



Using an Agile Approach to Implement SAP Ariba in Public Sector

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City of Toronto
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About the Speakers

Lakshmipriya Prabhu

B.Eng, MBA, PMP

- ❖ Manager, IT SAP Solution Planning & Delivery, City of Toronto
- ❖ At City of Toronto, Priya is responsible for leading SAP enterprise solutions planning, implementation, sustainment and supporting key technology initiatives, aligned to technology best practices, and organizational strategic plan. Priya has 17 years of SAP consulting, and delivery leadership experience in North Americas, EMEA and Asia.

Anne Marie Roncadin

H.Ba, BSc, MBA, CIA

- ❖ Project Director, Purchasing & Materials Management Division, City of Toronto
- ❖ Anne-Marie is a Project Director at the City Of Toronto, for Ariba Sourcing Transformation. With several years of advisory service, organizational redesign and change management experience, Anne Marie's strengths include her commitment to continuous improvement, collaboration, and solution focused citizen centered outcomes.

Key Outcomes/Objectives

- ❖ Agile framework for SAP Ariba - how to prepare and execute successfully
- ❖ Critical success factors for SAP Ariba cloud solution implementation
- ❖ User Adoption, managing change through product maturity levels

Agenda

- ❖ A bit about the City of Toronto
- ❖ Our Digital Procurement Journey
- ❖ Reconciling Paradigms: SAP Activate
- ❖ Key Challenges
- ❖ Lessons Learned

Toronto Fun Facts

- ❖ Diversity is Toronto's strength! About 50% of City's population is born outside Canada
- ❖ 180+ languages and dialects spoken
- ❖ Green City – around 1600 parks, which is around 18% of City area
- ❖ 25% of Hollywood movies are filmed in Toronto
- ❖ Heaven for food enthusiasts, with 8000+ restaurants
- ❖ PATH is the largest continuous underground shopping mall in North America, with 1200+ stores
- ❖ Come Visit Us! <https://www.toronto.ca/>



City of Toronto



Toronto is the largest city in Canada and fourth largest in North America; it is the financial and business capital of the country and home to about 2.8 million residents.



Consistently ranked one of the world's most livable and competitive cities in the world.



- ❖ One of the best diversity employers in Canada
- ❖ Canada's Top 100 Employer Award
- ❖ Canada's Top Family Friendly Award for 2019



Professional, Service, Commitment

The City Manager is the head of the **Toronto Public Service**, which implements the priorities and directions of Council, and is responsible for the delivery of 150 distinct services. The TPS By-law Chapter 192 of Toronto's Municipal Code advance Toronto's public services as professional, impartial and ethical.

Mission:

- ❖ Economic, social and environmental vitality
- ❖ **High quality and affordable services**
- ❖ Infrastructure to build a great city
- ❖ System of responsible and accountable governance
- ❖ **Public participation is an integral part of the City's decision-making process**

Vision:

- ❖ Caring and friendly City
- ❖ Clean, green and sustainable City
- ❖ Toronto invests in quality of life

Strategic Goals

Organizational Excellence:

As the 4th largest city in North America with over \$13 billion in spend the City is obligated to drive value for citizens by leveraging procurement as a corporate strategy.



Accountability & Performance Reporting:

Consolidate information in a user friendly system encouraging accurate data capture, provide timely and tailored reports to drive informed decision making.



Policy and Legislative Compliance:

Implement controls in procurement process through business rules and workflows in the procurement solution to support the submission of more compliant and complete bids.



Engagement Outreach:

Solution design process encourages expanded outreach and engagement of internal divisional stakeholders, suppliers and the broader community on the City's procurement policies, calls, programs and services.



