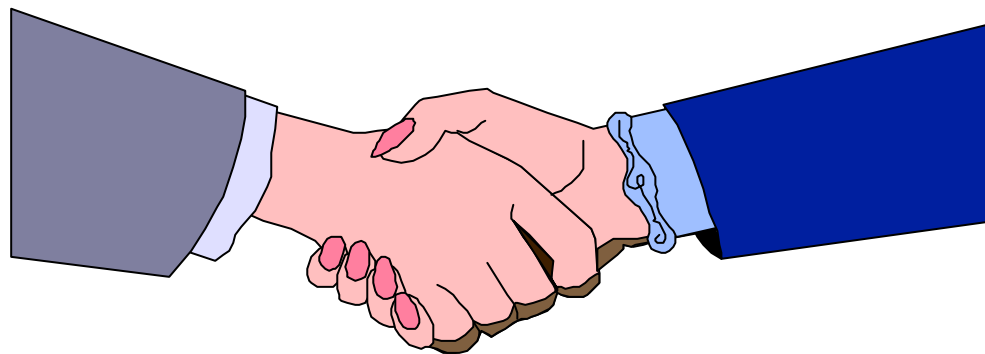




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Proposed SAP Implementation Approach



Agenda

13:00 - 13:05	Opening	Argon Chen
13:05 - 14:30	HP's SAP Implementation Approach <ul style="list-style-type: none">- <i>Project Objectives and Scopes</i>- <i>Implementation Methodology</i>- <i>Project Deliverables</i>- <i>Organization Structure</i>- <i>Change Management</i>	Lori Huang
14:30 - 15:00	Q & A	All

Project

Objective and Scope

Project Objective and Scope

Project Objective

- Improve critical processes cycle time e.g. Procurement to Payment
- Build up ERP backbone through SAP Core modules implementation
- High level easy access decision information

Project Scope

Standard SAP modules (Version : 4.6B)

Financial Accounting	Controlling
Assets Management	Production Planning
Material Management	Quality Management - IQC
Sales and Distribution	

Add-On Modules

L/C Management	Import/Export
Goods in Bond (GIB)	Investment Tax Credit
Bank Loan	

System Interface

MES, HR, etc.

