



## SAP ERP Implementation

Project Charter

### National Metal Manufacturing and Casting Company (MAADANIYAH)



BaasKaar | Dammam | 9th & 10th Floors | Al-Rashid Towers | KSA



## PMO

Project Identification	
Project Code	KT 2218
Project Name	Maadaniyah-Implementation Project
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## SAP ERP IMPLEMENTATION

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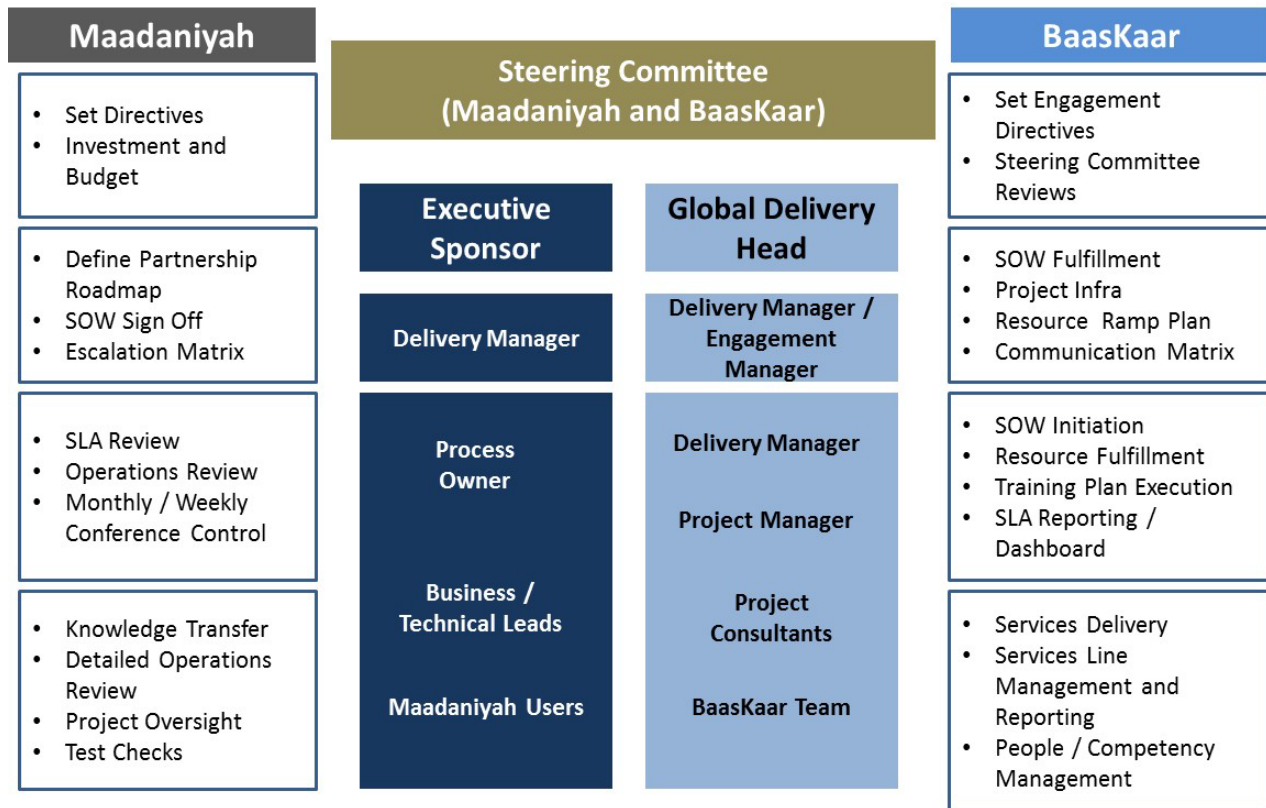


# 1 Proposed Governance Model

BaasKaar recognizes the importance of effective governance and proposes the following governance model to ensure success of the engagement.

Engagement with MADAANIYAH will be governed at 4 levels as follows and the same is depicted in the following diagram;

- Strategic Committee
- Tactical Level
- Project Management Level
- Delivery Level



\*\*\* The model will be refined based on mutual discussions and agreement.