Operational Goals

Building Capabilities:

- ❖ Automated checks for control and compliance
- ❖ Developing reporting and analytics capabilities
- ❖ Improving vendor relationships and ease of doing business with the City
- ❖ Maintaining accuracy & reliability of purchasing and vendor data



Developing Transparency:

- ❖ Visibility of service spend and generate savings from pooled demand
- ❖ Facilitate improved mindful collaboration with a focus on sub process cycle time
- ❖ Procurement document repository facilitating maturation of standardization process



Process Efficiencies:

- ❖ 30% - 50% reduction in cycle time for tenders
- ❖ 40% - 65% reduction in cycle time for RFx

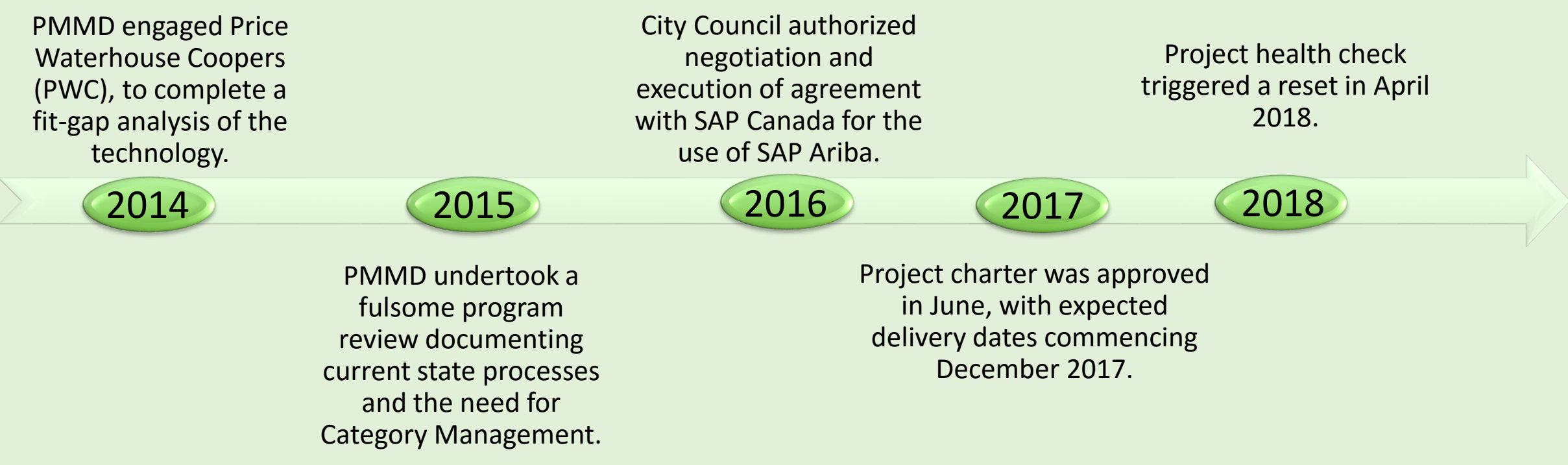


Cost Efficiencies:

