



ACCESS ANALYTIC

5 Hidden Traps in System Implementations plus 3 ways to avoid these

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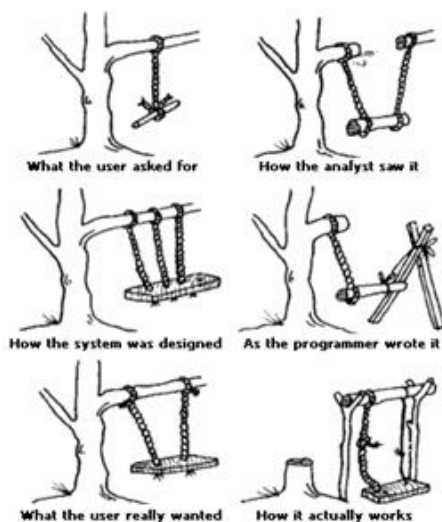
5 Hidden Traps in System Implementations

We were recently involved in replacing an Excel-based budgeting system with one of the well-known Budgeting/Forecasting applications for one of our clients.

On the face of it, the decision to move to a bigger system seemed to make sense given the size of the organisation and the desire to integrate the budgeting process with other areas of the business.

However, implementation wasn't all smooth sailing. We thought we'd flag some of the setbacks so others can learn from their mistakes.

1. 'Death by Documentation' in Requirements Gathering



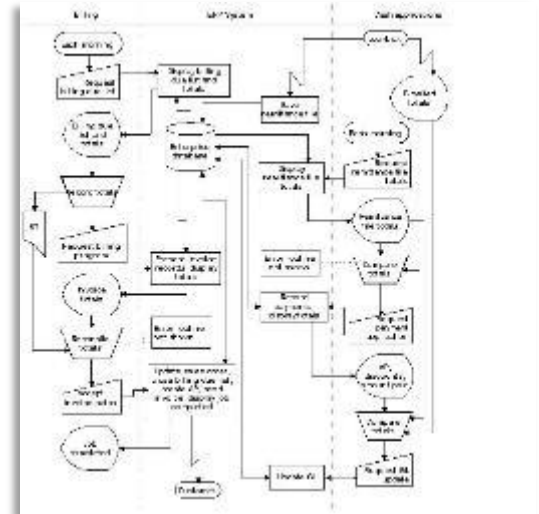
In the early stages of your process, you need to map out, in as detailed a manner as possible, how you want your budget system to work. It can be very difficult to articulate what you want, especially if you don't already have a system in place.

When gathering requirements, think in weeks and months rather than in hours and days.

Though we're a little sceptical as to the benefit of detailed process flow diagrams (other than helping the implementers understand your processes), it can be worth putting these together, as they sometimes highlight flaws in workflows.

Be warned however: once you sign off on your requirements, that's what you can expect to see built, often without question or thoughtful challenge; final requirements get handed over to a developer who may be disconnected from your discussions.

Tip: Include screenshots or sketches of what you want, as words can be left out or misunderstood.



2. Discrepancies in the Quality of Development Teams

The requirements gathering stage is often seen as a major stand-alone element, disconnecting it from the implementation process as a whole. Instead, consider it a fluid continuous discussion, allowing for new information to improve the eventual outcome.

A good BA / Development Team will make a big difference to the ultimate end result. Out of everyone involved in the process, they come closest to the details, and can use their skills to make the tiny but important decisions that would otherwise be taken for granted.

A bad team will leave you with a half-baked system that doesn't do the things you expected it to ... and it's difficult to tell what kind of provider you're dealing with because it's often impossible to even find out who the team will be!

3. Underestimating Internal Staff Time

The 2 most time-consuming stages for your employees are:

- a. Requirements gathering
- b. User Acceptance Testing (UAT)

This time is often overlooked when assessing the cost of implementing a new system. This "hidden" time should always be incorporated into your cost / benefit analysis!

The more complex a process, the longer it will take to deliver, but expect many months, even a year, rather than weeks.

4. Moving Goal Posts vs Rigid Delivery Times

The time to deliver presents an additional issue; businesses often change rapidly, and what you needed 6 months ago may have changed or may no longer be required. The bigger the system, the more difficult (and costly) it is to change direction.

Even if the business hasn't changed, your understanding of what's required, what the budgeting system is capable of, and what the key issues are will undoubtedly change.

Therefore, although you originally asked for A+B, you now actually need A+B-C. This can cause issues and additional costs as your new requirements are now "out of scope" relative to your initial requirements.

5. How Developers Respond to Testing

User Acceptance Testing (UAT) may be the first chance you get for hands-on experience of the system that's been developed.

It's here that you'll discover any requirements that have been missed or misinterpreted. By now, however, it's often too late and too costly to make significant changes, especially if the start of your next budgeting cycle is rapidly approaching.

You may also encounter reluctance from the developer to make a change outside of the requirements, even if it stems from a misinterpretation or lack of clarity in that original scoping document you signed off 8 months ago.

Whether for justifiable or invalid reasons, this all results in extra time and/or extra cost, as everything is now "outside of the original scope".

So what are your next 3 steps?

1. Get references from other businesses who've implemented a similar solution to the one you require
2. Consider utilising a developer that adopts an "agile" approach, where you get a lot more hands-on interactions with the system much earlier in the process and at each stage of development. This will make it much easier to spot the omissions and misinterpretations that undoubtedly occur.
3. Consider developing an Excel version first, which you can use as the reference for a more sophisticated system.

