

## ERP Sustainment Ownership: Sustainment’s Little Secret

By Dave Roitman

Call it the “elephant in the rowboat” or the “moose on the table”; when leaders turn to sustainment, one of the first questions is often the most difficult: “Who in the organization will own sustainment?” It’s a difficult question because many ERP projects are initiated with IT funding and leadership, but after go-live, the processes and systems live—or die—in business units. Yet, many organizations continue to struggle with this transition. Successful leaders recognize the need to manage these tensions after go-live, and use the opportunity to improve IT-Business relationships, often at a fundamental level. In this article, we explore the roots of the ownership challenge, present principles for effectively managing the challenge, and describe case examples of “Centers of Excellence” that address the challenge. We address overall sustainment with a special focus on learning.



### IT-Business Relationships: We’ve Come a Long Way

The history of relationships between IT and Business departments parallels the history of IT development, as shown in the following simplified table.

Time Frame	Dominant IT Technologies	Dominant Characteristics of IT-Business Relationships
1970s	Mainframe	Most IT decisions controlled by IT leaders. Business users provide input on requirements.
1980s	Minicomputer	Business leaders gain more influence, in some cases establishing their own “renegade” IT functions, in others creating “business monarchies” to dominate IT decisions. When governance works well, IT and business leaders collaborate on IT decision committees and councils.
1990s	Client/Server	Importance of IT <i>value</i> , not just cost, becomes evident. Role of “relationship manager” emerges, as well as “federal” governance of IT decisions, with a “balance of power” between corporate and business units.
2000-Present	Web & Cloud-Based	IT governance shifts more frequently, following an organization’s maturation path, changes in business strategy, and technology developments. Methods and tools for valuing IT business contribution become more usable and useful.

While there are explicit trends shown in this table, just as important is the story hidden between the lines — a story of conflict and sometimes outright hostility characterizing IT-Business relationships. This history plays itself somewhat differently depending on the organization, but all carry at least some baggage. While much has been learned over the past four decades, this baggage still interferes with good decision-making and execution of sustainment. For example:

- IT and business managers are prone to stereotype each other, making assumptions that may or may not be borne out in current situations
- Mistrust built up over leadership careers that span decades makes it sometimes difficult to come to grips with ownership decisions

### Implications for Ownership of Sustainment

**Definitions:** By “sustainment,” we mean the work required to make systems pay off after go-live.

This involves a myriad of sustainment activities, including:

- Managing system upgrades and roll-outs
- Ensuring on-going process improvement and systems upgrades are aligned and not disconnected
- Tracking business impacts and benefits; using this information to justify further investment and identify improvement opportunities
- Organizing and staffing for post-go-live activities
- Defining roles for business process owners, power users, and super users — and then managing so the roles have the desired impact
- Assessing learning needs — and then managing so that users have updated learning tools and materials that meet their needs

While it’s convenient to list these as bullets, they really form a framework where all the pieces fit together like the following model that reflects the most important pieces:



By “ownership,” we mean the organizational unit that will be responsible for sustainment. “Centers of Excellence,” or CoEs, refer to internal organizations with the charters and cross-discipline skill sets needed to support sustainment. CoEs are usually partnerships between business units, corporate business staff, and IT organizations.

**Implications:** The history of IT-Business relationships described above helps us understand the specific challenges organizations face today around sustainment ownership. In today’s complex and fast-paced environment, leaders manage their time ruthlessly. ERP projects can look like IT projects to business leaders, and it’s all too easy for them to postpone getting engaged. Then after go-live, if there hasn’t been adequate business involvement, results usually fall short of targets and it’s all too easy to point fingers. And all too often, decisions about “who should own sustainment” are postponed or poorly managed. Because it can be difficult to get key issues related to power and control on the table, ownership decisions are then based on “politics” rather than rational and strategic criteria. This is sustainment’s little secret.

What follows are experience-based principles to help overcome these types of challenges.