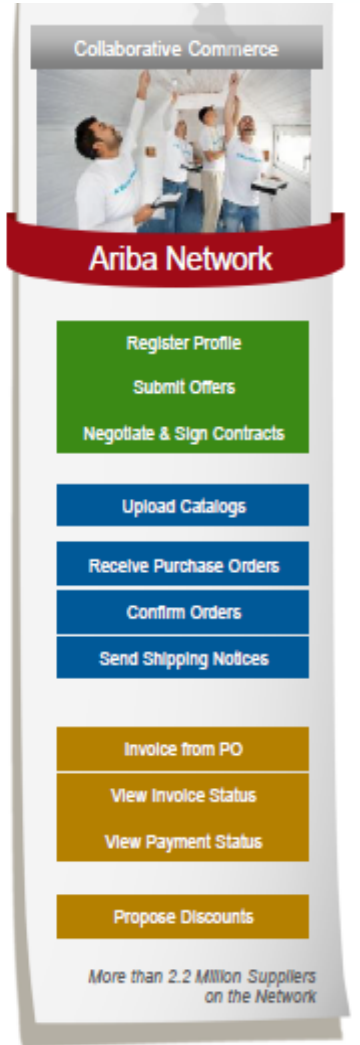
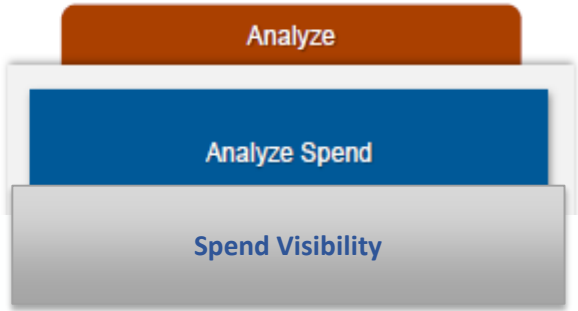
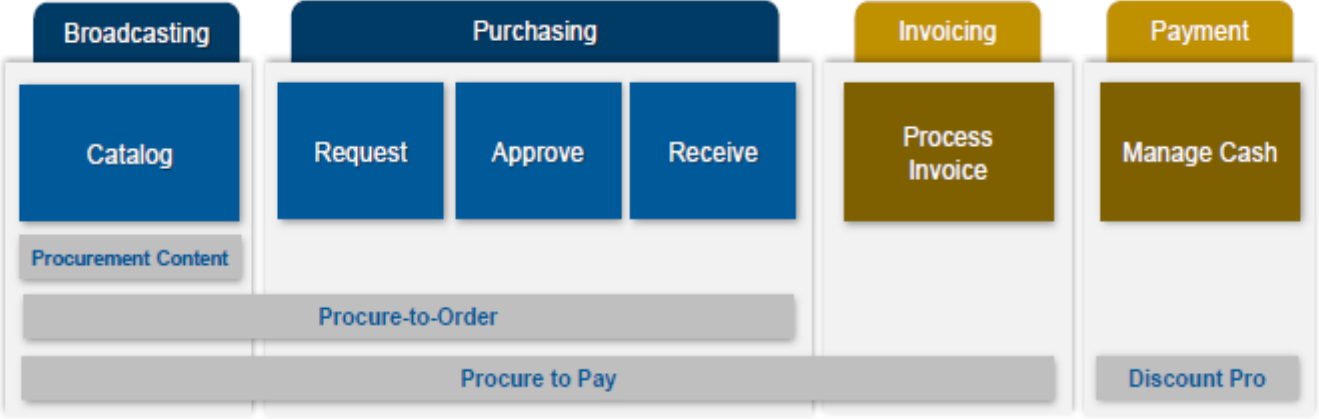
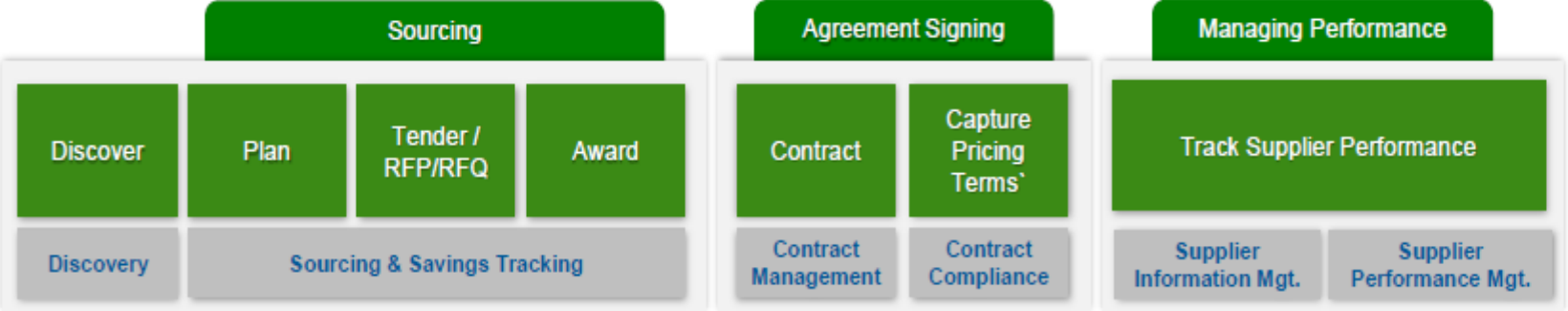
- ❖ Cost avoidance of approximately 2 full time equivalent positions
- ❖ Improve cross organizational collaboration through elimination of effort based on current paper process
- ❖ Increase bid competition, related benefits of 2%-6% of total spend