- The project agenda will be guided at the highest level by a steering committee peopled by top management representatives from MADAANIYAH and BaasKaar. It will also have a representative from the BaasKaar Account Management team setup specifically for this engagement.



- BaasKaar proposes to position a dedicated Engagement Manager who would be the single point of contact for the relationship and operation. This is to ensure the effective kick off of the engagement, effective management of expectations and ensure smooth operations.
- The Onsite Project Manager would be responsible to create the detailed Project Plan with close consultation with MADAANIYAH Project Manager / Owner. The Plans would cover all aspects of the project including identifying stakeholders, communication & escalation processes, Detailed Transition Plan with Dependencies & assumptions & Milestones.
- The Onsite Project Manager will support in the actual Project Execution & Delivery, ensuring the project continues to function smoothly and delivery & milestones are reached on schedule. Also, Issue Resolution & Relationship Management would remain the key responsibilities of the Onsite Project Manager.
- During the entire engagement, BaasKaar will have a Delivery Manager, who is based onshore, aligned with the project. He would be visiting MADAANIYAH office on regular intervals and on need basis.
- Besides, BaasKaar Quality team would help in continuous process improvement which would ensure quality deliverables.

### 1.1 Project Team – Roles and Responsibilities

Role	Responsibilities
<b>Project Manager</b>	<ul style="list-style-type: none"> <li>• Project planning</li> <li>• Status reporting of the project</li> <li>• Manages project risk and track to closure.</li> </ul>
<b>OCM Consultant</b>	<ul style="list-style-type: none"> <li>• Assesses the organization readiness for change</li> <li>• Goal setting for change management</li> <li>• Plans, Designs, Implement and Controls the change management initiatives</li> <li>• Complements training to ensure user adoption and compliance</li> </ul>
<b>SAP Functional Consultant</b>	<ul style="list-style-type: none"> <li>• Drives business requirement understanding, specification and analysis</li> <li>• Creation of High level design, Detailed Design Documents</li> <li>• Mapping of to be business process flows with SAP functionalities and performing fit-gap analysis</li> <li>• Designs the custom development needs</li> <li>• Designs the inbound/outbound interfaces</li> <li>• Develops custom reports</li> </ul>



	<ul style="list-style-type: none"><li>• Provides key subject matter inputs to the team</li><li>• Validates the application being implemented</li><li>• Prepares/validates test cases and test results</li><li>• Support in UAT</li><li>• Provides functional Early Life Support</li><li>• Tests the application to ensure proper functionality</li></ul>
<b>Integration Specialist</b>	<ul style="list-style-type: none"><li>• Supports interface design</li><li>• Builds interfaces based on the interface design</li><li>• Tests the application to ensure proper functionality</li></ul>
<b>Basis Consultant</b>	<ul style="list-style-type: none"><li>• Installs SAP database</li><li>• Plans for backup and recovery of database information</li><li>• Optimizes the performance of the database</li><li>• Ensures database level information security</li><li>• Troubleshoots the errors</li><li>• Controls user access to the database</li></ul>
<b>ABAP Consultant</b>	<ul style="list-style-type: none"><li>• Develops ABAP code</li><li>• Designs the custom development needs</li><li>• Tests the application to ensure proper functionality</li><li>• Develops custom reports</li></ul>

## 1.2 Communication Mechanism

Communication will be carried out between MADAANIYAH and BaasKaar through the following means:

- Status reporting
- Progress reviews
- Issue resolution
- Project communication between Onsite and offshore

BaasKaar focuses on building strong transparent communication channels. Joint regular steering meetings ensure overall engagement focus while effectively resolving issues & problems on the way.

Following are some of the regular status reports sent to the clients:



#	Report Name	Frequency	Purpose
1.	Status reports	Daily/ Weekly	For recording/tracking the status of project activities with respect to the project plan
2.	Utilization report	Weekly	To track the resource loading and balancing
3.	Issue Log	Weekly	Better Issue tracking and quicker resolution
4.	Billing reports and Invoice	Monthly	For accurate and transparent invoices
5.	Service Level Agreement	Monthly	Actual Performance standards against the defined and agreed SLA.
6.	Metrics and dashboards	Monthly	Project specific goals set for the project and the actual performance
7.	Operations Review presentation	Monthly	Monthly Status reporting
8.	Steering committee presentation	Quarterly	Quarterly status reporting of the project along with the issues faced, process improvement activities, resources etc.

