5) Finalize with edits/changes.
- 6) Gain acceptance and signoff.

This phase of the project should represent a strong commitment from all team members, both vendor and client, to effectively understand and document requirements. With many projects we find that this phase may be expanded to include analysis of a national or global presence, even though the actual design and implementation will be minimized to one division. This is a great approach because you can take a global view to your design but minimize your implementation scope to a small subset. By allowing client ownership for future phases, the total cost of ownership decreases while client adoption and usability increase, resulting in better long-term maintenance and supportability of both the implementation and the vendor/client relationship.

The completion of this phase denotes agreement of project scope, both included and excluded items, for the initial implementation. Documentation from this phase will provide the baseline for change management. Once you achieve agreement, you are ready to focus on designing the solution in the application.

Appendices

1 – Are you Ready to get started? – Pre Kick-Off Checklist

2 – Functional Requirements Document – Template