

A MIDDLE EAST SUCCESS STORY

IGNITING CHANGE

07

SAPHILA

Dubai Aluminium (DUBAL) is undergoing a transformation...

The DUBAL of 2006...

- One of the largest single site aluminium smelters in the world
- Production capacity of 861k metric tons per year
- Clients concentrated in Gulf, Europe, N America and Far East
- Workforce of 3,600 people
- Silo-ed business systems
- Multiple customised and bespoke information system platforms (including AS/400, HP UNIX, Oracle Financials etc.)



. . . guided by a compelling vision

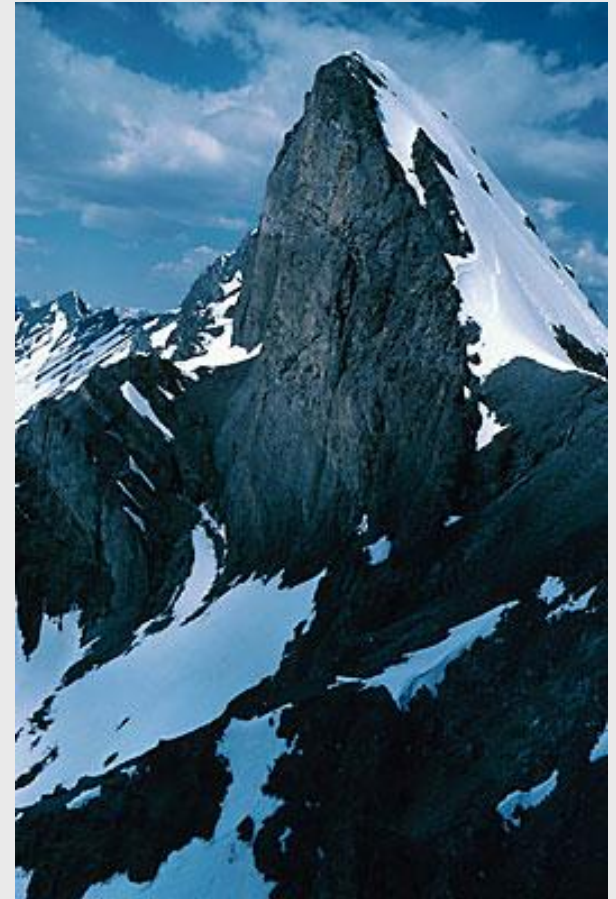
The vision for 2010 - 2015...

- Global presence
- Among the top 5 aluminium producers with capacity of 2,500k metric tons aluminium
- Investment in upstream (Alumina)
- Multiple production sites
- World class smelting technology
- Safe clean environment
- Lowest cost metal producer
- Integrated supply chain network
- Dramatic increase in workforce
- One integrated information system platform (SAP)



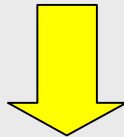
Some of the challenges the SAP project faced . . .

- Legacy of Oracle implementation
- Resistance to change in some areas e.g. Finance
- Middle management tier not sold on the idea
- Staff turnover in some areas e.g. Sales
- Unrealistic expectations in some areas e.g. Maintenance
- Under-estimation of impact of integration on day-to-day business processes
- Resourcing project team (both Deloitte and DUBAL)
- Business case not clearly articulated at start
- Impact of multiple strategic growth initiatives on availability and attention of key staff and management e.g. joint venture to build another smelter in UAE
- Balancing day-to-day business activities of key stakeholders with the need to involve them in the design and testing of system
- Simplifying the message
- Fixed deadline for first go-live (June 1st 2007)



How did we do it...

Relentless **focus** on



Project Principles
Project Governance
Project Brand
Scope Management
Testing
Prepare the Business
Prepare the People
External Audit / QA