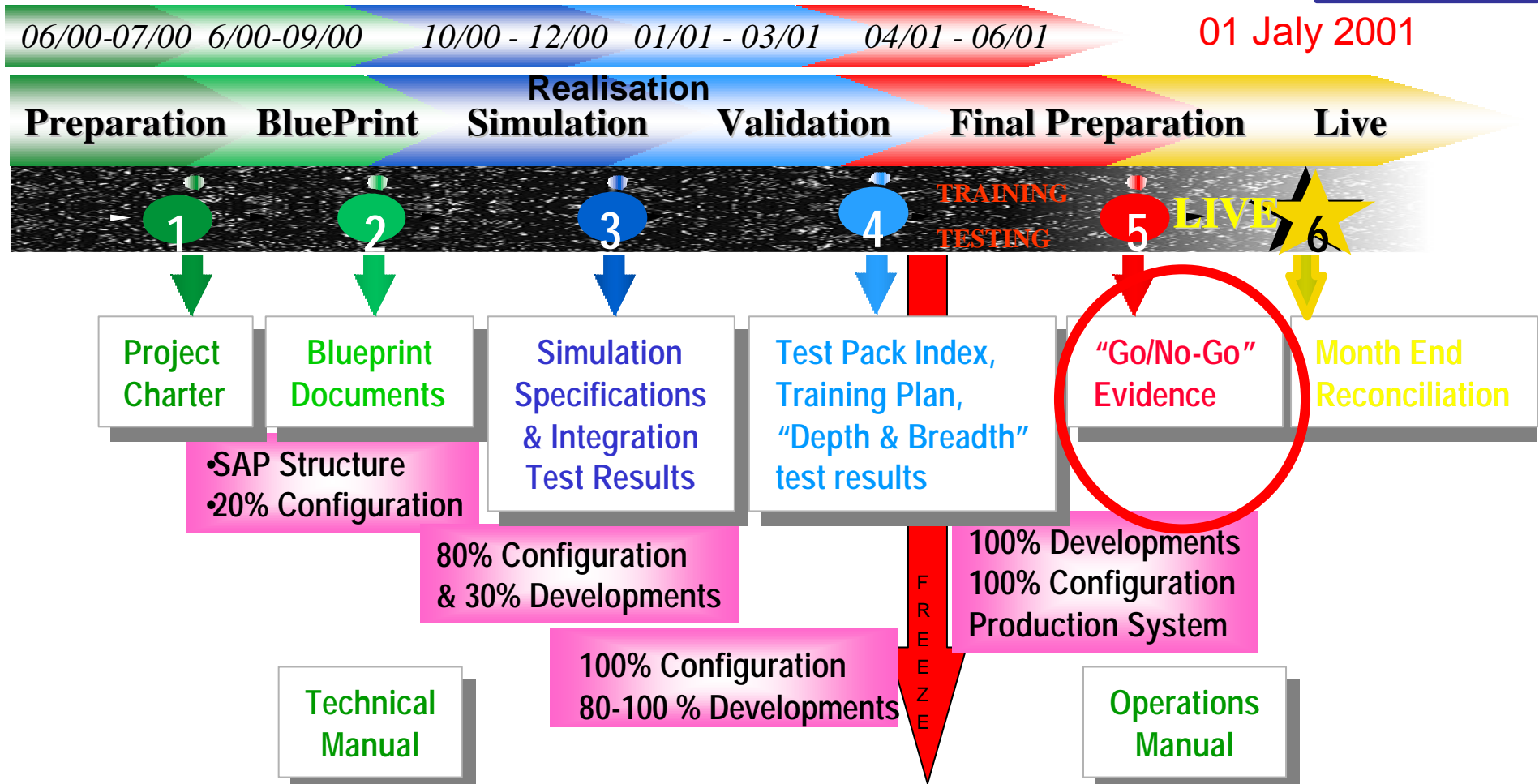
Post-Implementation Support

45 man-day on-site support
Add-on programs bugs fix for 6 months

Implementation Methodology

ASAP Methodology and Approach

Specified Milestones and Deliverables for Formal Approval



Synopsis Of
Key Activities
By
Project Phase

PHASE 1 : PREPARATION

•PREPARE PROJECT CHARTER :

- Project Objectives, Success and “Go / No-Go” Criteria
- Detailed Scope definition
- Project Organization; Roles and Responsibilities
- Agreed Deliverables, Format
- Project Control Processes
- Detailed Roadmap / Project Schedule
- Establish Project Office** and Facilities including Dev Server and OSS
- Convene Steering Committee** and Project “Kick Off”

PHASE 2 : BLUEPRINT

•FUNCTIONAL BLUEPRINT DOCUMENTS :

- SAP Structure (Companies, Clients, etc)
- Scope and Priorities
- Training, Desktop Hardware and Authorizations : End User Analysis
- DATA AND PROCESS Flow Analysis
- Reports, Interfaces, Conversions, Enhancements / Gaps, Printed Docs
- Benefits Targets

•TECHNICAL BLUEPRINT

- Hardware Landscape; Network Topology; Technical Standards
- Mini INTERGRATION TEST 1 •SAP STRUCTURE; 20% Configuration
- Forecast, SOPS->MRP; Procurement; Production; Sales; Fin Accounting

PHASE 3 : SIMULATION / REALISATION

•**DESIGN AND CONFIGURATION : Target 80%**

- Joint Application Design Workshops and business decision making
- Detailed “CI Template” Process Flows (What / Who/ Where / When / How)
- Cross Functional Unit Testing

•**DEVELOPMENT SPECIFICATIONS AND PRIORITY DEVELOPMENTS**

- START DEVELOPMENT : Priority Interfaces; Data Conversion Programs

•**FORMAL INTEGRATION TEST 2**

- Use of REAL Master data (e.g. Raw wafer, Mask)
- Full Audit of Test and Master Data Results
- FORMAL ISSUES / PROBLEM LIST MANAGEMENT

•**MASTER DATA SPECIFICATIONS**

- Convene formal User Task Teams for Data Preparation

PHASE 4 : VALIDATION / REALISATION

- **COMPLETE PRODUCTION CONFIGURATION ---> FREEZE CHANGES**
 - Full verification of functionality
 - Integration Test 3 and 4 : Iterations of Complexity
 - Inclusion of all prioritized completed developments
- **DEVELOPMENT : Completion of all Critical “Go Live” Requirements**
 - Quality Testing
- **TRAINING PREPARATION; USER ACCESS PREPARATION**
 - Convert Test Scripts and CI Template to training Material
 - Prepare Training Curricula and Plans
 - Start “Train-The-Trainer”
- **MASTER DATA LOAD / CONVERSION TRIALS**
 - Load testing , Accuracy auditing,
- **HARDWARE & NETWORK**
 - Prepare Quality Assurance Environment