Digital Procurement at City of Toronto

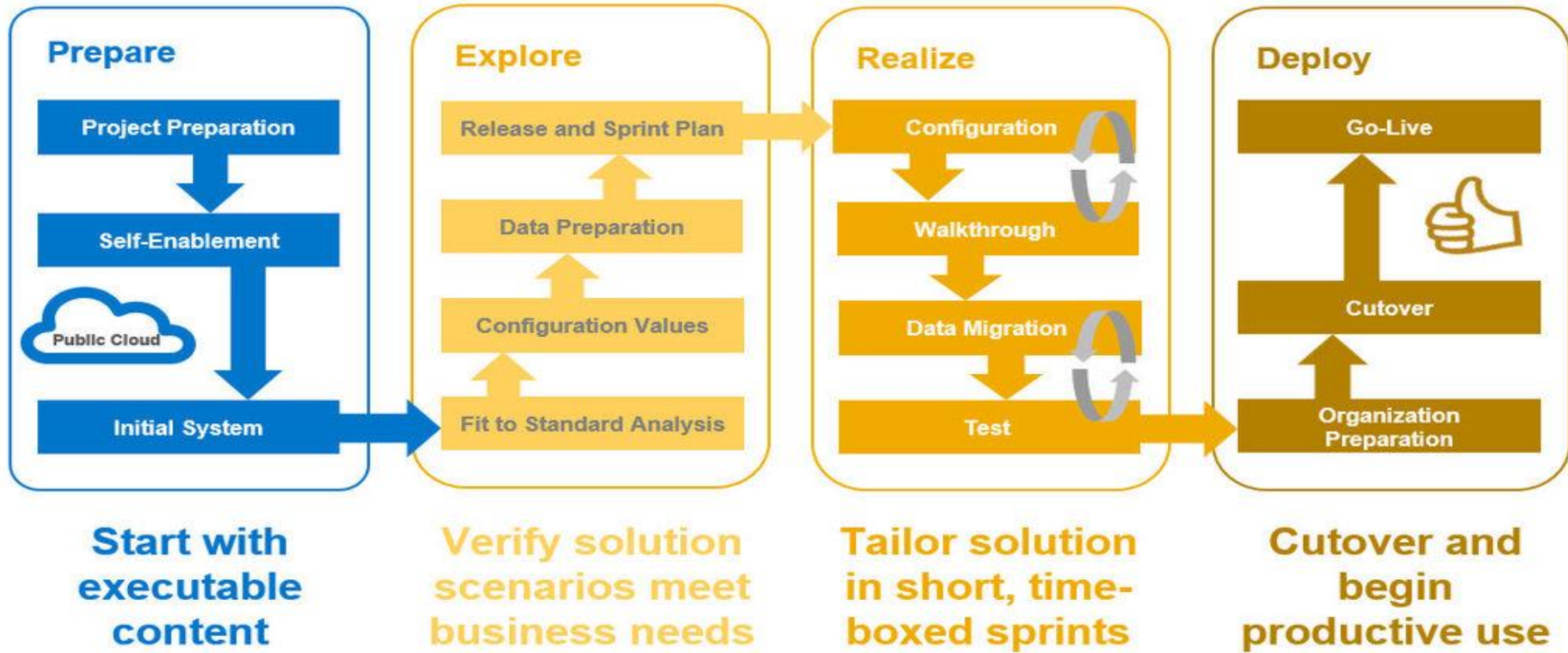
The Supply Chain Transformation program is a collaborative and strategic approach to procurement, organizing the procurement of goods and services on behalf of the organization as a means of driving down costs and improving the procurement experience for City divisions and vendors.



