City of Toronto's SAP Ariba Supply Chain Journey

ASUG Ontario Chapter Meeting
June 14, 2023
Anne-Marie Roncadin, Project Director & Michelle Levy, Lead Erp Specialist

AGENDA

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◆ About City of Toronto

◆ SAP Ariba Project Background

◆ Benefits and Lessons Learned by Module

◆ Next Steps

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HERE FROM THE CITY TODAY

Anne-Marie Roncadin

Project Director, Systems & Supply Chain Transformation, Purchasing & Materials Management Division, City of Toronto

- Onboarded to the project in late 2017
- Over fifteen years leading cross corporate, cross discipline teams through organisational change projects
- Seasoned management consultant, program planner, program evaluator, advisory service provider, specialized in business transformation
- Servant leader strengths
  - Active listener
  - Trusting and trustworthy
  - Adaptable with high tolerance for uncertainty and risk
  - Accountable and committed to continuous improvement
  - Collaborative and solution focused on citizen centered outcomes

Michelle Levy

Lead ERP Application Specialist, SAP Solution Planning & Delivery,Technology Services Division, City of Toronto

- Onboarded to the project in 2017
- Over fifteen years working with SAP Applications
- Seasoned Advanced Business Application Programming (ABAP) developer and lead
- Member of the City of Toronto, Technology Services SAP Solutions Planning and Delivery (SSPD) Unit for sustainment of SAP applications
- Extensive project experience at the City of Toronto including but not limited to the implementation of Real Estate, Public Budget Formulation (PBF), ESS/MSS, SAP Ariba and the upgrade of SAP R/3 4.6C to ECC 6.0
- Certified Ariba administrator and technical lead for projects and sustainment
- Previously worked in consulting prior to joining the City of Toronto

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ABOUT THE CITY OF TORONTO

- Toronto is the largest city in Canada, and the 4th largest city in North America

- Proud home of citizens representing over 200 distinct ethnic origins and 180 distinct languages or dialects

- More than 50% of current Torontonians were born elsewhere

- Toronto Islands are the largest urban car-free community in North America

- There are over 10 million trees in Toronto, 1,500 parks, 8,000 hectares of land

- Heaven for food enthusiasts, with 8000+ restaurants

https://www.toronto.ca/community-people/moving-to-toronto/about-toronto/

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OVER ARCHING PROJECT GOALS & OBJECTIVES

❯ **Corporate Priorities**
- Financial Sustainability
- A well-run City

Strategic Priorities
- Maintain and create housing that is affordable
- Keep Toronto Moving
- Invest in people and neighbourhoods
- Tackle climate change and build resilience

Aligning to Corporate Priorities

- Leveraging procurement as a corporate strategy
- Using business rules and workflows to strengthen policy and legislative compliance and guide professional practice of both the buyer and the bidder
- Enhance access to corporate wide data to inform decision making
- Enhance engagement in solution design, business process and program maturity

Operational Goals

- Building capacity in reporting to support Supplier and Contract Management
- Developing transparency to data, documents and processes
- Cost avoidance *(save money on processes timing and increased competition and collaboration)
- Process efficiencies *(reduce cycle time, eliminate manual processes)
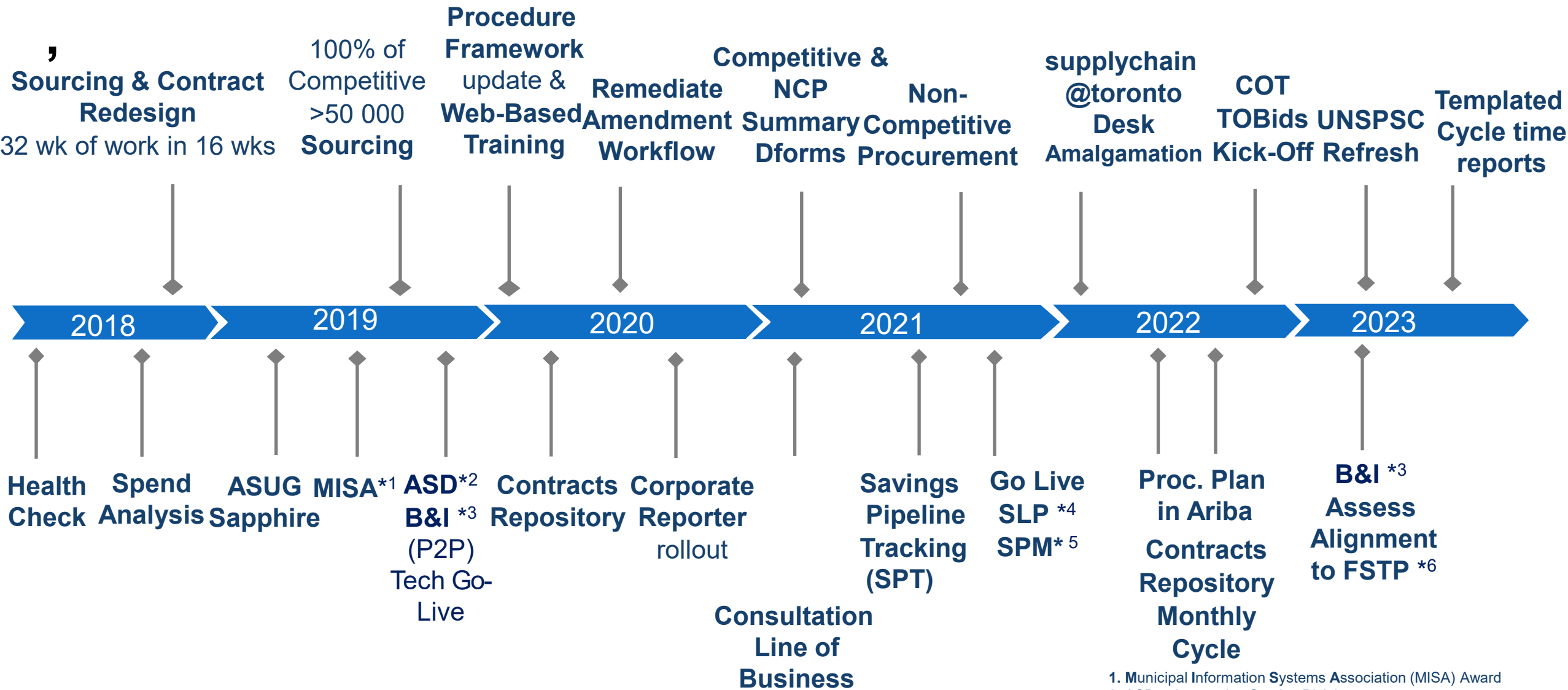
PROJECT BACKGROUND

