



METHODOLOGY APPLICATION

APPLICATION NO: VM004

APPLICATION TITLE: Group Procurement Master
Data Management

INDUSTRY: Banking

VALUE METHODOLOGY APPLIED: Value Management

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INTRODUCTION

The main purpose of this Value Management exercise was to define & prioritise the critical elements of the Group Procurement Master Data Management (MDM) to enable credible reporting, effective sourcing and efficient transacting.

The need to identify what is being purchased from where and when at what cost (identification and classification)

The objective included the following measurable benefits:

- 1.) Comprehensive agreed on documentation on "as is" processes
- 2.) Comprehensive agreed on documentation on "to be" processes
- 3.) Agreed on scope of work
- 4.) Agreed on business requirement specification

PROCESS EXPLAINED

The participants met for two days to systematically analyse the various project issues and concerns for optimised functionality and ensuring alignment within the Stakeholder group.

To ensure conformance to Value Management (VM) principles during the workshop an independent Facilitator was appointed to chair the proceedings.

The VM methodology applied during the session can be explained as follows:

Value Management deals with decision making tools, applicable for strategic alignment within diverse groups. The main benefits of realizing these skills will be the focused approach to problems & opportunities without compromising functionality of the actual requirements and achieve solutions for the best economic value.

Focusing the collective wisdom of divergent groups, Value Management systematically defines common objectives, functionally prioritises what needs to be done and then creatively identifies how best to achieve the targeted results.

The following Value Management Practices have been applied:

- Issues & Concerns
- Objective Matrix
- Numerical Evaluation
- Recommendations and Action Plans



ISSUES & CONCERNS

#	Issues & Concerns
1	Time frame for implementation
2	Management of risk
3	Project delivery versus what cannot be delivered
4	Project inclusion versus exclusion
5	Clean data?
6	Data integrity
7	Multiple systems (disparate)
8	Multiple processes (disparate)
9	Standardisation versus harmonisation
10	Governance
11	Process and application controls
12	Centralisation versus de-centralisation?
13	Ownership (data)

OBJECTIVE MATRIX

Results to Achieve
Approved Data Governance
Alignment of KPA's & KPI's
Obtain / develop & retain skills
Implement Procurement Governance
Sustain all Stakeholder acceptance and support
Demonstrate Value Add
Understand relevant group initiatives
Risk / Issue Management
Approve budget allocation & management

Results to Prevent
Carry on with silo behaviour
Complex processes (KISS)
Begrudged compliance
No integration
One fit for all solution (compromise?)
Not aligned with procurement & MDM vision
Complex metrics

Available Resources
Potential MDM off the shelf solution
DAMA
Internal skills
Funding and support
CIPS

Constraints
Resources
Common understanding in Management
Culture federated
Time



ISSUES & CONCERNS – RESULTS TO ACHIEVE MATRIX

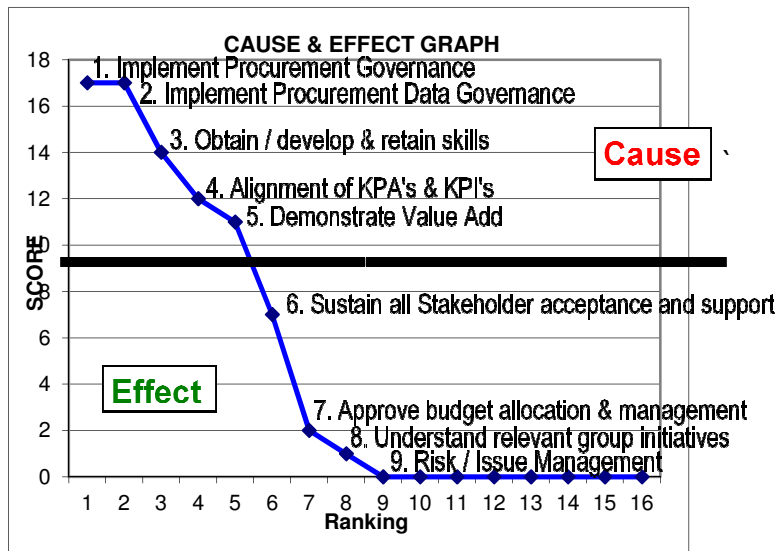
Results to Achieve

Issues and Concerns / Results to Achieve Matrix		Approved Data Governance	Alignment of KPA's & KPI's	Obtain / develop & retain skills	Governance	support	Demonstrate Value Add	Understand relevant group initiatives	Risk / Issue Management	management
#	Issues & Concerns	A	B	C	E	F	G	H	I	J
1	Time frame for implementation					▪		▪		
2	Management of risk	▪			▪				▪	
3	Project delivery versus what cannot be delivered	▪			▪			▪		
4	Project inclusion versus exclusion	▪			▪			▪		
5	Clean data?	▪			▪					
6	Data integrity	▪			▪					
7	Multiple systems (disparate)	▪			▪					
8	Multiple processes (disparate)	▪			▪					
9	Standardisation versus harmonisation	▪			▪		▪			
10	Governance	▪			▪					



NUMERICAL EVALUATION & CAUSE – EFFECT GRAPH

								Functional Requirement				
									Score			
Rank												
A	A3	A3	D1	A1	A1	A3	A3	A3	A	Implement Procurement Data Governance	17	2
B	B3	D1	E1	F1	B3	B3	B3	B	B	Alignment of KPA's & KPI's	12	4
C	D3	C3	C2	C3	C3	C3	C	C	C	Obtain / develop & retain skills	14	3
D	D3	D1	D2	D3	D3	D	D	D	D	Implement Company Procurement Governance	17	1
E	F1	E2	E2	E2	E	E	E	E	E	Sustain all Stakeholder acceptance and support	7	6
F	F3	F3	F3	F	F	F	F	F	F	Demonstrate Value Add	11	5
G	G1	I1	G	G	G	G	G	G	G	Understand relevant group initiatives	1	8
H	I1	H	H	H	H	H	H	H	H	Risk / Issue Management	0	9
I	I	I	I	I	I	I	I	I	I	Approve budget allocation & management	2	7





RECOMMENDATIONS

Example only

Functional Requirement	Code	Recommendations	Comments	Deliverables
1. Implement Company Procurement Governance	1.01	Conducting current state assessment. (as is) People, controls, process, technology / system and organisation. Procurement Master Data Management (PMDM), within contract management system, MIS and ERP.	Process flow diagram for vendor data in progress based on current scope, but delivery date must be revisited due to potential change in scope. (Draft "as is" scope to be finalised e.g. transaction classification, materials) Basic checklist for vendor creation to be sent by various brands to consolidate into single checklist	Approve Strategy Approve Policy Approve Processes Approve Organisation Approve Technology Approve Installation & Maintenance
	1.02	Identify future state requirements (to be) People, controls, process, technology / system and organisation	Global best practices, bench marking Define vision Re-visit the "as is", finalise and sign off scope	Approve Strategy Approve Policy Approve Processes Approve Organisation

CONCLUSION

This Value Management exercise was applied to optimise the Financial Group Procurement Master Data Management (MDM).

The highlighted prioritised functions of Implement Company Procurement Governance, Implement Procurement Data Governance, Obtain and Retain Skills, the Alignment of the KPA's & KPI's and Demonstrating Value reflected the needs to achieve the objective and resulted in over 30 detailed recommendations for implementations.

An additional benefit was the alignment between the various stakeholders across the company on what is needed to ensure integrity in the Financial Group Procurement Master Data Management (MDM) and how to ensure the implementation of the recommendation.