

The Story of a Regional Project in Latin America

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Regional Project Portfolio Manager

Agenda

- Who needs a Regional Project?
- AS-IS Environment
- The Project
- Project Benefits
- Lessons Learned
- Conclusion

Why
should
the
region
pursue
this
project?



The Logistic Company

- *The Logistic Company* built the world's premier global delivery network reaching over 200+ countries and territories to become the global market leader of the logistic industry
- *The Logistic Company* specializes in providing customers with innovative and customized transportation solutions from a single source

Organization

- *The Logistic Company's* regions:
 - Latin America,
 - Asia-Pacific,
 - Eastern Europe, Middle East, Africa,
 - Europe and
 - US

The Problem

- Experiencing invoicing problems due in part to an accelerated organic growth, merge and acquisitions in markets where *The Logistic Company* had no presence
- Great variety of invoicing and billing applications, local invoicing standards and non-standard billing cycles

The Problem

- Long month end processes that furnished imprecise data to finance and accounting applications impacting country, regional and global sales reports
- IT acted as supplier of tools that did not fulfilled business requirements or support business processes

The Approach

- Identify an application which would fulfill billing process, provide accurate sales information and expedite billing
- Provide accurate reporting required for the decision making process at country, regional and global levels.

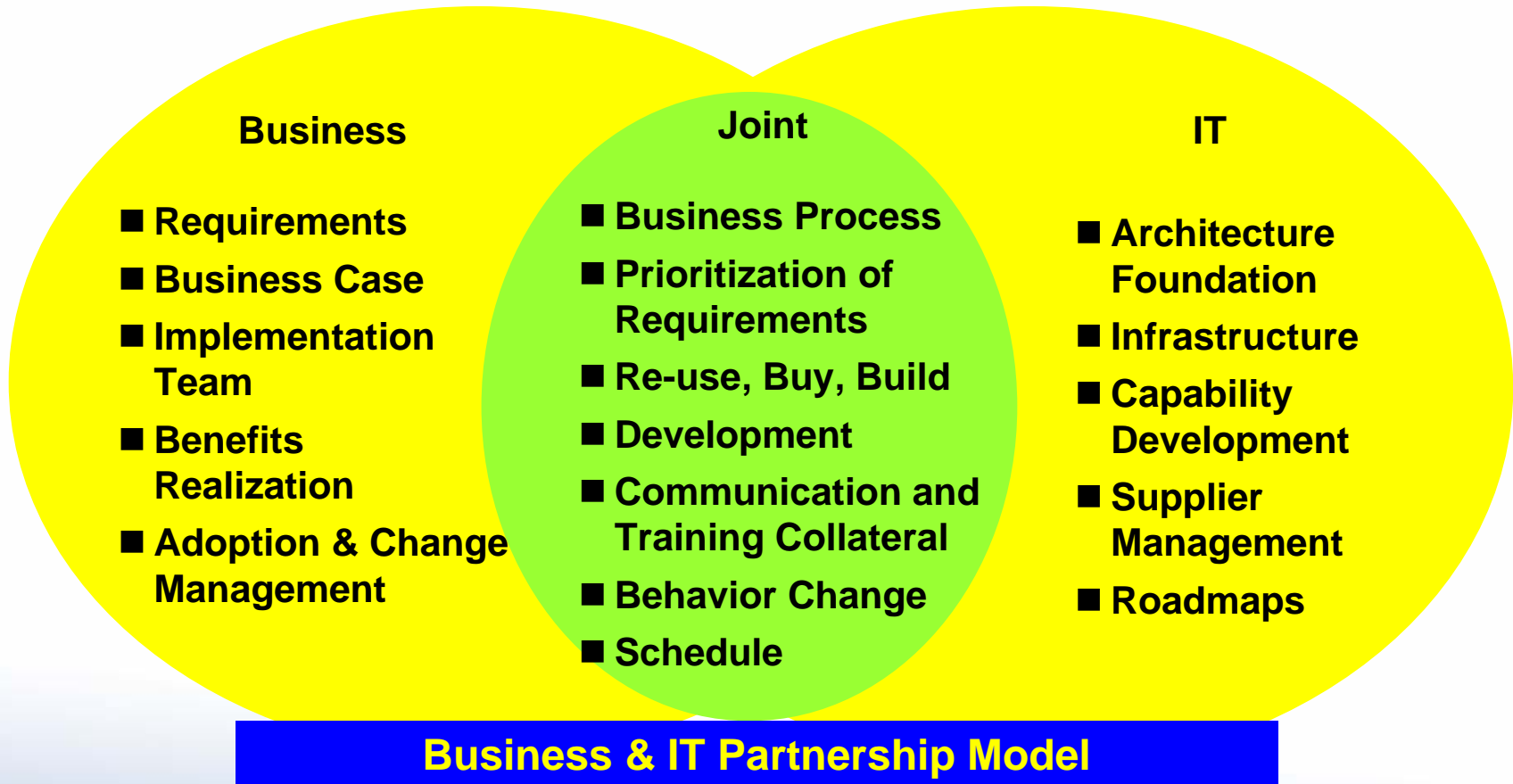
The Approach

- Assessed different scenarios to address the selection of a billing solution including:
 - build an application from scratch,
 - re-use
 - buy an “off the shelf” billing application
- Global re-organizational changes in business and IT groups

The Decision

- After a detailed assessment of the available options, *The Logistic Company* decided to re-use a billing application developed in its Asian region. The application core functionality fulfilled the company's billing process and would be able to be adapted to support local government regulations or other customizations as required.