Solution Overview



SAP Activate



The Initial Experience

Prepare:

- Completed initial project planning, and project charter
- Established project governance
- Conducted project kick off
- Completed initial Ariba Test system setup
- Completed team ramp up activities

Deploy:

- Not Started

Explore:

- Completed As-is process documentation
- Solution design and validation was internal to project
- Requirements and process gaps for “Fit to Standard” partially identified and documented
- Continuous transition from Explore to Realize to include change requests for solution fit

Realize:

- Ongoing build of “Fit to Standard” design
- Ongoing test cycles of build
- Continuous transition from Realize to Explore to build the changes from Explore

Health Check Assessment

Key Findings

- ❖ Mixed model application of project methodologies with limited opportunity to experience the future state functionality.
- ❖ Initial pilot designed with 90+ process steps, vs the 40 tasks or less suggested, failed to leverage the elegance of cloud solution technology iterative design process.
- ❖ Low confidence in divisional stakeholders acceptance of SAP Ariba Sourcing solution given the lack of robust training materials and ability to adapt to details in the system.

Response

- ❖ Develop guiding principles.
- ❖ Embrace an iterative journey to transformation.
- ❖ Respond to stakeholder expectations early on, be solution focused.

Shifting Paradigms

Pros

- ❖ Relies on collaboration, quick integration of client feedback.
- ❖ Focused on learning and continuous improvement.
- ❖ Responsive to business objectives, and relies on more integration with stakeholders.
- ❖ Focused on effective, efficient work that incorporates learnings quickly.
- ❖ Focused on prioritizing needed work so teams can finish what they start.
- ❖ You can detect and fix issues and defects faster.

