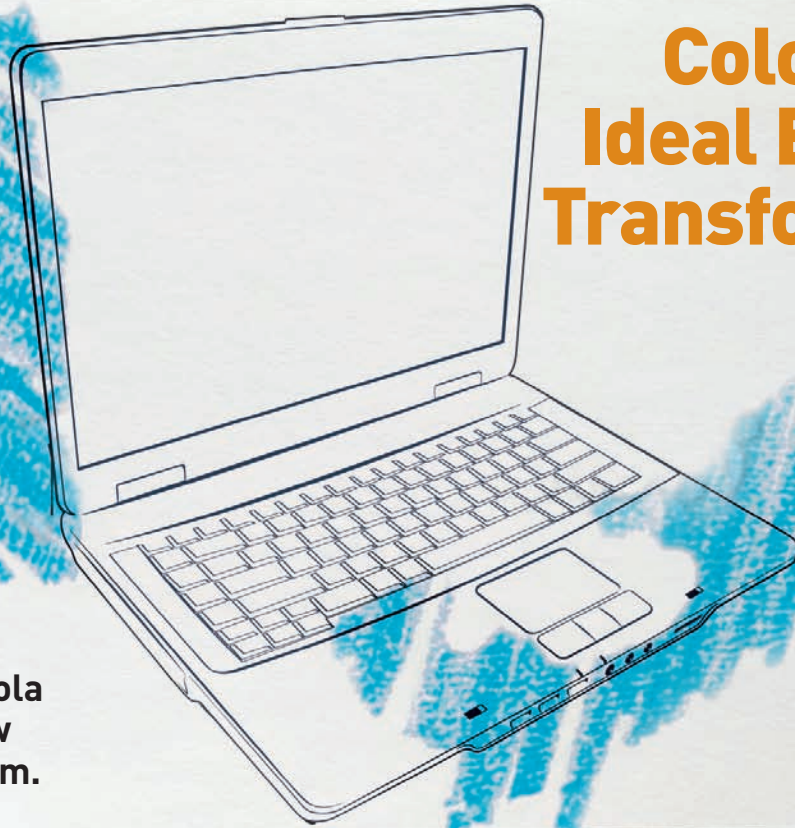


Coloring the Ideal Business Transformation Solution

By Frank Slezak

RWD helps Crayola implement a new enterprise system.



Crayola, a Hallmark-owned company with headquarters in Easton, Pennsylvania, realized in 2004 that it needed to replace its aging legacy software systems. Its strategy was to implement an enterprise system that would be the single source of their manufacturing, inventory, and financial data.

THE COMPANY:
Crayola



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THE SUPPLIER:
RWD Technologies



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But how do you implement such a complex system and who could help with that implementation? Crayola realized early that it would have significant people issues, such as getting employee buy-in for the project because its workforce had deeply entrenched processes that would need to change with the implementation of a new enterprise system.

Part of the buy-in strategy included learning, performance improvement, and change management processes, and for help with creating those processes, Crayola partnered with RWD Technologies, a company that specializes in human and operational performance improvement solutions.

As a result of successfully utilizing RWD's change management strategies, Crayola was able to prepare its employees for the change, achieve an under-budget deployment by 12 percent, score

99.8 percent "pass" rates among employees on proficiency tests, and arm Crayola for the future with an enterprise system that will provide accurate, real-time data about its business.

Choosing the right colors

To get the project off the ground, a program manager was selected, and a team was assembled from Crayola's internal resources to define and execute an implementation plan. The project was officially dubbed "Project Mosaic," and it focused around four processes: order to cash, demand to build, source to pay, and record to report. The implementation also featured hybrid interfaces for financial reporting to Hallmark and data transfer interfaces to software systems not being replaced by the system.