Business & IT Partnership Model



Transition IT from a supplier of “tools” to a business partner working closely with business to understand and meet market demands

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Current Situation (AS-IS)

- Finance, billing and IT teams located in every country
- IT has local power to modify applications based on local requirements that most of the times did not fulfill regional standards

Current Situation (AS-IS)

- Invoicing functions including billing cycles, credit notes, debit notes and adjustments executed by finance and billing teams with the support of local IT team
- Duration of billing cycles varied from country to country due to variety of billing systems implemented in each country of the region

Region Facts

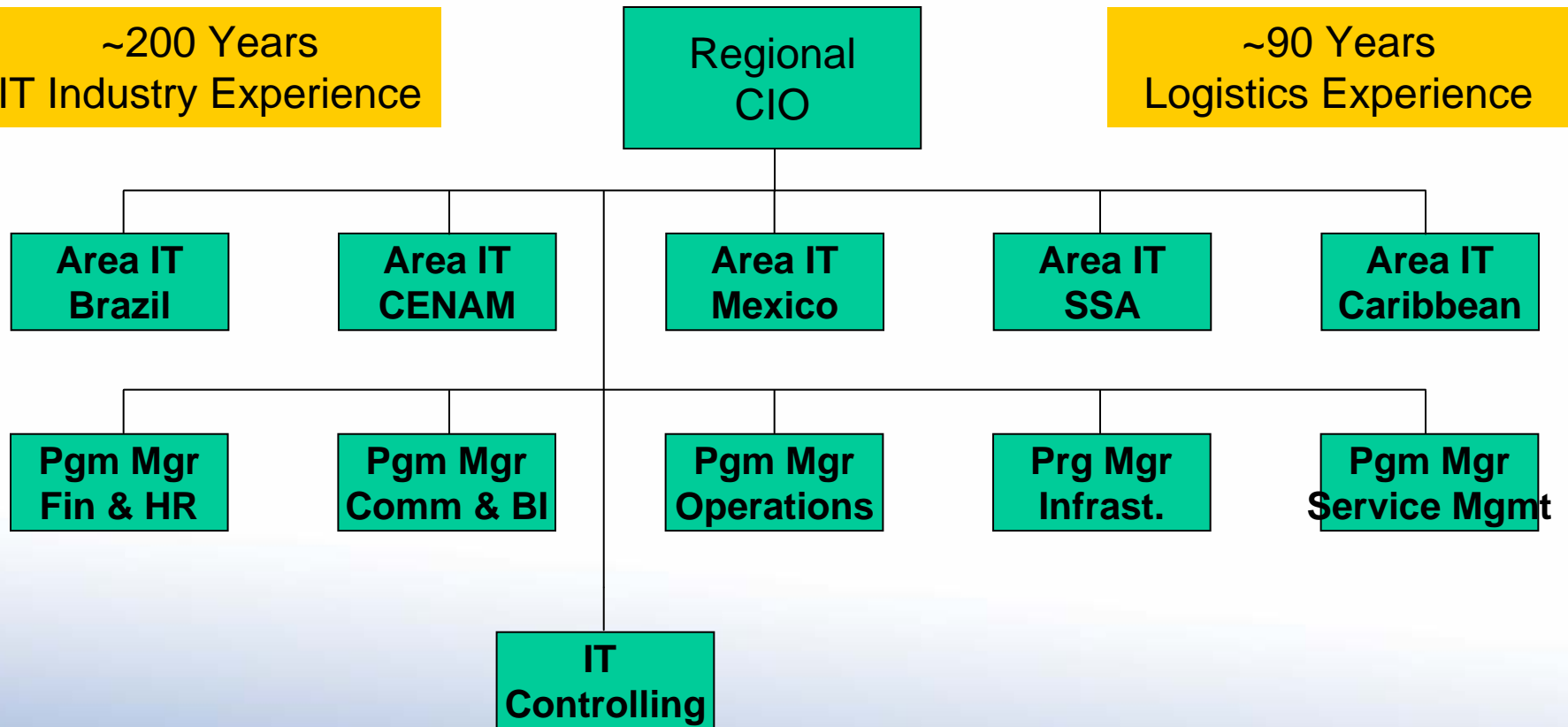
- 49 Countries
- 5 Clusters (Brazil, Mexico, Central America, Caribbean, South America)
- 5 Primary languages (Dutch, English, French, Spanish & Portuguese)
- High commercial exchange to/from U.S.



Regional IT Organization

~200 Years
IT Industry Experience

~90 Years
Logistics Experience



Region's Key IT Facts

..... Programs Journey.....