Discuss, agree, communicate and enact the basic principles

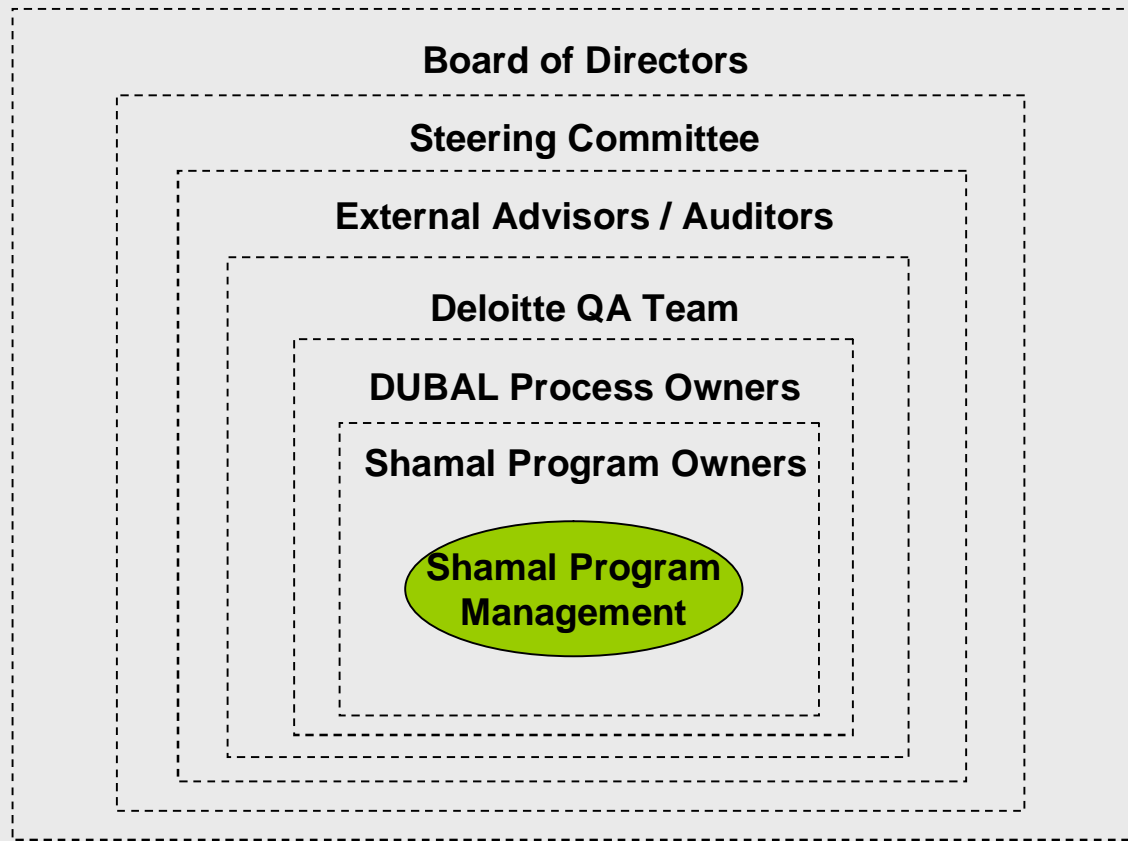
- Treat as a strategic **business** initiative, not a technology replacement program
- Change the business to fit SAP rather than SAP to fit the business
- Integrated process-based approach in everything:
 - Project team organisation
 - Solution
 - Testing
 - Training
- Solution must work for the business, not only technically
- Positive “can do” attitude
- Leadership & Ownership from the top = CEO
- One joint project team with a single identity: project team members work first and foremost for the project, not DUBAL or Deloitte

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Establish a robust and inclusive governance structure

The objective of the governance structure was to clarify roles and responsibilities of various stakeholders in achieving the common goal of guiding the implementation and protecting the solution...

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Define a unique project identify...

- One key to success was to give the SAP project a unique and recognisable identity...
 - Had to be recognised as a business initiative and not an IT project
 - Had to overcome the Oracle Legacy
 - Had to help mobilise people towards a successful implementation
- Launched a competition to find a suitable name:
 - Decided on the name Shamal which means “Wind from the North”. Resembles change in local culture.
 - The Shamal wind is associated with change and a clean start
- Designed a logo
 - Launched at a Road Show that was attended by almost 1,500 employees
 - Logo was used in all project documentation, presentations, communication material and training manuals
- Shamal brand well-established in all business areas

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Manage scope rigorously

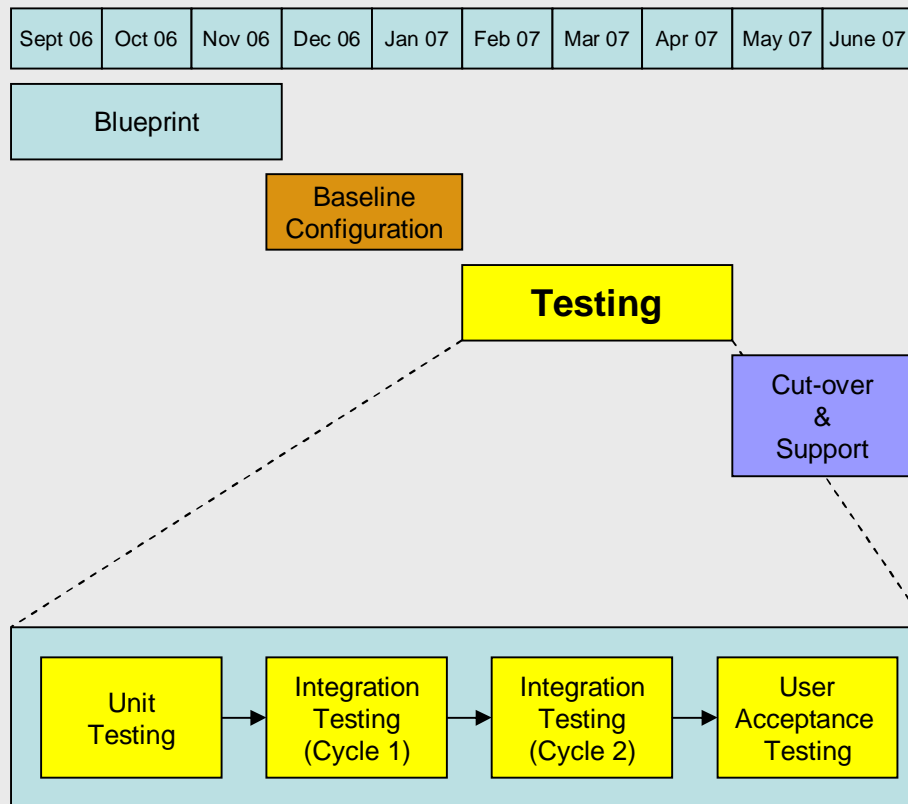
- Detailed preliminary scoping
 - Business processes
 - SAP functionality
 - **Workflow Forms Reports Interfaces Conversions Enhancements**
- Scope management process includes:
 - Business **motivation** and **approval** for changes
 - Project impact assessment (resources, time and cost)
 - Risk assessment
- Prioritisation of scope changes
- Change the business process first
- Categorisation of scope changes:
 - Trivial: can be absorbed by project team
 - Non-trivial: significant impact and needed as part of solution from Day 1
 - Continuous improvement: non-trivial but can be handled after go live
- Project **managers** focussed on technical aspects e.g. motivation and impact assessment; project **owners** on managing commercial impact