PHASE 5 : FINAL PREPARATION

•TESTING

- Final Quality Assurance and Formal Acceptance Tests
- Data Take-on and Open Item / Stock Balance Take On Tests
- Full Productive Simulation Test
- Stress and Volume Tests
- Disaster Recovery Test

•TRAINING

- End User Training

•DETAILED CUT-OVER PLAN (including Stock-Take)

•LIVE SUPPORT PLAN

**FORMAL
GO LIVE
REVIEW
&
APPROVAL**

CUT-OVER & LIVE START UP

MILITARY PRECISION HALF HOURLY SCHEDULE

BUSINESS CLOSURE & SAP PREPARATION

Audited stock take

GIT Manual Control

New Stationary

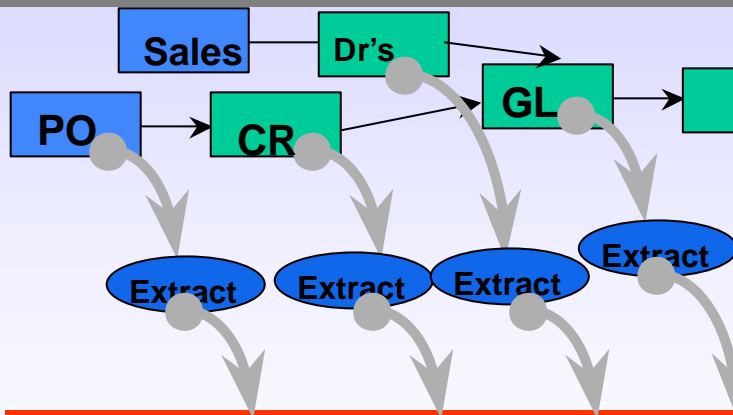
etc..

INTERIM MANUAL RECORDS

DOWN TIME
"CATCH UP"

LEGACY SYSTEM PERIOD END CLOSURE PROCESSING

Freeze Access



Pre-requisite
Master
Data loaded
& approved

SAP OPEN ITEM / STOCK / BALANCE LOAD

Full data dependency path load / manual
take on & audit / reconciliation's

FULL RECON

LEGACY SYSTEM
SHUT DOWN

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“Go/No-Go” Sub Projects and Progress Reporting

Activities to be performed and evidence to be proven before going live

- 1 INTEGRATED BUSINESS SYSTEM**
 -  System functions are tested, proven & approved
 -  Business processes are defined, tested, proven and approved

- 2 BUSINESS READINESS**
 -  Business people are ready (Positions, culture, attitude)
 -  Business People have the skills / knowledge required
 -  Responsibilities & performance criteria are agreed
 -  Benefits have been identified & plan is in place for future realisation

- 3 DATA INTEGRITY**
 -  Authorisations are tested and approved
 -  Master data is correct / proven and approved
 -  Take-on (stock & open items) are valid and cut-over is tested