"Broken Promises"

- Multiple Regional CIO (5) turnover in 2 years
- Back-office Integration
- IT Foundation Changes
 - Asia Pacific business applications
 - Hosting from US
 - Integration with Emerging Markets

2003 - 2005

2006 - 2007

2007 - 2009

2009+

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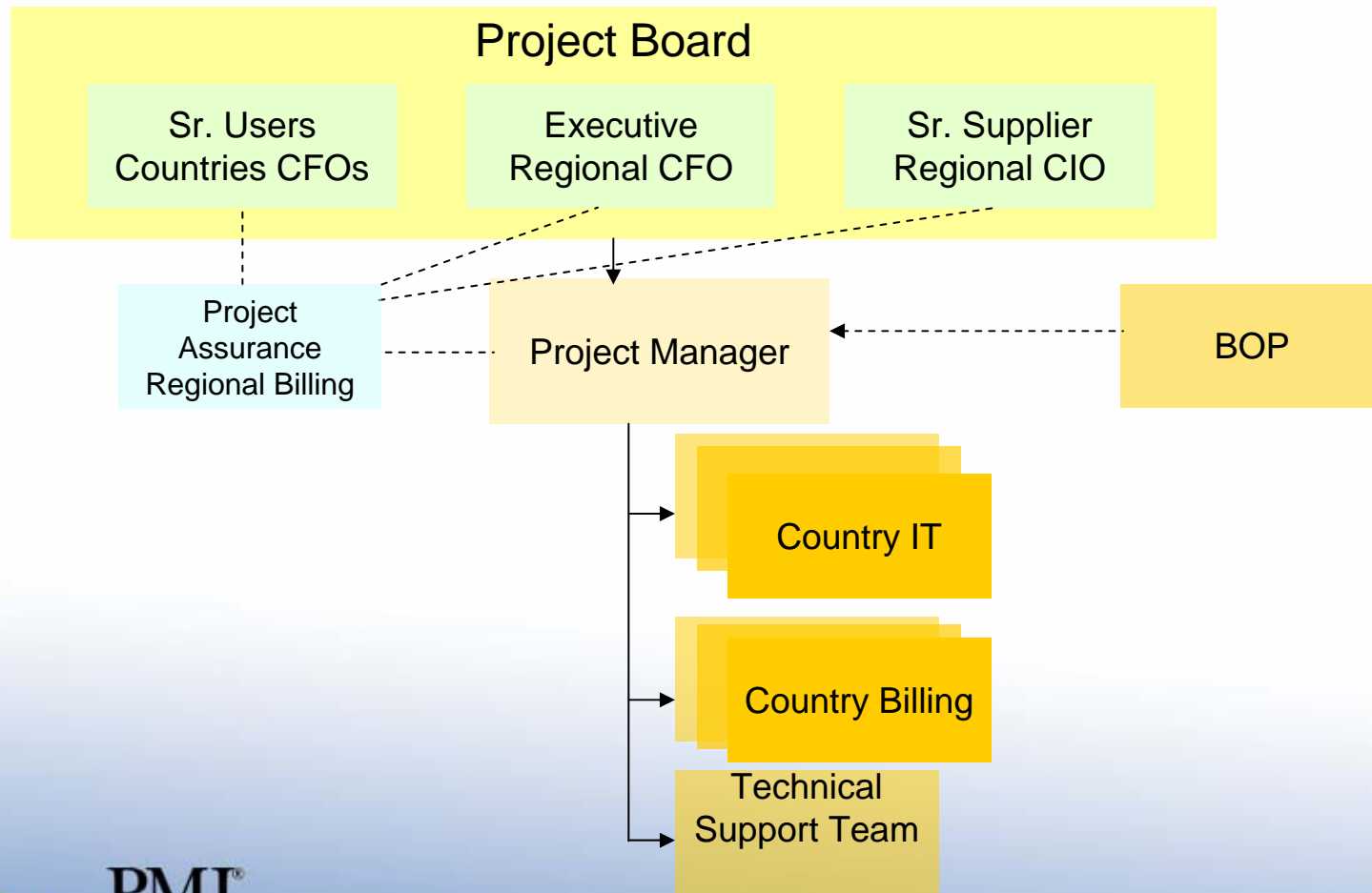
Project Objectives

- The project objectives were as follows:
 - Harmonize billing process across all regions
 - Establish a global governance board to assess and select application changes based on meeting government regulations, market requirements and new functionality
 - Reduce duration of billing cycle times (weekly, mid month and month end) in all countries across regions

