Podcast: Implementing SAP Business ByDesign - Pinkberry Frozen Yogurt's Story

"Pinkberry's experience as a pilot SAP Business ByDesign customer, lessons learned and the skills neeeded for a successful install."

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There are many unanswered questions about SAP Business ByDesign. Some of them can be answered by documenting the experience of the 100 or so pilot customers who have been through a ByD install and come out the other side. In my second podcast with an SAP Business ByDesign pilot customer, I talk with Judson Wickham of Pinkberry Frozen Yogurt about their ByDesign implementation process. During this 22 minute podcast, Judson explains why Pinkberry chose ByDesign and what issues they overcame along the way.

Judson is an ideal interviewee for my JonERP podcast series because of his background in on-premise ERP, in his case, PeopleSoft. During the podcast, Judson speaks to the skills transitions he needed to make and what SAP professionals interested in ByDesign work are up against in terms of skills evolution. Judson also shares his views on how SAP can improve ByDesign from here, and why the upcoming Software Development Kit (SDK) interests him from a customer's perspective.

Podcast Highlights

1:34 Judson's background as a global PeopleSoft Financials consultant, working on large ERP installations.

2:02 Judson compares PeopleSoft and ByDesign: totally different timeframes. ByD implementations are 12 weeks long or shorter, and he's never been on a PeopleSoft implementation that was less than a year.

2:30 What accounts for that difference in timeframe? Judson: It's basically the on-premise versus SaaS models. Running everything on-premise takes a lot of time and support to implement. SaaS makes the process go much faster as you only have to gather your business requirements and have them ready to go.

2:50 Judson's role on the Pinkberry Frozen Yogurt ByDesign project: I was the Project Manager on the Pinkberry side, working with the Project Manager on the SAP side. I was responsible for gathering our business requirements form our users, doing the ByD configuration, the data migration, and the user acceptance tests. Now I do some support for ByDesign as well.

3:40 Why did Pinkberry need ByDesign in the first place? What where the motivations to take on a product where you knew you'd be an early customer? Judson: We had many different systems where we were doing transactions for financials, we had two separate accounting packages, we were doing our fixed assets in Excel, all of our CRM was in Excel and all of our HR was in Excel. We wanted to have a scaleable solution, because we are growing very quickly right now. We also wanted to take advantage of a product where best practice business processes were built in and ready to go. It was a pretty clear choice we needed to implement a product like Business ByDesign, and we went with ByD because it was growing at the same kind of pace that we are.

4:42 Tell us about the actual implementation - how long did it take and were there any trouble spots? Judson: The implementation went really smooth, it was scheduled to be 12 weeks and we flipped the switch a week early. There were challenges but it went smoothly, probably because our key users were very involved in the process.

5:14 Did you need to hire any outside consultants? Judson: No - SAP was our implementation partner, so technically they were outside consultants, but we didn't go with another partner. SAP had some "service advisors" working on the project with us. Most of the actual hands-on work was done by Pinkberry and our business users.

5:40 How hard was it to get business users up to speed? Sometimes business users can find these kinds of projects a bit technical. Judson: It wasn't very difficult here, because first of all, we didn't have much technology before, and second of all, the users were able to define the processes themselves and configure ByDesign the way that they had a vision for. It was pretty easy to get them up to speed because they were defining the product to make it work for them.

6:19 What areas of ByDesign did you install? Judson: We are running CRM, the full suite of Financials and HR, and we're about to deploy the compensation and payroll process work centers.

6:26 Other early ByD customers have said that one of the biggest challenges of the ByD install is the tight controls imposed by an integrated ERP system on a growing business - was that the case for you Pinkberry and how do you deal with it? Judson: that definitely was the case here - the way that we dealt with it was to frame the implementation based on our values of profitable and responsible growth. We needed to sacrifice that freedom to be able to have a controlled environment that we could scale and grow - that's our main goal at Pinkberry, to open stores.

7:23 Can you retain that dynamic company culture, that vital startup environment, when employees are used to playing it looser than you can with a system like ByDesign that imposes tighter controls? Judson: You absolutely can. It's tough at first, but your users are going to realize that the large set of functionality you're getting is worth the sacrifice for greater controls. Our users understood that our profitable growth model required those additional controls.

8:14 Give us a "before and after" of how Pinkberry Frozen Yogurt is different now that you're on ByDesign. Judson: Just simple things like running a P and L or a balance sheet, that was really difficult to do before we had ByDesign. We couldn't create a consolidated report of all our stores without going to five different Excel sheets, and being able to manage our CRM processes online without having to go do an Excel sheet is key. It's helped our users to step out of doing maintenance and doing things to help the business grow.

8:58 Some ERP users won't allow anything to pry Excel out of their hands - were you able to get rid of it? Judson: we still run Excel here, but for financials, we're only using ByDesign, but you can export anything from ByDesign into Excel and work with it there as needed.