\*\*\*\* This is an indicative list and the actual number and types of reports will be discussed and agreed upon during the start of the engagement.

### 1.3 Escalation Mechanism

We have a well-defined organizational structure and work with a well-defined framework and project structure comprising of a steering committee and account management to take care of any issues and escalations.

Listed is the escalation mechanism that will be implemented for MADAANIYAH engagement;

Escalation Procedures	
<b>First Level</b>	<b>Project Manager</b>
<ul style="list-style-type: none"> <li>Provides a single point of contact for day-to-day operational issues in a project</li> <li>Resolves immediately any operational issues reported and keeps Delivery/Relationship Managers updated</li> </ul>	
<b>Second Level</b>	<b>Account Manager</b>

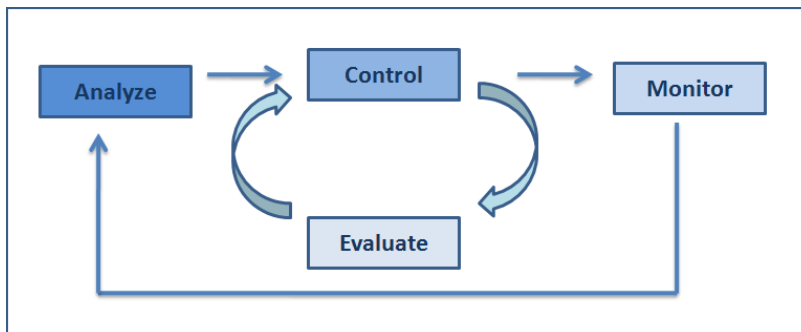


- Provide a single point of contact for day-to-day operational issues
- Establish communication protocols with client for issue resolution and reporting needs via e-mail, issue log, encounter reports, etc.

<b>Third Level</b>	<b>Delivery Manager</b>
<ul style="list-style-type: none"><li>• Provide support to the project team throughout all project phases</li><li>• Resolve escalated issues or commit other resources for issue resolution</li></ul>	
<b>Final Level</b>	<b>Global Delivery Head / Steering Committee</b>
<ul style="list-style-type: none"><li>• In the event of an issue being escalated to this level, the same is jointly addressed on a high priority basis by senior management of both parties and resolved in mutual interest.</li></ul>	

