A STEP BY STEP GUIDE TO SUCCESS

A GOOD SOLUTION CAN BE MADE OR BROKEN BY THE QUALITY OF THE IMPLEMENTATION. **JENETTE STILES** OF JPMORGAN GLOBAL TREASURY SERVICES EXPLAINS WHY PARTNERSHIP IS SO CRUCIAL TO CASH MANAGEMENT SUCCESS.

You've chosen your supplier, convinced the Board, signed the contract and eaten the celebratory dinner. Now is the time to plan the implementation of your cash management project. But, wait a minute, is the order quite right there?

Consider this comment from Patricia Greenfield, Director of Treasury Operations at AstraZeneca, who has just completed a project: "Having been through the process, I would actually give implementation a higher weighting. In fact, I would almost certainly start with the question of how will you implement this project. Implementation was key to our success."

This is not an isolated comment, and it goes to the heart of the issue we shall address in this article: a successful project is made or broken by the quality of the implementation process. Yet, too often, this aspect is given scant attention during the lengthy request for proposal (RFP) and selection process. According to Nikki Jordan, Treasury Operations Manager at Omnicom: "The true scale of an implementation project is rarely reflected through the RFP process. It is only when you get to implementation that you know exactly what can be achieved."

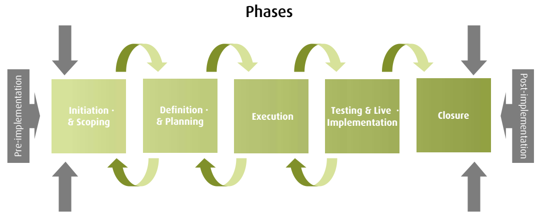
So asking detailed questions about implementation before you close the deal is crucial. Most prospective banking partners will be only too pleased to provide this information at the RFP stage, while the quality of the responses will give a useful indicator of just how thorough and robust their process really is. Taking the quality of implementation into account when you make your decision will ensure that it does not become a game of chance. We will argue that it can and should be managed to provide a sure route to your business objectives – with no surprises along the way.

STARTING POINT: DEFINING SUCCESS. Let's go back to basics and ask ourselves a key question: what is a successful implementation? We would suggest an implementation has been successful when:

- a robust, steady-state, fail-safe solution is fully operational that meets the defined business objectives;
- this has been achieved without compromising the existing business/systems infrastructure, within agreed budget and timescale; and
- staff involved understand the day-to-day operations and are able to effectively use the system.

This may all seem rather obvious, but keeping business objectives and implementation goals firmly in mind is important if technical choices or day-to-day issues are not to derail a complex project.

FIGURE 1
THE PROCESS: PROJECT LIFE CYCLE.



The implementation process is aligned with clear objectives, and then managed in a controlled environment. On each project a consistent approach for project initiation & scoping is used, which is then driven down through the definition & planning, execution and testing phases.

Source: JPMorgan

> 'STANDARDISATION (OF MESSAGING, OPERATING SYSTEMS AND FILE FORMATS) HAS IMPROVED GREATLY OVER RECENT YEARS, REDUCING THE COSTS AND TIMESCALES FOR IMPLEMENTING TECHNOLOGY'

THE IMPLEMENTATION PROCESS. The scope and scale of cash management projects varies greatly from company to company, with the trend to ever greater complexity and wider geographical footprints. That said, the implementation framework should be fundamentally the same, whether the project or company involved is large or small. Each phase of the implementation will be more or less complex, with more or fewer tasks, activities and deliverables, depending on the number of countries involved, the different components of the solution and so on.

The formal process for managing your project should be clearly communicated to you at an early stage, before scoping and definition begins. A good implementation process will be structured into phases, within which activities and tasks are defined and their deliverables specified, quantified and documented. *Figure 1* shows a typical project life cycle.

A systematic, formalised implementation process of this type is essential, but it must be developed on a firm foundation of partnership between client and bank. Activities aimed at fostering this partnership culture should be a priority once the deal is signed. All the individuals who will have a role to play must be identified at the outset and brought together to create a single team, with the same objectives, working to a single plan.

PROJECT PLANNING. Identifying and scoping all the elements of the project is crucial to ensure nothing is forgotten that could create problems or block progress later. Only then can the detailed definition and planning begin that feed into the master project plan.

Once execution starts, products may need to be implemented in multiple locations simultaneously, and some stages in the process may depend heavily on successful completion of others. As these tasks and activities proceed and the project team begins work across different departments and geographies, strong global co-ordination will be imperative to ensure work activities are in step and that deliverables and goals are not missed or re-interpreted.

KEY PLAYERS AND ROLES. This co-ordination is one of the responsibilities of the project manager, who will be an experienced implementation specialist from the bank. The pivotal role in any successful implementation, the project manager will not only be responsible for the project throughout its life cycle, but will also be its champion, with the authority to intervene where necessary to resolve issues. We would highly recommend designating a client-side project manager as well, to ensure that there is a central source of information on the status of all activities and tasks. In addition, this will help to foster the partnership approach which is so important. Alternatively, clients may find that paying a fee to have a project manager from the bank on-site for part or all of the project is the best solution.

COMMUNICATIONS CHALLENGES AND SOLUTIONS. Excellent internal communications is key in a successful implementation process and defining a strategy for this should be part of the definition and planning stage. Getting buy-in from subsidiaries will always be important, and strong and early internal communications can be invaluable here. For example, joint presentations by the project team can allay fears by communicating the overall benefits of a project.

Good communications can also prevent delays in completing the legal documentation for various activities associated with the project (new account openings, liquidity structures and so on). Banks should be able to provide assistance to clients to complete documents, speeding up the process. On the client side, nominating an individual to take responsibility for ensuring documentation is completed by project deadlines can be very effective.

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A SEAMLESS TRANSITION FROM PHASE TO PHASE. Smoothing the transition from phase to phase is an important task for the project manager. In the same way that, as we suggested at the beginning of this article, clients and bankers should be thinking about implementation and involving implementation specialists during the sales process, so the implementation team will plan for and facilitate the transition to a post-implementation, operational mode. This will include training staff to use the new systems, putting in place procedures and ensuring a seamless handover to the customer services team, which will be providing day-to-day operational support in the future.

POST-IMPLEMENTATION REVIEW. Once testing is completed and the project is live, the project manager will have all the tasks and activities on the project plan ticked off and the closure phase will begin. During this phase of the life cycle the project team will stay in touch to ensure the robust, steady-state, fail-safe solution we defined at the outset of this article has been realised.

A formal implementation review should also take place. This is an opportunity to measure the whole process against the business objectives and implementation goals. Invariably, both sides will take away lessons and experience that can be applied to future projects.

THE INCREASING IMPORTANCE OF IMPLEMENTATION. Standardisation (of messaging, operating systems and file formats) has improved greatly over recent years, reducing the costs and timescales for implementing technology. Web-based solutions obviate the need to install software on individual desktops, and self-service registration also helps to reduce administration involved in establishing new systems.

Yet, to date, we have seen implementation projects becoming more complex year on year. The scale of projects and the degree of systems integration required (with enterprise resource planning systems, with accounting and treasury systems, between shared service centres, suppliers and third parties) has grown dramatically – and we expect this trend to continue.

So buyers of cash management solutions should increase the emphasis on implementation in their discussions with banking partners, demanding a process that is detailed, transparent and tried and tested. Such a process will go a long way to ensuring your project goes live on time and within budget. But the ability of client and bank to work in partnership towards a common objective will be the surest guarantee of success. Partnership is key.

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