Early experiences

- SAP Activate Methodology and Cloud Solutions very new to COT in 2017

- Ability to reconcile methods (agile vs waterfall) was challenging

- Initial results included a system design with over 90 tasks, heavy licensing dependent

- Time intensive training requirements not supported by robust materials or methods

- Time and resources needed to complete a sprint cycle and plan for end-to-end integration poorly understood

Early lessons

- Re-establish strong unwavering sponsorship

- Clear understanding of system end to end functionality before completing a backlog fit / gap

- During design of backlog, team learned how to build and repurpose deliverables (user stories /test scripts/training materials)

- Business team and technology team worked on deliverables in parallel whenever possible

- Identify work, secure and schedule adequate resources to complete the work

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SAP ARIBA MILESTONES & IMPLEMENTATION JOURNEY

Timeline milestones above the line:

- **Sourcing & Contract Redesign** — 32 wk of work in 16 wks
- 100% of Competitive >50 000 **Sourcing**
- **Procedure Framework** update & **Web-Based Training**
- **Remediate Amendment Workflow**
- **Competitive & NCP Summary Dforms**
- **Non-Competitive Procurement**
- **supplychain @toronto Desk Amalgamation**
- **COT TOBids Kick-Off**
- UNSPSC Refresh
- **Templated Cycle time reports**

Timeline years: 2018 — 2019 — 2020 — 2021 — 2022 — 2023

Milestones below the line:

- **Health Check**
- **Spend Analysis**
- **ASUG Sapphire**
- **MISA** *1
- **ASD** *2 **B&I** *3 (P2P) Tech Go-Live
- **Contracts Repository**
- **Corporate Reporter** rollout
- **Consultation Line of Business**
- **Savings Pipeline Tracking (SPT)**
- **Go Live SLP** *4 **SPM** *5
- **Proc. Plan in Ariba** Contracts Repository Monthly Cycle
- **B&I** *3 **Assess Alignment to FSTP** *6

1. **M**unicipal **I**nformation **S**ystems **A**ssociation (MISA) Award
2. ASD = Accounting Service Divisions
3. B&I = Buying and Invoicing
4. SLP = Supplier Lifecycle and Performance
5. SPM = Supplier Performance Management
6. FSTP = Financial System Transformation Project

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SPEND ANALYSIS LESSONS LEARNED

Spend Analysis Benefits for COT

Introduced to support Category Management and Strategic Sourcing.

- to identify sourcing opportunities
- manage maverick spend
- increase spend under management
- manage purchase price variance reviews
- improve supplier rationalization.

- The City chose to leverage the United Nations Standard Products and Services Code (UNSPSC) and improve reporting capacity using a global standard.

- Needed a **data governance framework** / documentation and glossaries would have supported change management

- **Stakeholder participation** in mapping of commodity codes to UNSPSC to improve adoption

- Clear **reporting requirements**, to inform a solid fit gap (Organizational Structure / Title of Contract / Supplier Short Name)

- **Better process of selecting spend** to drive through the Spend tool

- **Monthly refresh cycles may have** improved user adoption and trust

- Consider **adjunct reporting tools** to compliment the functionality of Spend

- **Develop a business rules inventory to** keep categories relevant

- Build **prescriptive training material** that are easily accessibly to support changing workforce

- Understand and plan for file extraction / integration requirements prior to the project

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ARIBA SOURCING LESSONS LEARNED

› SAP Ariba Sourcing Benefits for COT

A web based world class solution accessible from anywhere the internet is available.