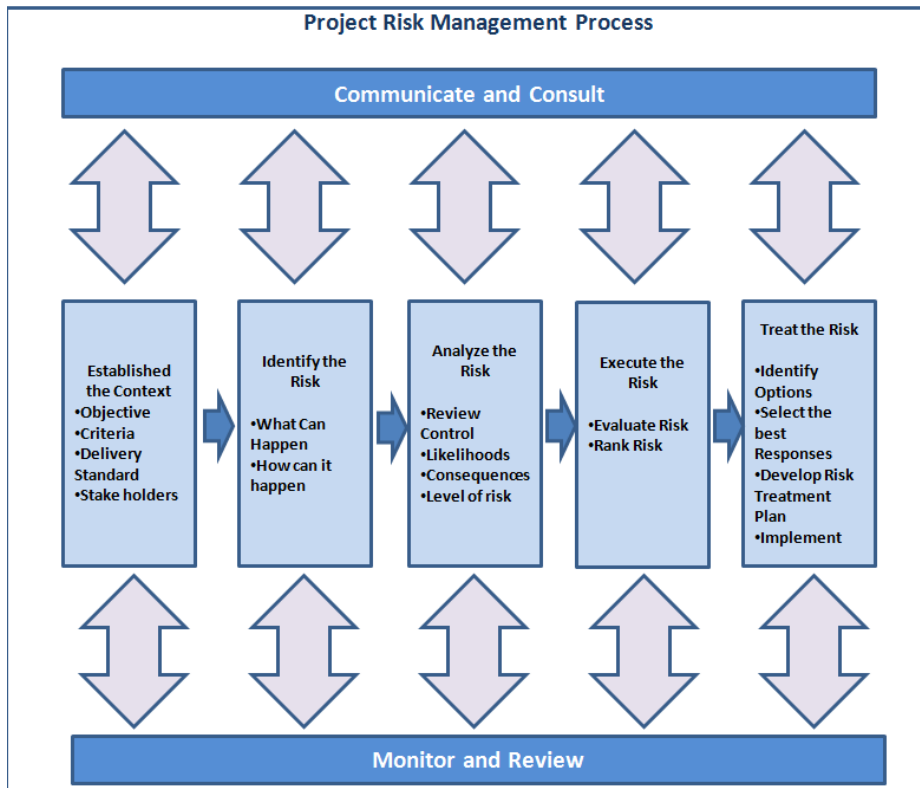
## 2 Risk Management

Risk is the probability of suffering loss while pursuing goals due to factors that are unpredictable or beyond.



The basic elements of the Risk Management Process are:

- Risk Identification
- Risk Analysis
- Risk Planning (Mitigation and Contingency Planning)
- Risk Implementation
- Risk Tracking & Control
- Communication



## 2.1 Risk Identification

Risk identification determines what might happen that could affect the objectives of the project, and how those things might happen. The risk identification process will be comprehensive and structured using the key elements to examine risks systematically, in each area of the project.

Though there are number of techniques for risk identification, we believe that brainstorming is the preferred method because of its flexibility and capability, when appropriately structured, of generating a wide and diverse range of risks. Information used in the risk identification process may include historical data, theoretical analysis, empirical data and analysis, informed opinions of the project team and other experts, and the concerns of stakeholders.

The output is a comprehensive list of possible risks to the successful outcome of the project, usually in the form of a risk register (excel file), with management responsibilities (risk owners) allocated to them.

## 2.2 Risk Analysis and Evaluation

Risk assessment is the overall process of risk analysis and risk evaluation. The purpose is to develop agreed priorities for the identified risks.

Risk analysis is the systematic use of available information to determine how often specified events may occur and the magnitude of their consequences.

Risk evaluation is the process of comparing the estimated risk against given risk criteria to determine the significance of the risk.

The assessment process,



- Determines the consequences of each risk, should it arise;
- Assesses the likelihood of those consequences occurring;
- Converts the consequence and likelihood ratings to an initial priority for the risk; and
- Develops agreed risk priorities and inherent risk levels.

### **2.2.1 Treating Risks (Mitigation)**

The purpose of risk treatment is to determine what will be done in response to the risks that have been identified, in order to reduce the overall risk exposure. Risk treatment converts the earlier analysis into substantive actions to reduce risks.

The primary inputs to this step are the lists of risks and their agreed priorities from the previous step and the current project plans and budgets. Risk treatment involves:

- Identifying the options for reducing the likelihood or consequences of each Extreme, High or Medium risk;
- Determining the potential benefits and costs of the options;
- Selecting the best options for the project; and
- Developing and implementing detailed Risk Action Plans.

Risk Action Plan Summaries are usually required for each risk classified as Extreme or High on the agreed risk priority scale.

### **2.2.2 Monitoring and Reviewing**

Continuous monitoring and review of risks ensures new risks are detected and managed, and that action plans are implemented and progressed effectively. Review processes are often implemented as part of the regular management meeting cycle, supplemented by major reviews at significant project phases and milestones.

Monitoring and review activities link risk management to other management processes.

They also facilitate better risk management and continuous improvement. The main input to this step is the risk watch list of the major risks that have been identified for risk treatment action. The outcomes are in the form of revisions to the risk register, and a list of new action items for risk treatment.

### **2.2.3 Communicating and Consulting**

Communication and consultation with project stakeholders may be a critical factor in undertaking good risk management and achieving project outcomes that are broadly accepted. It will help owners, clients and end users understand the risks and trade-offs that must be made in the project. This ensures all parties are fully informed, and thus avoids unpleasant surprises. Within the project management team, they help maintain the consistency and 'reasonableness' of risk assessments and their underlying assumptions.