The project was not without its own set of unique challenges. The team had to address the following:

- an organization that previously had no experience in enterprise resource planning (ERP) software implementation
- a seasoned workforce with established, entrenched processes
- a workforce that, because of its tenure, accumulated many vacation days that needed to be taken by the end of the year and accommodated for in conjunction with the November-December training timeframe
- the necessity to develop 120 interfaces to link the enterprise system to 22 existing systems that were not replaced by the new system (for example, Siebel, WMS, Oracle BI, Red Prairie, and Hallmark financials)
- two competing software projects
- enterprisewide changes in the reporting format and data querying procedures
- a large, diverse end-user community (about 350 daily end users)
- some degree of change for 84 percent of all employees in marketing, finance, operations (corporate, manufacturing), and management
- multiple locations
- a go-live date (January 7, 2010) that fell right after a long holiday break.

A mosaic of success

Crayola was able to overcome the challenges using a carefully planned, multifaceted, and well-executed support strategy (“Project Mosaic”). The following elements became the cornerstones from which Crayola built success with its technology implementation:

100 percent dedicated team. Crayola adopted a 100 percent dedicated internal implementation team. As each employee was chosen to be a member of the Mosaic team, a replacement was found to take her regular day-to-day responsibilities.

In addition to that, all team members reported to the program manager rather than to their former line managers. By choosing to have a 100 percent dedicated implementation team, it allowed the team to focus on the project rather than

divide time between the project and previous responsibilities.

Super users. Understanding that people work best with those whom they know and trust, Crayola established a network of super users throughout the organization. Super users, identified by specific skill sets, assisted end users in the adoption and use of the Crayola enterprise system. Super users also played an integral part in system testing and training. In August 2009, 24 super users became 100 percent dedicated to their role in the implementation.

Learning and performance improvement. In surveys conducted before and during the project implementation, Crayola end users consistently chose training as “the single most important component that would determine the success or failure of the project.” Together with RWD, Crayola administered an assessment to determine the training needs and styles that would best serve Project Mosaic. Using the results of the training assessment, a curriculum was designed that took into account the complexity of the material, Crayola’s training culture, end user readiness, and time constraints.

Training included classroom training facilitated by Crayola super users, web-based training for general SAP navigation, and WebEx training sessions for Crayola end users in North America and Hong Kong.

In all, Crayola end users spent more than 4,000 hours (in a period of 3.5 weeks) in formal learning programs, and a significant number of pre-go-live hours in informal learning at their own workstations and kiosks. At the end of the formal learning period, end users were required to take an SAP proficiency test before they were given their system passwords.

Change management. Since the average tenure of Crayola’s nearly 1,300 employees is 10 years, preparation for the change became critically important. Generally, the longer a person is in a position, the more difficult it is to implement change, especially the significant change that the implementation would bring. In February

2009, Crayola conducted an assessment to determine the organizational culture, business readiness, leadership potential, sponsor and stakeholder commitment, and end-user attitudes toward change.

From that assessment, a change management strategy and plan was developed. Throughout the implementation, specific change tools and processes were used to ensure buy-in and commitment among employees.

The change management team also developed the post-go-live sustainment plan to ensure the continued development and improvement of the integrated systems and associated processes.

Center of Excellence. As part of the post-implementation sustainment process, Crayola developed a Center of Excellence composed of select members from the Project Mosaic team. The functions of the Center of Excellence are to serve as an escalated help desk for problems pertaining to the system; serve as a collection and prioritization team for process improvement; and determine the next logical major software enhancement to the system. For members of the Center of Excellence to focus on their responsibilities, Crayola made them 100 percent dedicated to the cause.

Picture perfect

The results of Project Mosaic were impressive. All goals were either achieved or overachieved, including an on-time and under-budget deployment and no disruptions to manufacturing or business processes during the project or after implementation. Additionally, the new ERP is a real-time, fully integrated system that enables decision makers to make faster and smarter business decisions.

Peter Ruggerio, executive vice president of Global Operations, summed it up best, “This has been a best-in-class ERP implementation. To have the project ready on time, within scope and below budget, is a great accomplishment.”

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