

A GUIDE TO IMPLEMENTING SAP BUSINESS ONE

If you are considering SAP Business One as your business management solution or have already selected SAP Business One and you are about to embark on the implementation then this guide is for you.

*THE ULTIMATE
GUIDE*

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Introduction

If you are considering SAP Business One as your business management solution or have already selected SAP Business One and you are about to embark on the implementation then this guide is for you. The team at Leverage Technologies has implemented 150+ SAP Business One sites across the world – let us give you some practical advice on implementing SAP Business One.



Let's start at the very beginning. We are assuming you have already decided on the need for a new business management solution and have already selected SAP Business One as your product of choice. Your next question will be – who should implement SAP Business One for me?

Chapter 1 - Which SAP Business One partner?

Having selected SAP Business One as your product of choice your next decision is which SAP Business One Implementation partner should you contract to do the implementation and on-going support? This is a critical decision as your relationship with the implementation partner is likely to span ten years plus – choose carefully.

Some quick background – in Australia implementation and first level support of SAP Business One is done through SAP Business One accredited partners. An SAP Business One accredited partner can offer support and implementation services for SAP Business One including delivery of software licenses, implementation, training, development and integration.

Here is a list of questions you should be asking your potential SAP Business One partner:

1. What SAP Business One implementation experience does the partner have?

SAP Business One partners in Australia are grouped into three categories – Gold, Silver and Bronze. As a general rule the SAP Business One Gold Partners are the most experienced – offering more technical, implementation and support band-width and SAP Business One product experience. Ask your potential SAP Business One partner what previous experience they have implementing SAP Business One in your industry with companies that are similar in size (and functional requirements) to your business. The more experience an SAP Business One partner has in your industry and geography the more cost effective and timely your implementation and support of SAP Business One is likely to

be. As an example an experienced SAP Business One partner with knowledge and experience in your industry will have previously configured SAP Business One for similar requirements to yours and will have pre-written reports and functional sets for your industry.

2. What complimentary solutions are included and supported by the local SAP Business One partner?

Depending on your functional requirements you might require add-on or complimentary solutions for SAP Business One. Ask your SAP Business One partner what complimentary solutions they support and establish whether these solutions (or any others) are important for your specific implementation of SAP Business One.



3. Is support local?

The bottom line is that local support tends to be delivered in a timelier and more cost effective manner. Does your SAP Business One partner offer local support and if not what costs are involved in supporting your site remotely and how often can you get someone on-site at your premises?

4. What is included in my support agreement?

Most SAP Business One partners offer support agreements which include an element of SAP support, program updates and partner support. Find out what is included and importantly what is not included in your support agreement. Get

confirmation of the inclusions and exclusions in writing. Try and ensure that your SAP Business One partner offers comprehensive support options. Ensure that your SAP Business One partner has a fully functional support desk. Ask for the background and experience of staff on the support desk and their support desk procedures.

5. Can I meet the consultancy team?

Spend some time with the SAP Business One partner consultancy team - the team that will work on and support your implementation of SAP Business One. Make sure that you understand how the implementation consultants work, their previous experience and ensure that there is agreement on expectations.

6. Is the proposed implementation fixed price?

Wherever possible ask for a fixed price implementation based on a scope of works. Depending on the type of implementation a fixed price might not always be possible. At the very least make sure that the SAP Business One partner thoroughly understands your business processes, requirements and company specific details. The more time you spend upfront on analysis and design of your requirements the more accurate the proposal and pricing will be. Make time upfront to cover your requirements to ensure a smoother implementation of SAP Business One.

7. What are the annual costs after year one?



Making an informed decision means knowing all of the facts and figures associated with your implementation of SAP Business One. Make sure you

consider the TCO – Total Cost of Ownership. Ask for the likely on-going costs (next three years) including on-going annual maintenance and support costs.