In practice, the Project Manager will report on the current status of risks and risk management as required by sponsors and MAADANIYAH's policy.

The risk register and the supporting action plans will provide the basis for most risk reporting. Reports will provide a summary of project risks, the status of treatment actions and an indication of trends in the incidence of risks. They will be submitted on a regular basis or as required, as part of standard management reporting. Major projects may require more extensive reporting on a periodic basis or at key milestones.



### 2.2.4 Potential Risk Matrix

From our experiences on managing SAP projects, we have a fair understanding of the associated risks. We have tabled major risks and the mitigation plans for such risks in this section.

Project Risk	Severity (High/ Medium/ Low)	Potential Impact on the Project	Risk Mitigation Plan
<b>Delays in mobilizing the MAADANIYAH core team</b>	High	The timely commencement of the project hinges on the speedy mobilization of the Core team. Delays in mobilization thus pushes the project schedule by an equivalent duration	Mobilization of the core team starts at the time of award of contract.
<b>Low management commitment</b>	Medium	The project success depends to a large extent on the commitment given to this project by MAADANIYAH top management. This will drive the project in correct gear and enable BaasKaar-MAADANIYAH teams to quickly resolve all outstanding project management issues	The Steering Committee (SC) will comprise the senior management of MAADANIYAH and BaasKaar. Apart from reviewing the status of the project, the SC will also be responsible for taking major decisions related to schedules, costs and resources and resolution of key issues brought to the steering committee level according to the defined escalation mechanism
<b>Delays by users/ Department Heads in providing information/ feedback/ acceptance</b>	High	This would adversely affect the project schedule	Instructions from MAADANIYAH top management to all department heads to provide information in the required time frame. Adequate time to be devoted by concerned department heads with BaasKaar team. Full time support of the core team Well documented and prioritized user requirements against which the Configurator / developer implements SAP Continuous follow-up by Project Manager from MAADANIYAH Problem escalation procedure. Cut-off dates to be adhered to for information/ feedback/ acceptance.
<b>Transfer of the personnel from the core team</b>	High	The core team personnel are responsible for finalizing the business specifications. If they are not present during any phase of	MAADANIYAH to ensure that all the personnel in the core team is available during the entire phase of implementation. If otherwise, the



		implementation, the project delivery schedules can be affected	knowledge transition should be carried out between the MAADANIYAH personnel.
<b>Unrealistic expectations on project outcomes/benefits</b>	High	This would adversely affect the acceptability of project outcomes	Clear communication on project scope to all concerned. Well-defined user expectations in the form of User Requirement document. Training and workshops on the capabilities and limitations of proposed system planned and to be given by BaasKaar. Deep involvement and ownership of users in defining the To-Be processes and system requirements
<b>MAADANIYAH Knowledge/ Understanding/ Clarity regarding the requirements/problems to be solved</b>	Medium	Unclear specifications might lead to improper configuration of SAP	BaasKaar would prepare a training plan and give training to all users of MAADANIYAH (Officers, IT department Officers, and Top Management) during pre-implementation phase.
<b>IT competence and experience of users</b>	Low	Lack of user IT experience	BaasKaar training plan to different users at different stages of implementation will provide the necessary training to the users.
<b>Need to integrate interface with other systems</b>	Medium	Number of links to existing systems	BaasKaar would prepare a gap analysis document, which would address the external interfaces to be integrated with SAP. BaasKaar has developed expertise in the areas of developing and maintaining complex system interfaces with SAP.
<b>Change/ Creep in Scope</b>	Medium	Lack of top management drive	BaasKaar team would assess and freeze the scope on project sign off as the base line. However should there be a need for some change in the business process due to business compelling needs.
<b>Scale/ co-ordination complexity of the project (number of disciplines, need to share resources, need</b>	Medium	Number of: hardware suppliers, software suppliers, and people on the team; Relative project size; Team diversity	BaasKaar has an excellent track record of managing complex system integration projects and outsourcing projects. This expertise would be used to mitigate this risk.