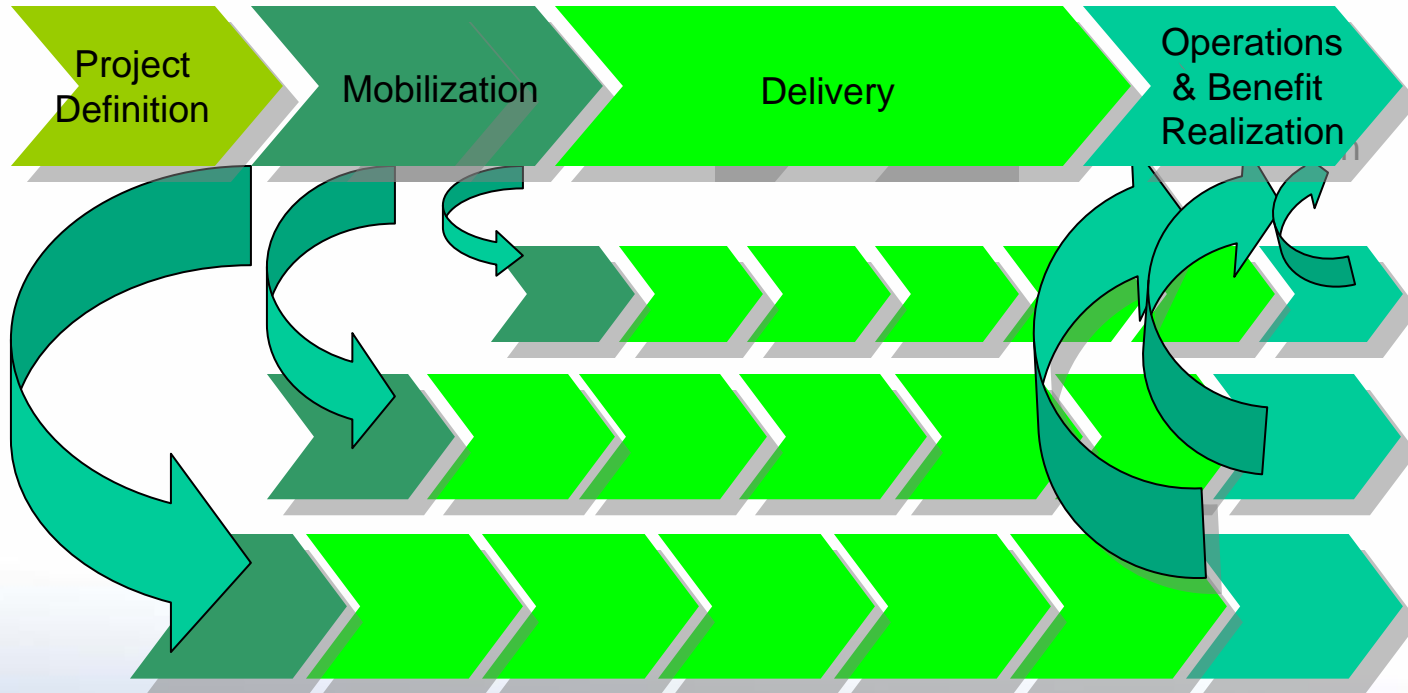
Project Objectives (cont'd)

- Produce accurate invoicing and furnish precise data to finance and accounting systems to produce timely reports required at country, regional and global levels
- Cost savings through the elimination of local IT support for non-standard local billing applications
- Leveraging labor arbitrage and economies of scale

Project Structure



Project Framework



Reference: *The Standard for Project Management*

PMI pp. 9

Project Implementation

Initiation Phase

- Prepare Business Case
- Define and implementation plan and resources
- Secure IT resources
- Review implementation plan with Country, and coordinate with other internal organizations
- Kick off and implementation plan sign-off.

Planning Phase

- Prepare and provide final System Landscape details
- Develop training and test material
- Data cleansing and data file uploads
- Completes realization phase for configuration
- Unit Test

Execution Phase

- Design organizational structure change
- Coordinate resources ramp up with internal organizations
- Training
- Transport configuration to test (QA)
- Confidence Test
- Go Live Sign-off

Closing Phase

- Cut Over
- Project Transition
- Hyper-Care

Project Team

- Implementation
 - Disperse Team
 - US, Guatemala, Costa Rica
 - Bilingual and Trilingual
 - Knowledgeable in OTC process
 - IT background