8. What implementation methodology will be used to implement and support SAP Business One?

SAP offers the SAP Business One Partner community access to great resources including implementation and support methodologies. Ask your SAP Business One partner which methodology for implementation and support of SAP Business One they use. What documentation, project plans, project meetings and implementation guidelines should you expect when you implement SAP Business One?

9. What development capability does the SAP Business One partner offer?

Even if you do not require SAP Business One development for your initial implementation of SAP Business One as your business grows you might need development capability to integrate to third party applications or have company specific functionality built into SAP Business One. Fortunately SAP Business One offers great development and integration toolsets – make sure that the SAP Business One partner that you choose to deal with has experience using the SAP Business One Software Development Kit and SAP Integration Framework.

As the customer you have choice. There are several SAP Business One partners in Australia and the good news is that you can choose the partner that you feel is best suited to your business and your specific requirements. Choose wisely for a long and profitable relationship.

Chapter 2 - Which implementation methodology?

We touched on this point briefly in the previous chapter. Most SAP Business One implementation partners follow a similar implementation methodology which looks something like this:

SAP Business One is a product aimed at the small to medium market – what you will want out of the implementation methodology is enough structure to allow you to manage the project, budget and resources whilst keeping some level of flexibility.



Chapter 3 - Business Requirements?

All projects for new business management software start with a need (why do you want to invest in new software) this is closely followed by requirements (what is required?). Having established your need for new software (common reasons include support issues, outdated technology or functional limitations with the old system) you now need to establish what you require from a new business management solution. Business requirements (analysis and design per the methodology diagram above) are usually tabled in two different ways – a broad system blueprint and a more detailed scope of works. The important aspect is that no implementation of SAP Business One can begin without a detailed scope of works. The scope of works (analysis and design) will usually include the following:

- Which modules of SAP Business One will be implemented?
- What data conversion will be included and excluded?
- What reporting is required (standard SAP Business One reports and custom written reports)?
- A listing per functional area of the business requirements,
- The SAP Business One configurations per module (chart of accounts etc.),
- A project plan,
- Pricing – for software, annual maintenance and implementation services,
- Hardware requirements,
- Implementation responsibilities – customer and SAP implementation partner.

The challenge with a scope of works is making sure that all important business processes are covered and documented. Take extra time and care during the scope of works phase to ensure that you have a comprehensive analysis of the

business requirements. Involve all department general managers and make sure that your SAP Business One partner has a thorough understanding of your requirements. An SAP Business One scope will usually take 2 – 6 days to complete and document.

Chapter 4 - Add-ons / complimentary solutions / integrated functionality?

SAP Business One offers great functionality for finance, distribution, manufacturing, services, mobility and more. Even so you might find that you have a requirement for specific functionality which is not standard in SAP Business One. The good news is that you have access to software development and integration tools using the SAP Business One SDK (Software Development Kit) and SAP B1 Integration Framework. You also have access to hundreds of SAP Business One certified / integrated solutions. Examples of certified solutions include Enprise Job Costing, Maringo Project Management and Accellos extended warehousing. These industry strength solutions have been integrated into SAP Business One and certified for use with the SAP Business One software.

Whether or not you need an integrated complimentary solution will depend on your functional requirements.

Chapter 5 - Project management?

Often overlooked by small to medium sized businesses during an implementation – do not ignore project management. Make sure you allocate approximately 10% of your implementation budget to project management. Ensure that you (the customer) appoint an internal project manager and that your SAP Business One implementation partner does the same. These two project managers will have responsibility for guiding the implementation through the various phases, managing scope change, budget control, ensuring decisions are made in a timely manner and reporting progress to the business.

A strong internal project manager will make a huge difference to the timely delivery (within budget) of your SAP Business One implementation.

Very few Small to medium sized companies have dedicated IT or project management skill sets in their business. As a result you will be asking someone in the business to take on the internal SAP project management role as a part time role for the duration of the SAP software project. For small to medium sized businesses this is usually a three to six month timeline. Let's assume one of your accounting team members is happy taking on the internal project management role for your SAP Business One implementation – let's look at the required skills.