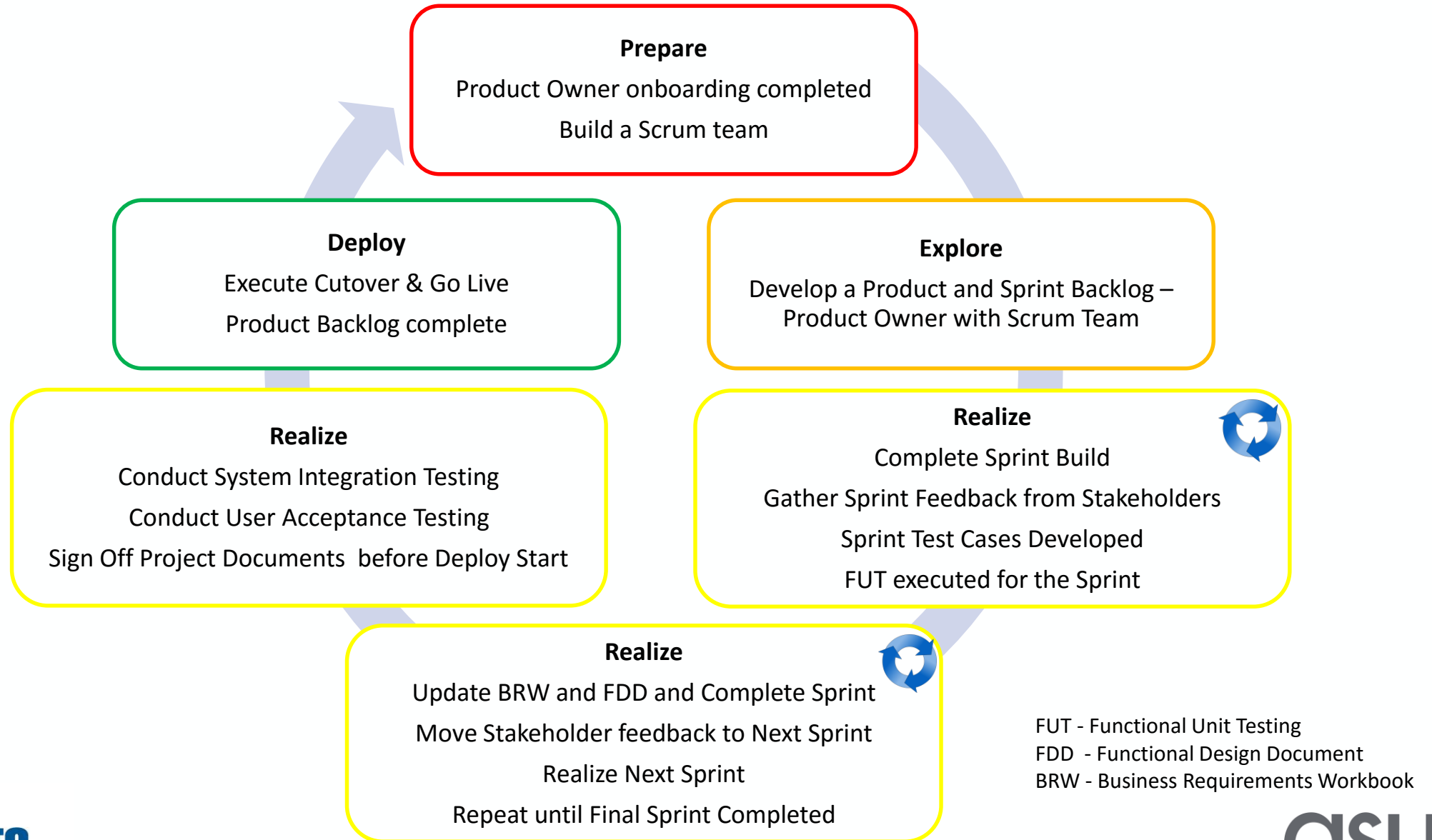
Cons

- ❖ Difficult planning at early stages due to regular underestimation of resource requirements.
- ❖ Lack of long-term planning, weak documentation, because interactions with the clients are mostly verbal.
- ❖ Poor workflow coordination due to several small teams working independently.
- ❖ Overly dependent on communication that is not documented.
- ❖ Agile projects require process / project experienced staff.