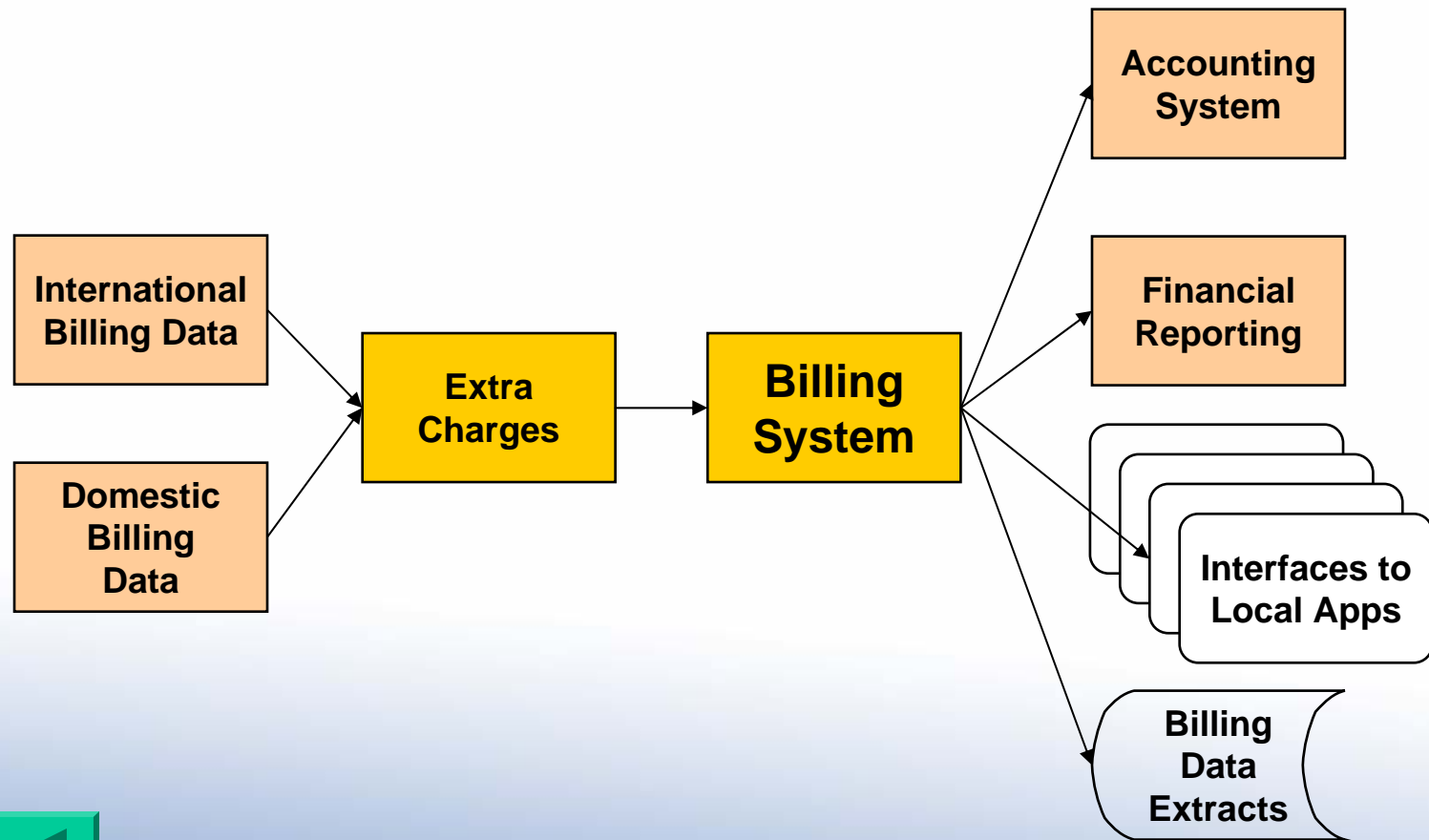
Project Team

- Technical Support
 - Responsible for environment configuration
 - Coordinate incident resolution
 - Automated day-to-day activities
 - Support during implementation and migration process

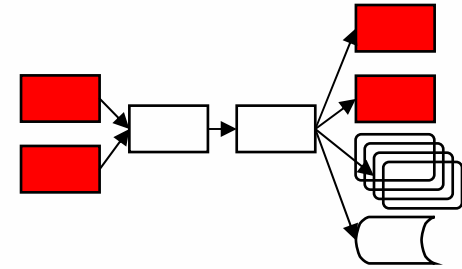
Project Team

- Development Team
 - Multi-cultural team
 - High technical skills
 - Developed patch releases
 - Developed major releases
 - Supported user acceptance test

Billing Solution Eco-System (To Be)

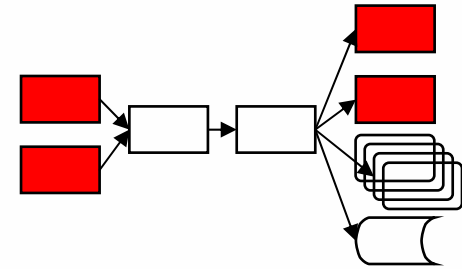


External Dependencies



- Global and regional applications that fed data into the billing solution were in the process of implementation or upgraded to a newer version
- Coordination with the global and regional Project Managers was instrumental

External Dependencies



- Identification of potential risks and definition of mitigation plans to address them
- Experienced one month delay in deployment of the billing solution because one global application was not implemented on time.

Shareholder Management

- Executive Shareholder Attrition
 - Regional CEO (twice)
 - Regional CFO (once)
 - Regional CIO (twice)
- Global Reorganization
 - Integration with Emerging Markets