### Principles for Managing Ownership of Sustainment and Learning

- If there is “baggage” between IT and business managers, get key issues on the table. Then use a structured and efficient process to work them through. If done well, this can be accomplished in a meeting preceded by a few interviews with key players (see Audio Equipment case below).
- In many situations, a cross-functional Center of Excellence (CoE) will be established that has overall ownership of sustainment. If there is a CoE, it’s a good place to house Learning Sustainment. But if there isn’t a CoE established yet, don’t wait to create the Learning component. It may take a while to establish the CoE. Meanwhile, doing a good job on Learning sets the stage well and can have a positive influence on all of the sustainment activities listed above.
- If there is no CoE yet established, learning sustainment should be owned within an existing business unit. If there’s no cross-functional CoE, it’s usually better to position Learning Sustainment within a business unit rather than within IT. Here is a set of questions to ask that will help decide which unit to choose. These can be used as criteria in a decision matrix and used to evaluate alternative units to own Learning Sustainment.
  - Which business units best understand the connection between effective ERP and business results?
  - In which business unit is there the strongest perceived need for learning sustainment?
  - Which business units already have a cross-functional mentality (e.g., units operating as shared services or that do a lot of large-scale project management)?
  - Which business leaders show the strongest understanding and commitment to learning sustainment?
  - Which business units are furthest along on a learning maturity curve?
  - Which business units have the best understanding and relationships with IT?
- In today’s environment, many users will actively seek to get their learning needs met. So, build the learning sustainment environment with a strong focus on informal learning, including learning on demand, social learning, and embedded learning such as web-based performance support. In a big way, users today “own” their own learning!

## Sustainment Ownership: Models and Examples

### Audio Equipment – Company A

Company A is a global leader in the design, manufacture, and sales of innovative audio equipment to retail and commercial markets.

The assignment was to work with their CIO and IT leadership team to redesign their IT organization, enabling them to support rapid growth and better serve widely different markets (e.g., consumer electronics, automotive equipment, and theater-based sound systems). Initial interviews revealed a troubled past between IT and business units. Based on this information, we joined the CIO in meeting with each of 10 key business executives and managers. The focus of each meeting was first, the manager’s experience with the IT organization, and second, his or her business strategy and IT needs for the next one to three years. Prior to the meetings, the CIO was coached to “listen to understand.” These meetings were followed by a one-day planning event attended by all 10 business executives and managers plus the CIO and his leadership team. The meeting began by reviewing the business managers’ feedback to IT from the interviews. The group then spent the rest of the morning constructing a timeline of the company’s IT-business history, putting key events on the wall with accompanying commentary, and then discussing the timeline to derive and share lessons learned. The afternoon used a structured approach to jointly define and plan critical IT initiatives for the coming year.



One of these initiatives was the implementation of a comprehensive ERP system. The foundation laid by “getting rid of the baggage” enabled the organization to make timely decisions and implement a cross-functional Program Management Office to manage project prep through the first U.S. go-live, and implement a cross-discipline CoE with full staffing prior to release 2.0, the first global roll-out.

### Consumer Products – Company B

The engagement with Company B was to help leaders better understand the causes of performance problems and identify areas falling short of potential benefits following implementation of a complex ERP system. We found that the role of that training was not implemented consistently, and materials were not kept up-to-date or readily available to users; communications about training and performance support were inconsistent; the roles of Super Users and Business Process Owners (BPOs) were well-defined in concept but not supported consistently in practice; and many users knew they could do more in their jobs if they understood more about how to get the information they needed out of the ERP system.



Previous attempts to implement a complete CoE had not been successful, and after we delivered our findings, leaders decided to establish a small-scale, corporate Learning and Performance Support Center with a director and two additional staff. To help leaders decide which unit should own this Center, we employed the questions listed above, in the form of a decision criteria matrix comparing alternative business units.

## Chemicals Manufacturer – Company C

In this global corporation, a mature ERP system was not living up to its potential. A major reason was that process improvement leading practices were not being driven across business units.

Prior to our engagement, leaders in this global corporation decided to move 200 BPOs from the business units into a new CoE housed in the IT organization. These BPOs had been selected because of their process knowledge and process improvement capabilities. The assignment was to help the new CoE's leadership team develop the structures and policies they would need, and to plan and launch the CoE implementation. Establishing the CoE was the culmination of more than a year's worth of leadership-level analysis and discussion. Implementation went fairly smoothly, since business and IT leaders had worked through the difficult issues first.



Two major features of the CoE were the implementation of cross-business-unit Communities of Practice focused on process improvement and cross-business-unit dynamic planning to optimize BPO resource utilization. These both required effective IT-Business collaboration, which would not have been possible without the preparation and engagement of leadership.

## Conclusion

While ownership can be a challenge for sustainment, it's also the case that a solid approach can enable timely decisions and effective execution. Three of the elements contributing to success include “unloading the baggage” from prior troubled IT-Business relationships; using explicit criteria to decide who should own sustainment; and making the time to build the collaborative cross-unit and cross-discipline environment needed for sustainment to succeed. With these elements, and attention to overall change leadership and management, your chances to succeed at sustainment will be significantly improved – and you will have solved the problems created by sustainment's “little secret.”