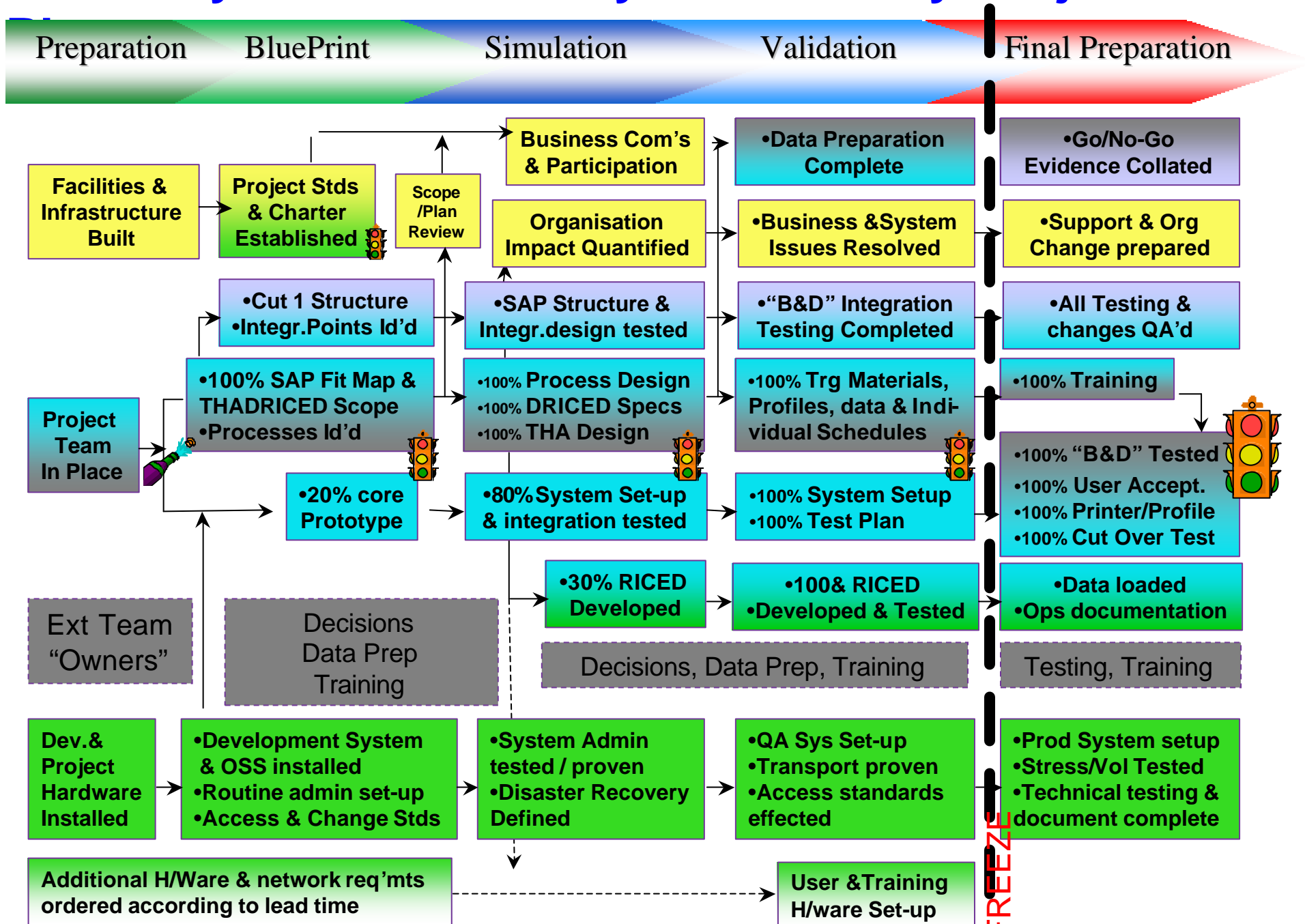
- 4 LIVE SUPPORT INFRASTRUCTURE**
 -  Support staff have skills and knowledge for their job
 -  Short & long term procedures have been proven
 -  Support materials have been approved

- 5 TECHNICAL INTEGRITY**
 -  All hardware and network is in place and proven
 -  System security and efficiency has been proven

Phase 6 : Intensive Support

- **DAILY** Data Audits
 - Escalation of errors and problems : A **“FIX IT NOW”** Culture!
- End User and Functional Owner Support
- Implement Production System Change Control
- Review Authorization Profiles
- Prepare for Formal Post-Implementation Review

Summary of Standard Key Activities by Project



Project Deliverables

Project Deliverables

Phase	Milestone	Deliverables	Contents
Project Preparation	Project Plan	Project Plan	Master Plan Resource Requirement
		Project Standards	Quality Assurance Standard Change Control Procedure Escalation Procedure
Business Blueprint	Project Team Training	Training Materials Training Plan	Training Schedule Training Class 15 copies of training materials
	Business Blueprint Definition	Business Blueprint	Business Requirement SAP Function Mapping Change Management Plan
Realization	Baseline Confirmation	Baseline Scope	Configuration Baseline Scenario
	Implementation Strategy	Strategy and Plan	Training Strategy & Plan Data Migration Strategy & Plan Testing Strategy & Plan
Final Preparation	Cut-over Plan	Cut-over Plan	3+3 Cut-over plan (3 + 3 week) 3+1 Cut-over Plan (3 + 1 month) Go-live Checklist
	System Test	Test Plan Test Result	Integration Test Plan Scenario User Acceptance Test
Go-live an Support	Go-live	Data Validation Plan	Data Verification Plan Helpdesk / Support Structure
	Support	Project Close Report	First Month End Closing Issue / Problem Log

Objectives of Skill Transfer

✍ Long-term Objectives :

- ✍ Buildup then technical competence to support team.
- ✍ Be able to analyze and advise process design on technology and design concept in SAP or other tools.