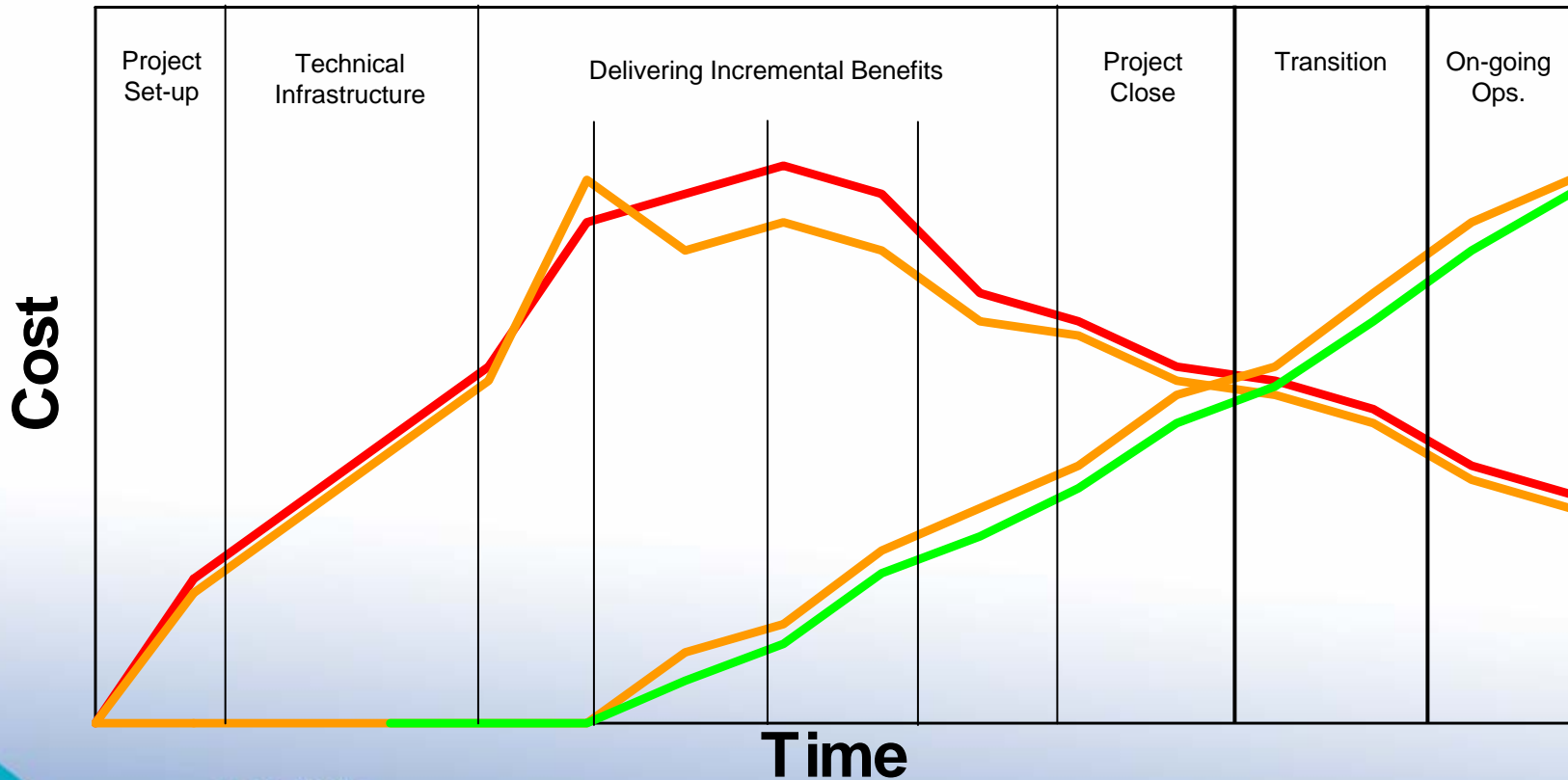
Scope Adjustments

- The original scope of a multi-annual project can be defined to a certain extent
- As the project progresses the scope will be modified to fulfill events that were not contemplated at the time of the scope definition
- Changes should follow a formal change management process and support the original project vision and mission

Scope Adjustments

- **Creation of economies of scale**
 - After the implementation of the first wave of countries a discussion about creating a share service center
 - Diverting budget devoted for training, changing organizational business structure at country level, standardizing billing processes, managing billing functions by a single entity, expediting implementation time for the reminder countries and enabling countries to speed-up the adoption of the new billing solution were the supporting arguments to approve the creation of economies of scale for the project through the establishment of a shared service center

Project Cost Variation



Scope Adjustments

- **Changes in government regulations**
 - Auto-approval of change request related to compliance of government regulations
 - Majority of changes to government regulations were published in advance
 - Creation of “SWAT team” to address exceptions in which sudden changes to government regulations were notified in a very short notice

Region's Key IT Facts

..... Programs Journey.....

“Value & Innovation”

“Stabilize & Align”

“Broken Promises”

- Multiple Regional CIO (5) turnover in 2 years
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Regional CIO stability

Demand & Supply IT model

- Dedicated region & local BU IT Teams
- Dedicated region IT Supply team

IT Foundation stability

- Stand-alone region
- AP & EEMEA business apps.
- Regionally-leveraged local IT CoEs
- Any IT Services Center

IT-enabled business value

Business innovation **IT-driven**

- Go-to-market IT
- Globally searched & IAM re-applied

IT Foundation

- **Global IT Framework of Excellence**
- **IT Services infrastructures**

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Harmonization of the billing process

- Enabled countries to establish specific timeframes to execute billing functions with predictable results and furnish accurate data to other financial and reporting systems.
- The harmonized billing process was defined by the regional office, documented by BOP and executed by the shared service center.