- Good communication skills,
- Good general business knowledge (accounting, operational and technology),
- Highly organised,
- Operates well under pressure,
- Has the buy-in of senior management,
- Is well respected by peers.

Your internal project manager will take responsibility for managing the following

elements of your implementation:

- Budget vs Actual billing,
- Scope changes,
- Communication between the ERP implementation partner and your business,
- Making sure that the ERP implementation partner gets access to the right people,
- The right technology and the right data in a timely manner,
- Company representation at project meetings,
- Expectation setting,
- Assist with change management,
- Help create system documentation as required.

The Below simplified SAP Business One implementation plan might serve as the basic guide for the project managers, SAP implementation consultants and you – the customer. Note the elements of the project plan:

- Planned start date of activity,
- A description of each activity,
- The hours allocated to each activity,
- The status (started, in progress etc.),
- The customer time allocated to each activity,
- The role of the customer in each activity,
- Who has responsibility for each activity and a general comments section?

It is important that the project plan is updated on a regular basis and those roles and responsibilities are clearly defined. It is important that completed tasks are tested and verified. It is no use ticking an item off the project plan as completed to find out later during the project that the item has not been completed to specification or to the desired outcome.

Chapter 6 - User training?

There are several training options for SAP Business One:

Computer based training – one of the real strengths of SAP is the substantial investment in on-line training material and documentation. On-line computer based training is available for each module. A 15-30 minute training session per module that includes real life examples of SAP Business One functionality and usage. To access the on-line training you will need your SAP customer number. Your accredited SAP Business One partner can provide you with the relevant details and password to gain access to the SAP Customer Portal.



Ad hoc partner driven on-line training – SAP Business One partners hold regular on-line training sessions for customers. Using technology like Go to Meeting to connect customers to SAP Business One training experts - several customers dial in at the same time and get access to generic SAP Business One training.



Classroom style training – most SAP Business One partners offer classroom style training based on a schedule of training sessions available. These training sessions tend to be generic / modular based training

sessions which are not specific to any customer. Multiple different companies / customers will usually attend one session.

Customer specific training – commonly used during the implementation of SAP Business One customer specific training is usually offered on-site and is tailored to your specific user requirements. This type of training is very useful in that your business processes are mapped out prior to training. The training course will use your company data and your business processes.

At the end of the day you will need to include a comprehensive training schedule for your users during an SAP Business One implementation project. How much training is required and the type of training will depend on a number of factors including:

1. User skill set (how much “systems experience” does the user have),
2. Complexity of the business process,
3. How many new or different business processes have been allocated to the user?

Chapter 7 - User acceptance testing?



Once the user acceptance testing is complete let's not forget to ensure that feedback is provided to the project team so that any required changes can be made and the system can be re-configured and re-tested as and when required.

An important part of any implementation of SAP Business One is user acceptance testing. Many years ago implementation methodologies called for parallel running of systems. Over the past few years this process has graduated towards user acceptance testing rather than full parallel running. User acceptance testing allows users and your SAP Business One implementation partner to test key scenarios and business processes in SAP Business One before go live. This will highlight any potential issues with configuration, training or system scope in a test environment prior to go live.

Whilst most implementation methodologies include user acceptance testing as part of the implementation what is often overlooked is the detailed plan for user acceptance testing. A good SAP Business One user acceptance plan will include:

- What scenarios will be tested?
- Who has responsibility (user and / or implementation partner) for testing which scenarios?
- What type of testing will be done?
- How long will the testing be done for?
- What tools and systems will be used during testing?
- How will test results be recorded and reported during testing?

Chapter 8 - Go live?