9:40 So are there any benefits there for users - are there benefits they get in exchange for being more accountable? Judson: yes. For example, for our CRM processes, we use sales orders to track our new store openings, which we couldn't do effectively before. By entering that data, we can see which stores are opening when, and what licensees owe what fees to us.

10:30 You're a classic techno-functional type - so you're ideal to talk about how ByD is different from an on-premise solution in terms of systems administration and maintenance - what have you seen? Judson: In my PeopleSoft installations, the set of functionality was complete, but not everything wasintegrated, which required a lot of on-premise process management and and monitoring. With ByDesign, transactions flow from end to end automatically, and since it's SaaS-based, there isn't a lot to maintain. I deal with ByD admin issues pretty infrequently, so it's kind of like a set it and forget it type of deal.

11:30 In theory, that frees you up to pursue new business opportunities using ByD functionality - is that how it's worked out for you so far? Judson: Yes. This allows me to look into additional ByD functionality we want to implement and the new areas we are going to implement such as compensation and payroll, which we plan to do without any SAP implementation support at all.

12:00 I talk with a lot of "old school" ERP folks who have interest in SaaS approaches - you've made that transition from SaaS to PeopleSoft, what would you say to others about the changes they might expect? Judson: the timeframe is going to be a lot shorter - you're not going to be on a project for a year anymore - it's going to be three months, maybe an additional month after that for support, and that's it. Another key difference: you'll probably work with many projects at once. Our service advisors were working several projects at once. The third thing? The work is mostly done remotely. Our service advisors were only on site a few times, but we interacted with them remotely all the time. Those three things are very different. One more difference? The term SAP is using, service advisor, illustrates that's it's more of an advisor role than a hands-on role where you do the configuration. We were just advised by SAP and we did the bulk of the configuration.

14:15 It's more than just advising though, right? It must be good listening, too - helping companies to pull out requirements and make sure they will work with the new system? Judson: That's absolutely crucial. Besides data migration, configuration is the most important aspect of setting up the new system, because that's how everything is going to be designed to work. For example, one of our service advisors told us that the sales order process would be the best way to track new stores openings for the business development team. That's not something we would have thought of on our own, and she gave us that guidance based on her pulling out our business requirements and determining the best approach.

15:05 You've had some good discussions with SAP, but here's your chance to have your say: If SAP flew you in and sat you down with global product leads, what would you tell them about improving ByD? Judson: I've actually had the chance to sit down with SAP, as all the pilot customers have, and they have been listening to us. A few things: a more configurable user interface, where users could define their own workflow in the system- that would eliminate the need to click around and users could do workflow from one screen. Second: have a more open platform so that it would be easier to integrate external systems and data with ByD. The third thing is more specific: a lot of our executives have asked for

data-driven notifications.

16:40 So what could be improved with the open platform? Judson: We have some other systems we have to use, like our payroll provider, and we have point of sales systems in our stores, and I'd love to be able to close that loop between those three systems and have the data flow between those three systems much more easily. Allow an automated exchange of data between the systems.

17:30 You've been using version 2.0, and you're due to be upgraded to 2.6 in January 2011, that's the target, so what are you looking ahead to? Judson: I got a preview at Sapphire and it looks awesome. The new UI looks great, it's a lot more sleek and a lot faster, it has a Silverlight front end that allows you to navigate a lot better, it's really simple. They also have tabbed browsing, which creates a new tab rather than a new window - those things are basic but the users are going to love it. Another awesome thing is the ability to configure the UI by adding new fields, so we'll be able to add new fields in any work center, and you'll be able to report on the data in those fields.

18:55 So what's your advice to other prospective ByD customers about how to ensure a successful implementation? Judson: basically preparation and commitment from your key business users. Two things: your business requirements because that translates into your configuration, and get your data migration solid, get that data extracted, clean it up, and make sure it's ready to go so there are no surprises at go live.

19:35 We have SAP TechEd coming up and I'll run into a lot of developers there eager to learn more about the SDK, part of the 2.6 release/rollout - are you as a customer interested in the SDK? Why or why not? Judson: definitely. The main thing I'm interested in is doing some integration with internal systems. I'd like to see an integration with our micro-POS system. Doing small add-ons like that would be very valuable to us. For other developers, the chance to develop those add-ons for vertical markets. I'd like to use the SDK myself - we'd rather do that then spend money on outside consultants or outside development, because we have the expertise here to get that done. I'd love to see SAP release the SDK to customers, perhaps we can be a pilot for that.

21:10 Looking ahead, you have an aggressive growth strategy - can ByDesign grow with you, or will you outgrow it? Judson: I think it can grow with us. The product is really young, but it can continue to improve. It was a good strategic move for us.

22:00 Last words? Judson: I'm happy with the way SAP has been partnering with the early adopters and I'd like to see them continue to do that. Listening to customer and what they want is what's going to make this product really great.