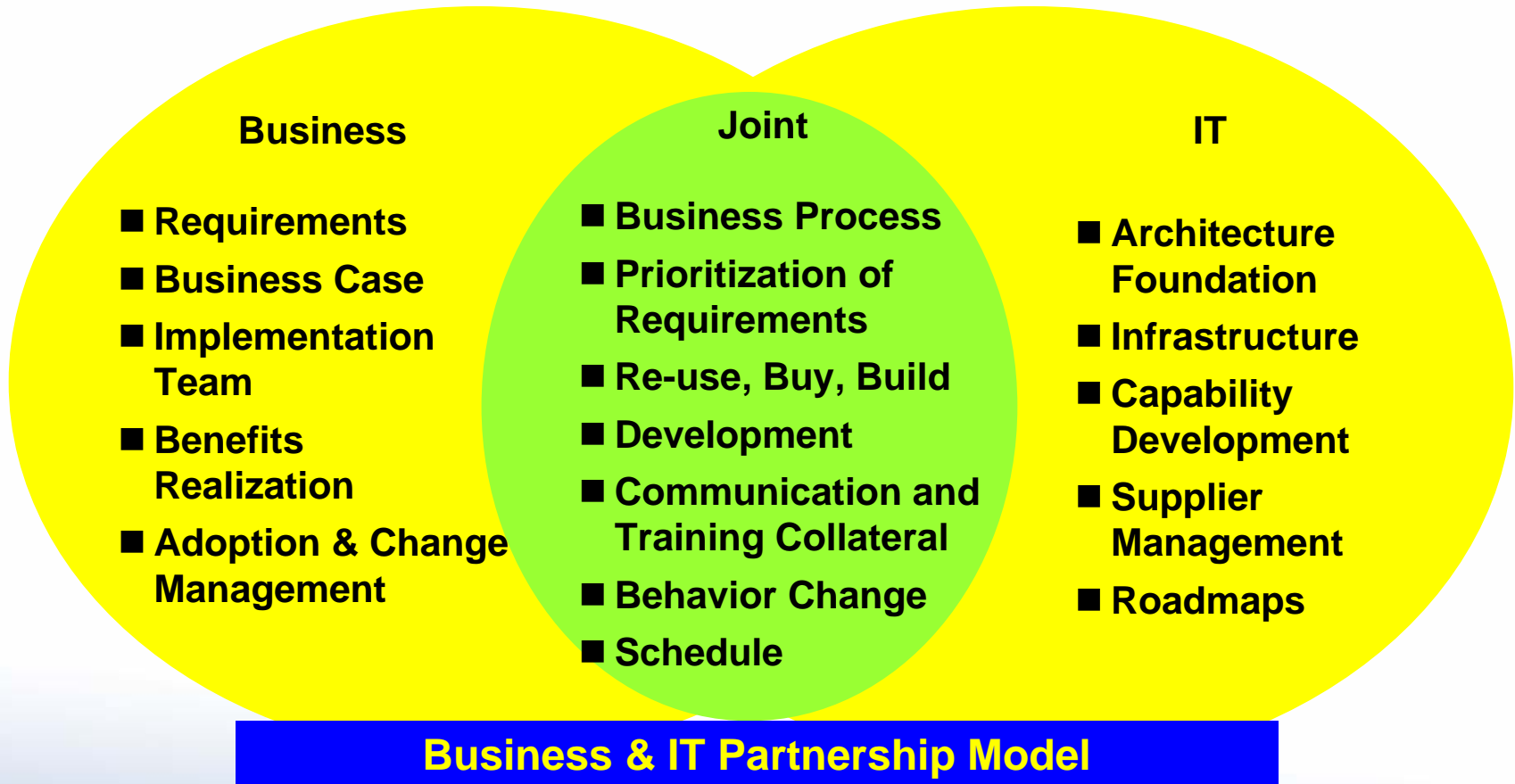
Centralized System vs. Local System

- Standardization of the technology landscape
- Decommission obsolete technology
- Reduction of country's IT cost
- Standardization of interfaces required for integration
- Management of new versions and patches
- Leverage support and development resources from global data centers
- Reduction of IT cost at global level

Leveraged Economies of Scale

- Established a shared service center
- Single entity to execute the billing functions for all counties
- Defined SLAs to support centralized back office functions and billing process
- Enable task automation which led to process improvement and expedited billing cycles

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“Stabilize & Align”

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- Demand & Supply IT model
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“Value & Innovation”

IT-enabled business value

Business IT-driven innovation

- Go-to-market IT
- Globally searched & IAM re-applied

IT Foundation

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“Innovation”

Create IT innovation

- Business process value creation
- Uplift business capabilities
- Integration with customer value chains

Recognized globally for regional IT innovation

Business IT change & transformation agents

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Lessons Learned - Flexibility

- Project Manager and project team need to be flexible and adapt to sudden changes
- Change is constant in multi-annual projects (i.e. changes in market conditions, government regulations, currency re-expression, new fiscal laws)

Lessons Learned – Relationship Building

- Project Manager needs to master relationship building skills
- Foster alliances
- Learn to “to agree in disagree” and maintain relationships in good health
- A good relationship can provide support during difficult times

Lessons Learned – Communication Plan

- It is a must
- Conduct thorough shareholder assessment to identify their communication needs
- Develop and design communication tools and artifacts to meet stakeholders communication needs
- Do not allow informal communication in your project; maintain communication flow

Lessons Learned – Conflict Management

- In multi-annual project lines of power of several organizations will be affected which can lead to conflict
- Project Manager should master conflict management skills to avoid engaging in endless discussions that would tarnish relationships with stakeholders

Lessons Learned – Conflict Management (Cont'd)

- Project Manager should “pick their battles”. Delegated to upper or lower management levels depending on the conflict nature
- Communicate outcome of conflict resolution involved parties
- Do not take conflicts as a personal matter