Eliminates reliance on paper based processes.

Suppliers are no longer required to travel to drop off a bid in person thereby reducing travel time, friendly to the environment, and reducing City administrative burden of handling and processing paper based submissions.

Improves number of compliant bids and increases visibility and accessibility of solicitations going to market.

• **Stakeholder development, evaluation and weighting of business requirements**
• Early and thorough **user story development** to inform design decisions
• **Remediate poor processes,** leverage process maps, identify needed policy or procedures
• Procurement processes, **templates, submission terms must be system ready**
• **Familiar with the application** prior to launch, identify what process will go through vs around the system
• **Upskill staff prior to engagement** leverage SAP Ariba Connect and all learning materials
• **Preview workbooks** with team prior to engagement
• **Target workflow maturity** (crawl before you walk) to manage expectations
• Hire **business familiar change managers**, preferably internal resources who know your organization
• **Buyer Forums and bi-weekly communications** with Buyer Community and Divisional Reps to support CQI
• **Schedule, plan, balance testing requirements with deployment methods (Functional/ Integration /UAT)**
• Budget and timeline for **training materials and realistic training** timelines
• Consider the early benefits of a **centralized project helpdesk** and simple ticketing system for clients and Suppliers prior to kick-off (easy SharePoint workflow)
• **Supplier engagement**, training materials, or training support to improve Supplier onboarding
• Understand **user and group administration** as well as **licencing** prior to the design of workflow

CONTRACTS LESSONS LEARNED

› ## SAP Ariba Contracts Benefits for COT

Provides contract repository function that houses executed contracts

Provides enhanced contract reporting capacity.

Alerts contract owners of contract expiry date.

Will provide a full contract workflow and complimenting working amendment flow with improved reporting functionality.

• **Data model definition and validation from users**
• **Stakeholder representation** from Legal or Client Legal, Procurement, Contract Managers and Supplier Market required
• Clear understanding of **service delivery support post hyper care,** available to your project
• **Clear RACI from project to sustainment -** understanding of workbook updates and ownership
• **Complexity of cycle time reports** and well **defined KPI's**
• **Retain talent** to support CQI – begin with the end in mind
• **Understanding PO/Contract and Service PO functionality** and impact on design / change management
• **Understanding Contracts (contract compliance function) and Buying and Invoicing** when sequencing work
• Task behavior and parameters vary, **work with municipal stakeholders** and jurisdictional partners to leverage lessons

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SUPPLIER LIFECYCLE PERFORMANCE LESSONS LEARNED

› SAP Ariba Supplier Lifecycle Performance Benefits for COT

A one front door 360 view of supplier information.

Self-serve profile updates

Newly awarded suppliers sensitive banking information is masked.

Certificate questionnaires support the capture of relevant data (expiring certificates)

Improves corporate reporting.

SLP - Performance Management supports the City's Performance program

• **Retain talent** business team experience is invaluable in learning the new tool early
• **Buyer Forums and bi-weekly communications** to support functional and systems training support
• **Early awareness and engagement of suppliers**, foster participation to shape their experience of SRM program
• **Hyper focus on data cleansing**, data transfer and integration requirements
• Early **engagement of business process owner group** to implement data governance rules in master data set-up and collection
• **Leveraging the dynamic form** to support SRM Performance Evaluation functionality supported smooth rollout and adoption
• Understand and train support team in the **relationship between the supplier data in Sourcing and SLP**
• Educate team in the rationale for and ability to **unlink suppliers from the SAP Business Network Accounts**

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> SAP Ariba Buying & Invoicing

Benefits for COT

Once implemented

Enhanced user catalogue experience.

Publish contract pricing terms in contract compliance document as catalogues (both material and services)

Superior control on contract leakage and driving users towards contract pricing.

Ariba contracts will be sent over to the supplier over the network and provide the ability to invoice directly against the contract.

BUYING & INVOICING LESSONS LEARNED

• **Subject matter expertise and system familiarity** is a game changer
• Clearly articulated **business processes, reporting requirements** and changes to policies and procedures
• Early identification **of integration requirements** with S4/HANA
• **Pull forward work packages** where ever possible to build capacity (gain time) during sprints

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NEXT STEPS – LEVERAGE LESSONS LEARNED

- ✓ Draft user stories and validate business processes

- ✓ Build clear acceptance criteria prior to fit gap

- ✓ Data cleansing and business process review early

- ✓ Understand module functionality

- ✓ Identify and inventory policies and procedures and assign early

- ✓ Take the time to build the plan

- ✓ Balance team size and sequencing of work realistically

- ✓ Action research driven implementation, promote proof of concept

- ✓ Forge stakeholder alliances to develop partnerships with early pilot groups

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Thank you

Any questions…?

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