"Why should we 'waste' time & money building an Excel version first?"

This is actually a really valuable step that pays huge dividends later on:

1. **Communication:** it's a huge help to developers since it creates really clear requirements for them to follow. Don't underestimate the massive time and cost saving this can result in!
2. **Speed:** it's very quick to react to changes in requirements or realisation of issues, bottlenecks and data source problems before they are built into a more complex system.
3. **Testing:** it's much easier to identify issues in a complex system if you have legacy results to compare against.
4. **Assurance:** if the new budgeting system is not built in time, you have a working system to fall back on.
5. **Self-sufficiency:** if you ignore the screams of IT, you may actually find the Excel version works so well that the only justification for the big, expensive system is to satisfy someone's ego. Alternatively, it might allow you to defer the expenditure a few years, thereby significantly improving the NPV of the project.

Conclusions

Excel is not perfect, and may be totally unsuitable for the type of system you need, but don't get sucked in by a shiny new package whose cost doesn't justify the benefit.

Consider all the benefits an "Excel-first" approach brings to the bottom line of a project and don't rule it out because it's "just Excel".

Talk to us.

You'll be amazed by what's possible in the hands of an Excel Expert and the savings it generates, especially when it's accompanied by spreadsheet management best practices.

Self-Service BI for Office 365



Insights in Excel
1 Billion Office Users

Collaborate in Office 365
1 in 4 enterprise customers on Office 365

Discover | Analyze | Visualize | Share | Find | Mobile

Scalable | Manageable | Trusted

Access Analytic Overview

Overview

Access Analytic provides AMAZING Excel solutions to enable companies to grow, control their costs and reduce their risks.

I never knew Excel could do that!

	Process Improvement	Financial Modelling	Reporting	Training
Assist Growth	Flexibility	Forecasting & Capital Raising	Dashboards & Power BI	Tailored Courses
Control Cost	Efficiency	Budget Systems	Finance, HR & Operations	Productivity
Reduce Risk	Automation	Model Audit	Confidence	Best Practice

Figure 1: Access Analytic Solutions Overview

Our Services fall into three groups:

1. Helping Companies Grow:

- **Process Improvement:** streamlining processes to create flexible, scalable processes.
- **Financial Modelling:** to forecast results (e.g. equity/loan capital raising, business planning, feasibility studies, project economics etc.) with sensitivity and scenario analysis to support decision-making with confidence.
- **Reporting:** tailored dashboards and KPIs using Excel and Power BI to connect to both cloud and on-premise data, thereby allowing companies to keep on top of their operations, gain insights, and make data-driven decisions.
- **Training:** training in all of these areas to transfer skills to support further growth.

2. Helping Companies Control Cost

- **Process Improvement:** efficient Excel-based processes that reduce the need for manual input.
- **Financial Modelling:** Excel-based budgeting and forecasting systems that enable companies to efficiently control and monitor their costs.
- **Reporting:** reporting to assist Finance, Human Resources and Operations with their areas of responsibility for cost control.

- **Training:** assisting staff to become more productive and reduce the need for additional resources. Courses are provided on an in-house basis, which often results in a cost saving of 50% or more compared to public courses.

3. Helping Companies Reduce Risk

- **Process Improvement:** by automating processes, companies not only save time, they also reduce the errors and risks that result from manual inputs. This results in more accurate data, which can provide better analysis.
- **Financial Modelling:** independent model auditing services to provide assurance that key models are producing accurate results and can be relied upon.
- **Reporting:** reporting that focuses on the right data at the right time to provide transparency & visibility.
- **Training:** financial modelling best practices to reduce risk and improve quality.

We are based in Perth, Western Australia and the business was established in 2000. Access Analytic provides services to clients located in: Australasia, Asia, Africa and the Middle East. A selection of our clients is shown below:

Mining, Oil & Gas, & Energy



Finance, Manufacturing, Agribusiness & IT



Property, Services, & Construction



Access Analytic: Rising Star



Access Analytic was named as one of the WA Business News' Rising Stars for 2012, recognising the success and achievements of our company.

About the Authors



Jeff Robson, Principal Business Analyst

Masters (Applied Finance), BCom (Accounting & Information Systems), CISA, MAICD, FAIM, F Fin, Microsoft Excel Expert

Jeff is the founding director and principal analyst at Access Analytic Solutions. He has over 15 years' experience in chartered accounting, business management and consulting.

Jeff holds a Masters in Applied Finance and is a Certified Information Systems Auditor. He is highly regarded and recognised around the world as an expert in the field of financial modelling.

His achievements have been recognised by his peers and he is a Fellow of both the Financial Services Institute of Australasia and the Australian Institute of Management.

Jeff has extensive experience in best practice financial modelling, management reporting, business analysis, and spreadsheet auditing and is also an entertaining international presenter and trainer on these subjects.



Wyn Hopkins, Senior Manager

B.Sc. (Hons) Accounting & Financial Management, CA, MS Excel Expert Wyn gained his Chartered Accountant qualification at PricewaterhouseCoopers in the UK in 2000.

He has extensive Business Analyst experience in FTSE 100 financial services companies (HBOS and Barclays in the UK) as well as GESB in Perth and telecommunications companies industry in Australia.

Wyn is skilled in financial analysis, strategic financial modelling, management reporting and forecasting, and value-based management techniques.

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