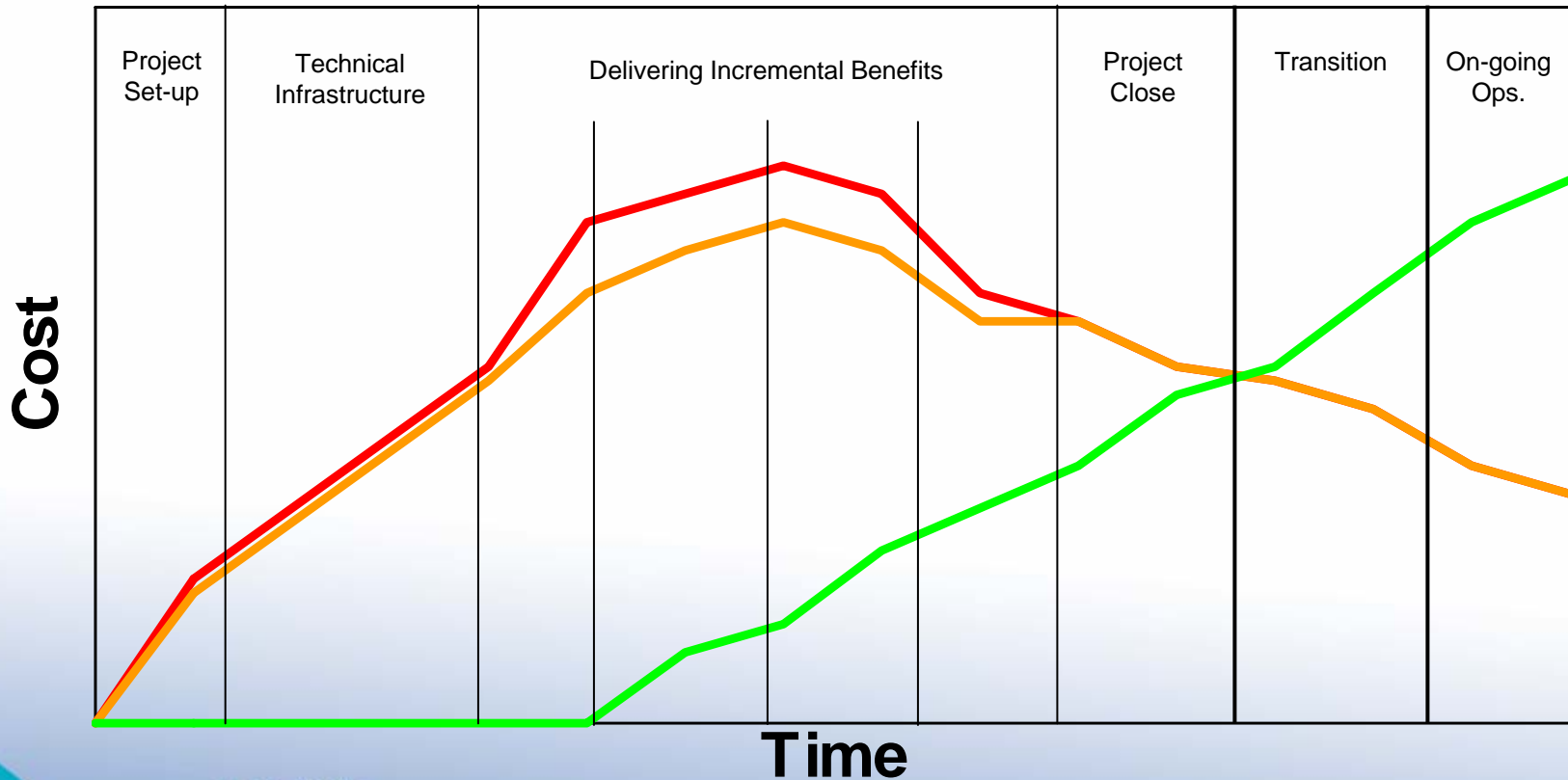
Lessons Learned – Reporting Incremental Results

- Incremental Results in a multi-annual project are required to:
 - Create and maintain trust at the project board level
 - Enable the project board to create the required level of confidence in the project
 - Engage the project board into the project through the delivery of “quick wins”

Lessons Learned – Reporting Incremental Results (Cont'd)

- Good examples of “quick wins” are incremental benefits that are not limited to the progress of the implementation but the impact to countries where the implementation took place and the final result at regional level

Project Cost Variation



Final Outcome

- *The Logistic Company's* Latin American region was the first region, among the others, to successfully complete the deployment of the billing solution

Final Outcome (Cont'd)

- Your project plan should be a working document leverage the lessons learned after each country's implementation
- Communicate the realization of incremental benefits and savings during the implementation

Final Outcome (Cont'd)

- The lessons learned by the Latin American region have been shared and leveraged by other regions of *The Logistic Company* during the implementation of their regional initiatives

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- Introduction
- Project Facts
- Project Description
- Project Benefits
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- Conclusion

Conclusion

- A multi-annual project is complex and require full attention
- Divide and Conquer – Delegate
- Build your team, your network and alliances
- Meet your shareholders and identify their needs

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