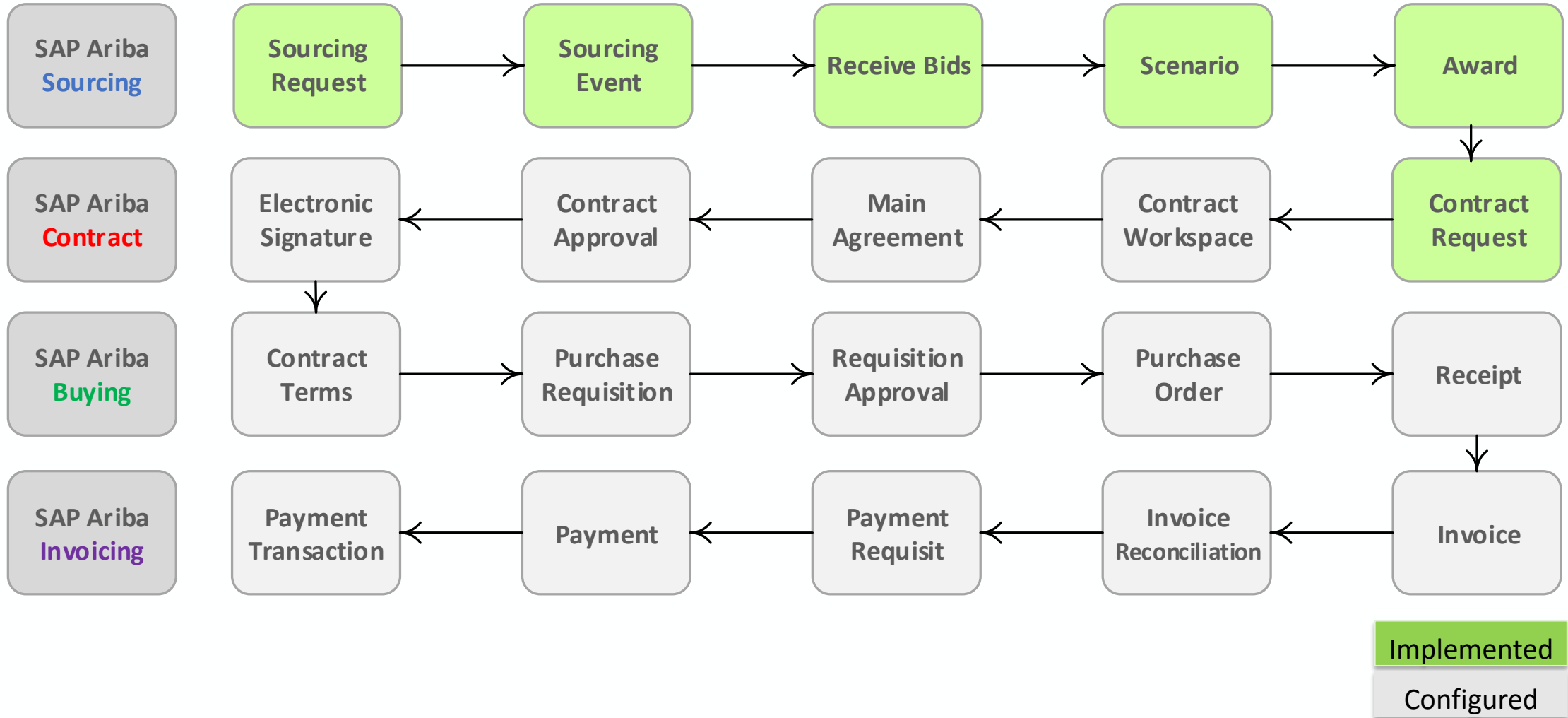
Our Guiding Principles

- ❖ Adopt **Agile framework based on SAP Activate** method while adhering to City of Toronto Project Gating requirements.
- ❖ **Incorporate flexibility for documentation completion & sign offs** - All documentation signoffs not a pre-requisite for Realize phase start, but required before Realize exit.
- ❖ **Enable business process realization** by embedding business users in the **iterative sprints and demos**, thereby facilitating **faster decision making**.
- ❖ Focus on **gathering business feedback and acceptance early** in the build/realize phase.
- ❖ **Early onboarding of business led organizational change management** activities such as stakeholder assessment, training preparation and user adoption and sustainment.

Our Implementation of Agile



Digital Procurement with SAP Ariba – E2E Processes



Lessons Learned

- ❖ **Business Readiness Assessment must include:** Stakeholder list and assessment, Jurisdictional Review for business and technology implementation, understanding organizational design, maturity capability to inform design starting point.
- ❖ **‘Plan-Build-Demonstrate-Feedback and Iterate’** the plan-do-check-act (PDCA) cycle for driving continuous engagement and timely buy-in.
- ❖ **Iterative approach to transformation**, not a “one and done”.
- ❖ **Action research driven approach to rollout**, emphasizing collaboration and design the future.
- ❖ **Understand and educate about an Agile paradigm** for both technology and business driven rollout.