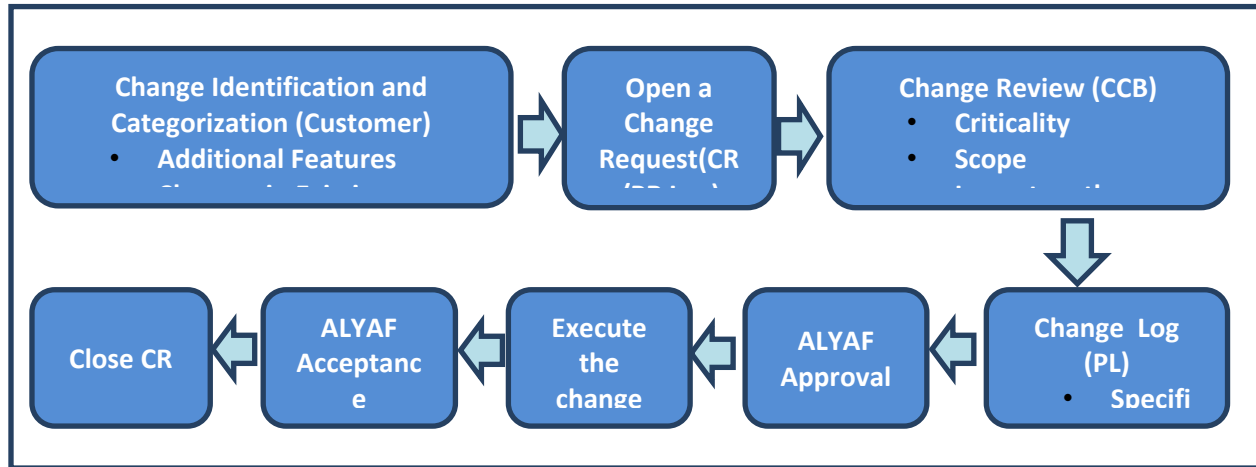
## MAADANIYAH SAP ERP Implementation



to subcontract, and so on)			
<b>Consultant's knowledge of MAADANIYAH business sector</b>	Low	Long time in understanding the business process will delay the implementation schedules.	BaasKaar will involve consultants with domain expertise and background in Power Generation in the MAADANIYAH project. This will help in implementation in reduced time frames.
<b>Delay in providing the necessary documents like customs duty exemption certificates, end use certificates etc. from MAADANIYAH.</b>	Medium	Delay in procurement of equipment	BaasKaar would provide the detailed list of the documents required for the delivery of the equipment on time as per the schedule.
<b>Availability of MAADANIYAH personnel for inspection</b>	Low	Delay in installation of systems	BaasKaar would intimate post dispatch inspection schedule to MAADANIYAH in advance.
<b>Lack of clarity in the policy decision on security and user accessibility structure</b>	Low	Security policies of the system	BaasKaar would help MAADANIYAH in providing the necessary inputs in designing the policy relating to security and access controls at various levels.



### 3 Scope Change Management



Change Management involves the following:

- **Request for Change:** A request for application change or correction could be raised using the Problem tracking system or the User could inform via email. All the application change requests are transferred to the Change Request log (CR Log)
- **Change Request Analysis:** The CCB analyzes the feasibility and the impact of the requested change. Based on this analysis the change is either accepted or rejected
- **Effort Estimation and Planning:** Once the change is accepted, a detailed impact analysis, effort estimation and resource planning are done. The details of which are updated against the Change Request in the CR log
- **Identification of Impacted Configuration Item:** The impacted entities are checked out from the Configuration Library and locked in consultation with the Configuration Librarian.
- **Incorporate the Changes:** The changes are incorporated into the code through the process of Designing, Design review, Coding and Code Review
- **Verification and Testing:** The extent of testing is based on the size of the change request and the impact of the changes on the application. The types of testing carried out for verification purpose are Unit Testing, Integration Testing, Functional Testing and Regression Testing. All the bugs reported during the testing phases are tracked to closure
- **Release and Implementation:** Once the changes are tested and verified, the person responsible plans and releases the changes into production. The release schedule is prepared in conjunction with the release schedule of all other impacted components
- **User Acceptance:** After the changes are released to the production environment, an acceptance is obtained from the user and the status is updated accordingly against the Change Request.