✍ Short-term Objectives :

- ✍ Detect and analyze problem.
- ✍ Fully understand the current design concept, system setup, configuration, programs and data scheme and be able to modify it for bug fix.
- ✍ Fully understand the tools that are currently used for debugging, tuning, monitoring, programming, and administration.
- ✍ Fully understand the basic skill required to search for existing SAP functionality and data.
- ✍ Handle future organization changes.
- ✍ Handle future SAP upgrade.

Items of Skill Transfer

✍ General Development Skill

- ✍ SAP Script
- ✍ Debugging and dumping
- ✍ Performance tuning

✍ Common Development Work

- ✍ Authorization
- ✍ Common logic
- ✍ Interface monitoring

✍ Individual Development Work

- ✍ Add-on program logic
- ✍ Interface program logic

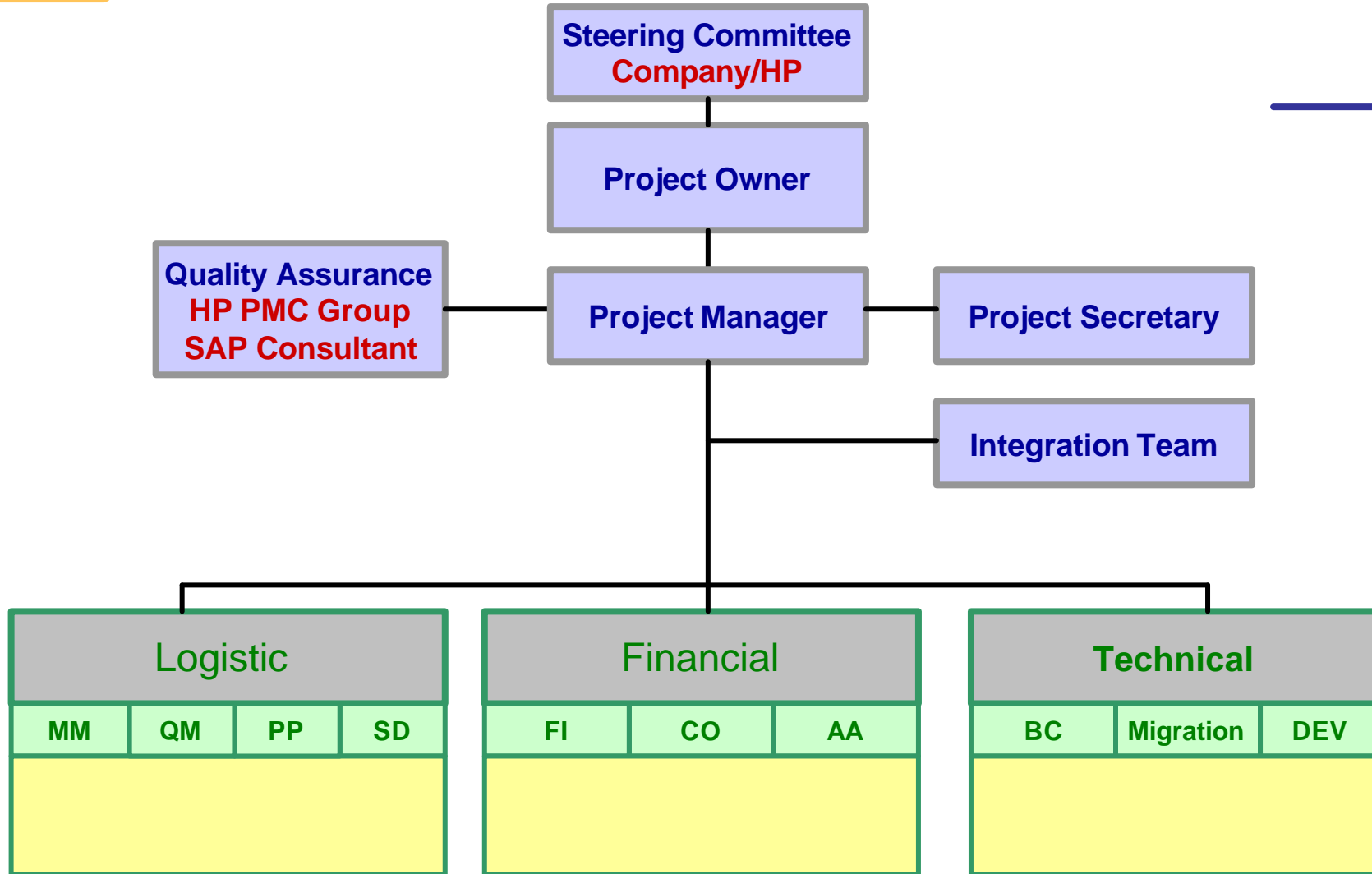
✍ Basis

- ✍ SAP
- ✍ Transport management
- ✍ Performance tuning
- ✍ SAP Mail

✍ SAP Configuration

Project Organization Structure

Project Organization