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Allow sufficient time to test the solution thoroughly

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Project Milestones



- The emphasis during the realisation phase was on **testing**
- After 6 weeks baseline configuration, solution went through 4 rigorous tests
- Testing Manager assigned to:
 - Oversee process
 - Manage resolution of issues identified during testing
 - Provide feedback and testing statistics to Steering Committee and Project Management
- Key business representatives were involved in testing cycle which led to increased business acceptance

Prepare the business from before Day 1

Project Positioning

- Position the project correctly with key stakeholders months in advance
- Remind them continuously
- Manage their expectations
- Listen to their concerns

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Data Migration

- Ensure the business understand they own the data and the data migration process
- Project Shamal appointed a Data Migration Manager (supported by Deloitte SME) to guide the business units and manage this critical project dependency
- Business units formed a Data Migration Team who worked with an outside specialist firm to cleanup and convert data with guidance and support from the Shamal Data migration manager
- Monitor conversion status weekly to ensure early identification and resolution of issues and risks

Cut-Over

- Appoint a dedicated Cut-Over manager to oversee and coordinate cut-over process
- Establish a “war room” staffed on a full time basis by members of the functional and data migration teams to co-ordinate cut-over activities:
 - Ensure visibility of project plan and progress against plan
 - Highlight issues and resolutions
 - Display daily statistics
 - Highlight and address integration points
 - Monitor data uploads

Prepare end-users for their new roles and get them into the training room...

To achieve this, change management focused on:

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Leadership Engagement

- Engaging leadership to take ownership of Shamal activities in their area of responsibility

Minimising the Change Impact

- Understanding the change impact and conducting interventions to minimise the impact

Stakeholder Enrolment

- Facilitating the process of engaging all relevant stakeholders in the project through e.g. blueprint workshops, testing and data migration etc

Communication

- Regular communication both face-to-face and through other media

Outcomes

- Middle management owned the implementation in their areas
- This was evident in the fact that:
 - Business activities were planned to accommodate Shamal activities
 - Achieved an average attendance of 1,400 employees per communication session
 - Achieved an average attendance of 99.8% during the eight-week training window

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Outcomes

- Senior and Middle Management took ownership for managing change
- Business units such as Maintenance and Marketing managed own transition and restructured departments to accommodate changes
- Several forums were established to monitor and manage performance issues after go-live

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Outcomes

- Each functional area took ownership of own solution
- Process owners and super users guided solution development process
- 100% attendance during the integration and UAT testing cycles
- Data migration activities completed on time
- Train-the-trainer programme a resounding success (a first in the UAE)

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Outcomes

- Employees across the various business units knew about Shamal Project and how it will assist them in achieving DUBAL's 2015 vision
- Road Shows were well attended – presented 4 road show cycles with an average attendance of 85%
- 70% of employees participated in two Change Readiness Surveys

What we achieved . . .

- **Successful go-live in 9 months** for 1,650 users across all major process areas (financial and management accounting, procurement, sales, production, plant maintenance, human resources, payroll, reporting)
 - **Standardised, integrated processes** with very limited changes to SAP functionality
 - **All relevant master data** cleaned, converted and loaded
 - **Working interfaces** to underlying MES and external parties e.g. banks
 - Completed **6,500 mandays of training** in eight weeks with average training attendance of 99.8%
 - **Stable SAP working environment** within eight weeks after go live
 - **On-site DUBAL SAP competence centre** for ongoing support
 - **Tangible benefits** expected especially in procurement, warehousing and financial management
 - Awarded the **ACN Arab Technology Award** for the best manufacturing sector implementation of the year (September 2007).
- 
- Laid a firm foundation to support DUBAL's transformation and enable achievement of its strategic vision