The big question that is always asked is “are we ready for go live?” This question will need to be answered by users, project managers and your SAP Business One implementation partner prior to go live. There are certain business processes without which you cannot go live. Imagine going live on a new system without being able to despatch or receipt stock – this would be potentially disastrous. Fortunately if you have followed the SAP Business One implementation methodology and have conducted comprehensive user acceptance testing you will have “ironed out” any major issues prior to go live date resulting in a smooth transition to your new SAP Business One system.

There are a number of considerations at go live date that need to be taken into account:

- Is a stock take required?
- Data conversion cut over date and time?
- Additional support required for go live?
- User assistance?
- Final reconciliation of numbers?

Chapter 9 - Post go live support?

Make sure that you have a support agreement in place with your SAP Business One partner.

Important aspects of post go live support include:



Support Helpdesk –a team of SAP Business One applications and technical specialists should be ready to take your call – answering your SAP Business One questions and providing your team with assistance to ensure the smooth running of SAP Business One. You have already invested in getting SAP Business One up and running – now let’s make sure that you maximise that investment with outstanding support.

Remote Access Support –talking on the phone often resolves your SAP Business One support question but sometimes the support team will need to remote access into your system to do a system check and to “coach” the user through a support query.

SAP Business One Support Upgrades – make sure that you are always operating on a current release of SAP Business One. Your SAP Business One partner can assist you with product upgrades and updates, training on new versions of SAP Business One and fresh ideas to ensure that you get the most out of your SAP Business One implementation.

SAP Business One Account Management –as your business grows your requirements will change. Your SAP Business One implementation partner should provide regular account management meetings to discuss your business goals, opportunities and pain points.

Chapter 10 - Keeping costs in line with budget expectations?



Several of the implementation steps that we have already discussed will go a long way to keeping budget in line with expectations. Here are some additional items to consider:

1. Make sure that your project manager has a reporting mechanism for any out of scope or out of budget considerations.
2. Insist on super user training for at least one of your team members – this team member will be able to do some of the SAP Business One admin tasks like setting up new users and user authorisations.
3. Carefully manage the three areas of any ERP project that can cause project blowouts – data, reporting and development.
4. Appoint your own internal project manager.
5. Get organised – make sure that you have all of the information that your SAP Business One partner needs – when they need it.
6. Set realistic goals. Not every part of the system needs to be implemented in phase I.

Chapter 11 - Roles and responsibilities

As with any implementation of ERP Software make sure that you clearly define (at the start of the project) who will have responsibility for which parts of the system implementation. Understand and account for the fact that your team will need to take responsibility for certain parts of the implementation. Training, user acceptance testing and the system blueprint will all require time and input from your internal team. Set realistic go live dates so that your team has enough time to do their daily tasks.

Internal project management – your SAP Business One partner will provide project management resource to guide you through the project. Do not underestimate the importance of having your own internal project manager to manage budget, expectations, co-ordinate training and user feedback, track and follow up on user acceptance testing and report on progress to senior management.

Super users – make sure that you appoint super users to each functional area of your SAP Business One implementation (finance, sales, logistics etc.). Super users will take responsibility for co-ordinating training, user testing and feedback in their department.

Admin super user – SAP Business One has been designed for small to medium sized businesses. The total cost of ownership is relatively low when compared to other mid-market business management solutions. You can ensure a low cost of ownership by training one of your more technical users as a systems administrator. The systems administrator will take responsibility for day to day SAP Business One administrative tasks – setting up new users, basic support for user queries, user authorisations and reporting.

Senior management participation – all good implementation methodologies refer to the fact

that buy-in from senior management is required for a successful implementation of business management solutions. I would argue that you need more than senior management buy-in – you need senior management input into some key design phases of the implementation. The amount of senior management participation required will depend on the size of your organisation. In smaller companies where the senior management are actively involved in several day to day business activities you will definitely want to make sure that the senior team is involved in the more strategic design workshops. If you do not involve senior management you might spend time configuring your solution only to find out that the end result is not what management want.