Typical ASAP Project Responsibility Matrix

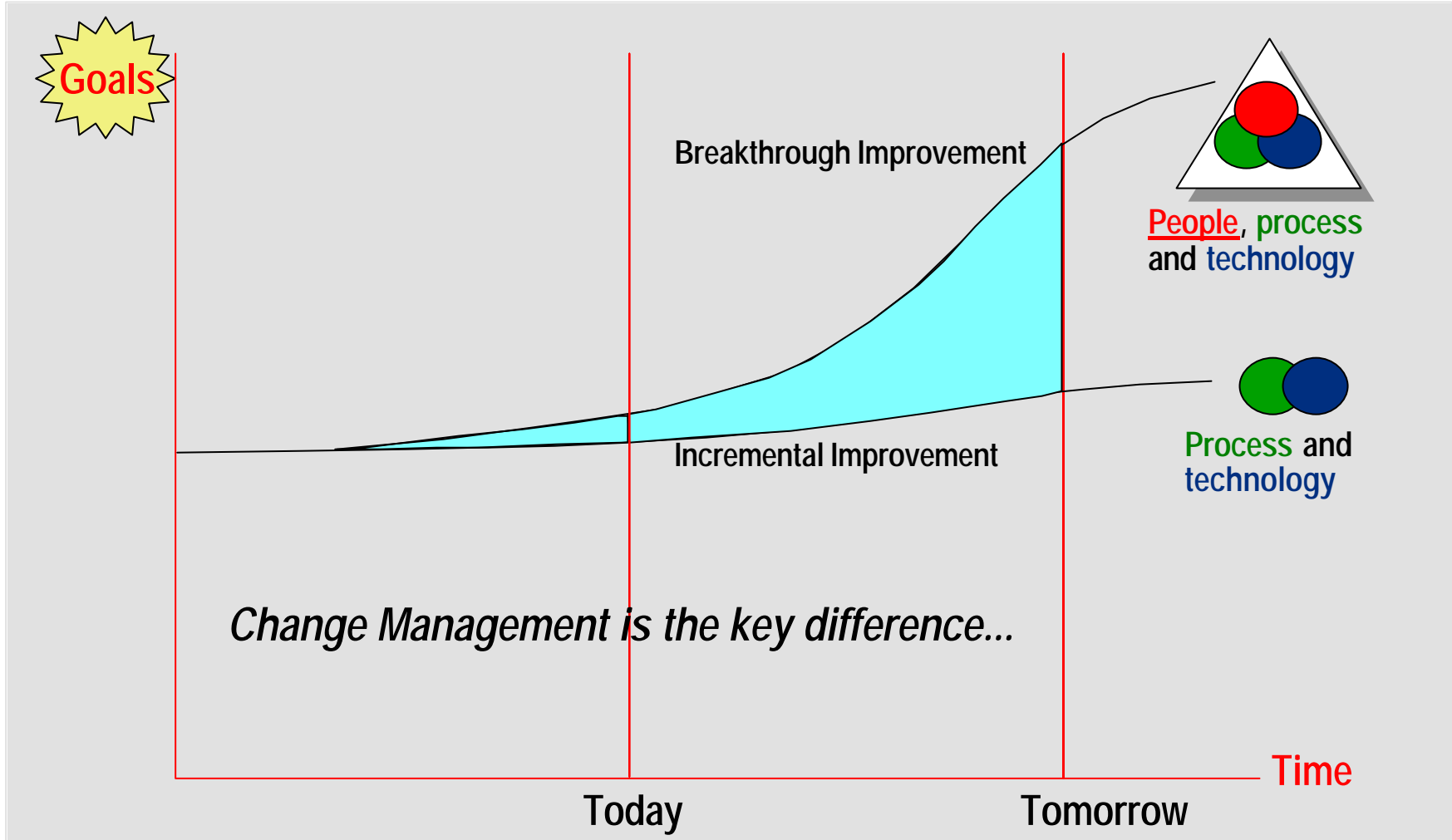
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	Functional Team Logistic	Functional Team Finance	Functional Team Technical
BUSINESS INTEGRATION	<ul style="list-style-type: none"> • Business System Specifications, Design, Configuration, Quality Assurance Testing 		
TECHNICAL INTEGRATION	<ul style="list-style-type: none"> • Reports, Interfaces, Conversions, Enhancements, Document Specs, programming and QA testing 		
TRAINING MANAGEMENT	<ul style="list-style-type: none"> • Test Script adaptation for training ; Train-The-Trainers • Authorisation Profile specification, set-up and testing 		
DATA MIGRATION MANAGEMENT	<ul style="list-style-type: none"> • Data Extract program specifications; • Data Cleansing specifications; Testing; Error reporting 		
TECHNICAL MANAGEMENT	<ul style="list-style-type: none"> • Hardware Landscape; Network Topology; Desktop hardware. SAP System and Client management 		