Lessons Learned

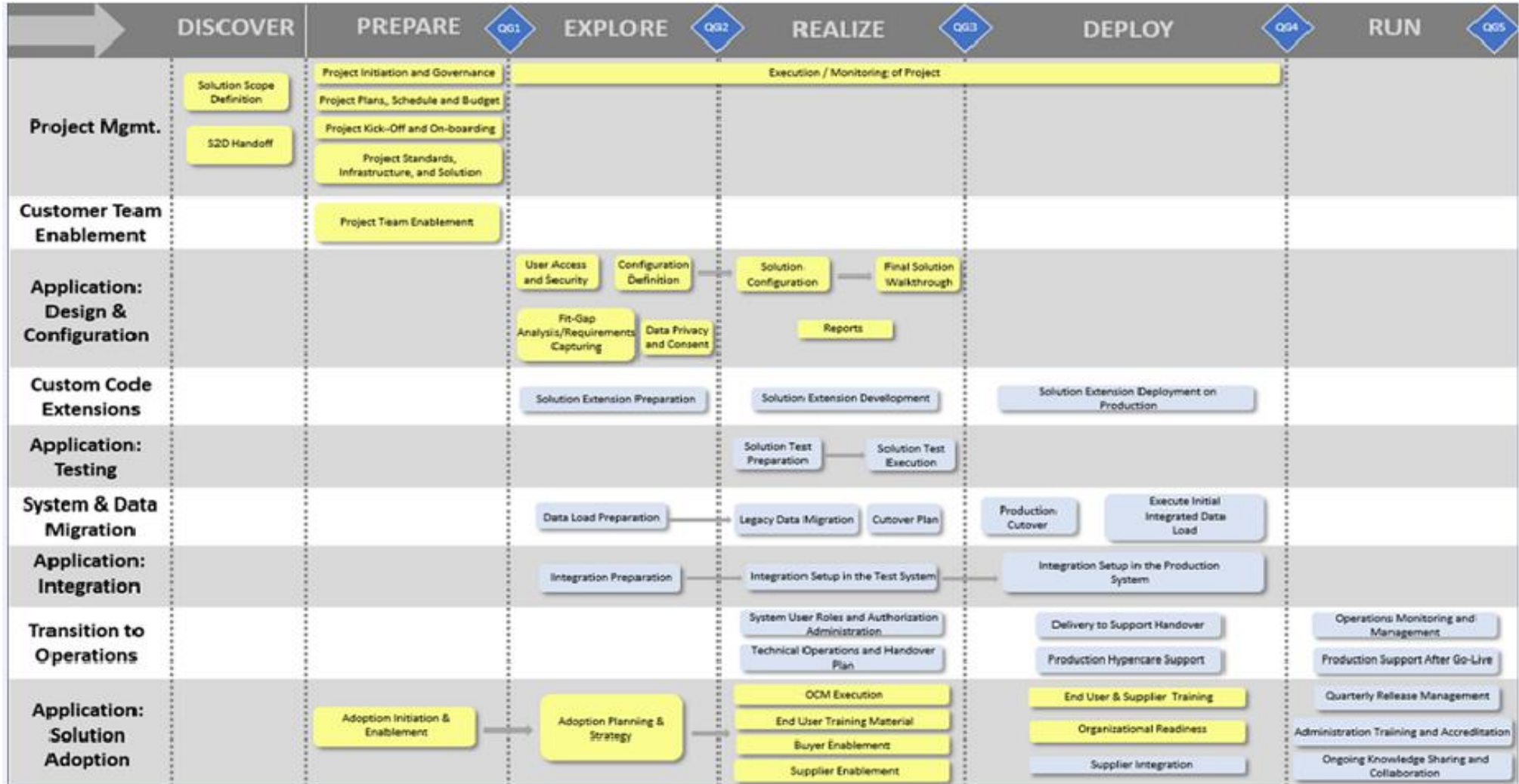
- ❖ **Build a common and simplified** understanding of **Agile** process.
- ❖ **Dedicate time to understand SAP Ariba maturity model** and to start with decide on maturity level that best matches the business readiness assessment.
- ❖ **Value and provide time for appropriate planning and ramp up** of over all project.
- ❖ **Get SAP Ariba trained** before start of Explore phase.
- ❖ **Encourage ongoing use of SAP Learning Hub** to facilitate maturing the workflow and improving user satisfaction.
- ❖ **Leverage your SAP Ariba Customer Engagement Team** for user adoption success, and valuable support to drive supply chain excellence.

What's Next?

- ❖ July 1, 2019 target - all procurements posted through Ariba Sourcing.
- ❖ Launch SAP Ariba Buying & Invoicing solution Q3 - 2019, followed by phased rollout to divisions.
- ❖ Complete readiness to start SAP Ariba Supplier Lifecycle Performance (SLP) in Q4 - 2019.
- ❖ Launch SAP Ariba SLP in Q3 - 2020.
- ❖ Enable 5000 City of Toronto Suppliers on SAP Ariba.

Activate Methodology for Ariba at SAP Roadmap Viewer:

Check out URL - <https://go.support.sap.com/roadmapviewer/#/group/BE47098A-617A-43EF-A27E-DFD801D70483/roadmapOverviewPage/METHSAPARIBA>



Questions



Take the Session Survey.

We want to hear from you! Be sure to complete the session evaluation on the SAPPHIRE NOW and ASUG Annual Conference mobile app.



Presentation Materials

Access the slides from 2019 ASUG Annual Conference here:

<http://info.asug.com/2019-ac-slides>

Q&A

For questions after this session, contact us at Priya.Prabhu@toronto.ca and AnneMarie.Roncadin@toronto.ca

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