Chapter 12 - What are the risk areas?



In my experience the areas of implementation of any business management solution that cause the most budgetary scope

creep are: data conversion, reporting and development.

It sounds obvious but let's not forget that a good scope of works is critical to managing any implementation.

Areas of focus for this scope of works should include all areas of functionality but let's focus our discussion on the areas of greatest potential scope creep:

Data conversion –The type of data conversion that you decide on together with your ability to provide good clean data from your legacy system will have a substantial impact on pricing and will help contain any scope creep.

“Master data” and or “transactional data” is a defining question when it comes to data conversion. Master data refers to the importing of debtor and creditor / business partner information, item master etc. Transactional data import refers to accounts receivable and payable invoices, sales orders etc. The good news is that SAP Business One offers a DTW (Data Transfer Workbench) – which is very useful for importing of legacy data. The Data Transfer Workbench provides Excel based templates for data import from all key business areas including finance, purchasing and sales. The data transfer workbench can be used for importing both master and transactional data into SAP Business One.

The type of data that you need to import into SAP Business One will depend on many factors – the industry within which you operate (for example traceability in the medical device

industry might dictate that you have to keep several years' history on file), sales reporting requirements and service / warranty requirements for equipment that you have sold. Data conversion and the associated SAP Business One implementation pricing can be defined in three broad categories:

1. Simple data conversion – master data converted from legacy system to SAP Business One. Use is made of the SAP Business One Data Transfer Workbench. As the customer you will need to export data from your legacy system into Excel Spread Sheet formats which are pre-defined in the Data Transfer Workbench. Your SAP Business One implementation partner will check the data with you and will then upload the data into SAP Business One.
2. Typical data conversion – includes the above mentioned master data conversion plus current open documents – for example at time of go live all open purchase orders, sales orders, accounts payable and accounts receivable invoices are imported into SAP Business One. You might also want to include a user defined table which holds historical summary transactional information. This will allow you to run prior period comparison reports for example sales analysis and profit and loss comparing a current period (running SAP Business One) Vs. a previous period (running your legacy system). In this scenario transactional data is not imported at a detail level (only summary information is available). Information like equipment cards and previous warranty information could also be imported into SAP Business One for tracking of warranty, project services and equipment services.
3. Total data conversion. This would involve the importing of full detail transactional data and master data from legacy systems.

As an example this would allow you to drill down to invoice and line item detail level for invoices several years old (from your legacy system). Whilst it is certainly possible to get this level of detail from legacy systems the costs can outweigh the benefits. If you still have access to your legacy systems then it would be more cost effective to simply access the old system if you need to re-print an old invoice.

Whether you choose the simple, typical or total data conversion type will depend on your specific requirements but here are a few tips and tricks to help you get the most from your data conversion.

- Ask your SAP Business One implementation partner for the pre-defined SAP Business One Data Transfer Workbench templates so that you know what data needs to be exported from your legacy systems. This will also assist with formatting into SAP Business One.
- Before requesting a data conversion make sure that you understand exactly what information you want converted and why.
- Assist your SAP Business One implementation partner to check all data before and after the data conversion. Nobody knows your company data better than your in-house users – get your team involved in checking the data through user acceptance testing.
- Do a trial conversion first.
- Accept that some data might be better manually entered. If at go live date you only have a low volume of purchase orders then it would be easier and more cost effective for a user to enter the purchase orders directly into SAP Business One. This is a great way for users to get experience with the new system.
- Scope of works – discuss your data conversion requirements with your SAP Business One implementation partner and

make sure that you agree a scope of works for data conversion.

In summary – SAP Business One provides some great tools to assist with data conversion. Plan ahead, be as organised as possible, get involved in testing and you will reduce your implementation pricing and will ensure a smooth transition to go live.

Reporting – SAP Business One has lots of really good reporting options – SAP Crystal Reports, SAP Business One standard reports, SAP Business One Query Manager, SAP Business One Dashboards, SAP Business One Excel Pivot tables etc. More than any other business management solution on the market today SAP Business One gives you a number of reporting options – this is one of the real advantages of partnering with the world’s largest provider of ERP (Enterprise Resource Planning) software. Even with all of these options available reporting will require careful planning. What reports are required and in what format (mobile, printed, web) can have a substantial impact on implementation pricing. Scope reports carefully and ask your SAP Business One implementation partner which reports are in scope and which are out of scope.

Development – SAP Business One offers some great development tools – the SAP Business One SDK (Software Development Kit) and the SAP Business One Integration Framework. There is a Solution Developers Network – where SAP Business One development teams can go on-line and share their experiences and ideas. Development for customers can range from simple add-on solutions to comprehensive integration and modular development projects. Development and integration work to any business management solution should be carefully scoped and tested.

Chapter 13 - Change Management?

Even small SAP Business One projects require some level of change management. SAP Business One offers a fantastic opportunity to take advantage of market leading functionality, dashboards, reporting, analytics and mobility. Ask users to explore this new functionality. Take advantage of the full breadth of functionality available in SAP Business One by encouraging users to change the information that they request and get out of your new business management software – challenge the way you previously did things – manage the change with users.

Chapter 14 - Things you might not have thought of...

Documentation. SAP Business One includes several on-line training resources and documentation – great for new and existing users. Most proposals for the implementation of SAP Business One do not include user specific documentation and workflows. This user specific documentation, which can be created by your SAP Business One implementation partner or a super user, can be of great assistance for users who are new to SAP Business One.



Hardware requirements – don't forget to include hardware requirements (server and client) into your budget for SAP Business One.

This should also include SQL Server or SAP HANA as the database of choice.

Get your S number. If you are an SAP Business One customer you are entitled to a SAP S number – which gives you access to the SAP Portal. The SAP Portal contains lots of great SAP Business One information and tips and tricks for implementing and using SAP Business One.

User types – there is a matrix of user types available for SAP Business One. SAP Business One offers several different user type licenses. These SAP Business One user types are broken down into two broad categories – “SAP Business One Professional” and “SAP Business One Limited”.

The SAP Business One “Limited” licenses are available as “Limited CRM”, “Limited Financial” and “Limited Logistics” – all users are named.

The logic behind the SAP Business One user types is based on typical functionality that a user will require for their day to day processing. As a general rule a salesperson will most likely be allocated a “Limited CRM” license and someone in finance will be allocated a “Limited Financial”

license. This is a general rule but will not always be the exact allocation.

When deciding on the license types that you require it is good practice to generate a list of your SAP Business One users and their functional roles and then compare that user list to the SAP Business One license guide. Have a good look at what functionality is available per license type and compare this to the tasks that each user completes on a day to day basis. For example does the user do quotations, invoicing and debtors reporting? If so compare these functional requirements with the SAP Business One License Guide.

There is of course different pricing per license type. In Australia a “Limited” license requires half the investment of a full “Professional” license.

If in any doubt ask your SAP Business One partner to assist you in selecting the correct SAP Business One user types for your business.

Summary

1. Choose an SAP Business One partner who has experience in your industry.
2. Make sure that you complete a comprehensive scope of works before the configuration phase begins.
3. Ensure comprehensive end user training.
4. Complete a “board room pilot” and user acceptance testing prior to go live.
5. Adequate testing of data conversions and opening balances is critical.
6. Make sure that you have a realistic go live date – there is a lot of work to be done prior to go live.
7. Ensure that any integration work or development work is tested for multiple scenarios.
8. Manage change and user expectations in your business.

Let us help you improve your implementation of SAP Business One.

Give the SAP Business One Experts at Leverage Technologies a call on 1300 045 046 or e-mail the Leverage SAP team at sapbusinessone@leveragetech.com.au