Change Management

Bridging the Gap



Change Fundamentals

The critical things to get right in change

8

Culture

Communication

Shared Vision

Commitment








Organisational Alignment

Motivation

Skills

Transition planning

Global Integrated Change Management Plan

Months	-12 Mo	-11	-10	-9	-8	-7	-6	-5	-4	-3	-2	-1	0	Roll Out
Reengineering: Technology Process 	<ul style="list-style-type: none"> CRP2 completed (2.2 based business scenarios) 	<ul style="list-style-type: none"> 2.2 to 3.0 regression 3.0 incremental functionality 3.0 system solutions Interface development -Phase 2 exit 		<ul style="list-style-type: none"> Phase 2 Exit Design Complete 	<ul style="list-style-type: none"> Implementation infrastructure established 		<ul style="list-style-type: none"> Integration Cycle 3 	<ul style="list-style-type: none"> Integration Cycle 4 	<ul style="list-style-type: none"> Integration Cycle 5 		<ul style="list-style-type: none"> Phase 3 Exit Ready for User Testing 		<ul style="list-style-type: none"> Phase 4 Exit Ready for Production 	
Sponsorship Commitment 	<ul style="list-style-type: none"> Assess sponsor commitment Assess site readiness 	<ul style="list-style-type: none"> Establish site Governance structure 	<ul style="list-style-type: none"> Identify key sponsors and change agents 	<ul style="list-style-type: none"> Train sponsors and change agents 	<ul style="list-style-type: none"> Begin enrollment process 	<ul style="list-style-type: none"> Monitor enrollment process 	<ul style="list-style-type: none"> Conduct OAP Sessions 	<ul style="list-style-type: none"> Regional/Site Implementation Mgrs. involved 	<ul style="list-style-type: none"> Conduct Phase/Site Launch sessions 					
Communication 	<ul style="list-style-type: none"> Establish Communication Team Assess local comm. vehicles Assess audience needs (Listening Groups) 	<ul style="list-style-type: none"> Develop comm. plan Create new vehicles as necessary Begin feeding current vehicles Roll out learning maps 	<ul style="list-style-type: none"> Launch regular coffee talk program Conduct listening groups Communicate "Process" (e.g., SPOC presentation) 	<ul style="list-style-type: none"> Hold coffee talk Launch local newsletter Communicate "Technology" (e.g., Screen presentation) 	<ul style="list-style-type: none"> Communicate People (e.g., Training Plan) 	<ul style="list-style-type: none"> Hold management 1-1's 	<ul style="list-style-type: none"> Hold Coffee Talk Local Newsletter Establish site hotline Conduct Listening Groups 	<ul style="list-style-type: none"> Trng Hot Line Established Trng Data Base/validate 	<ul style="list-style-type: none"> Design, Review, Validate Documentation Commence Instructor Trng (T3) Conduct Gen'l SAP Overview Sessions 	<ul style="list-style-type: none"> Management 1-1's Launch event (burn the ships) 	<ul style="list-style-type: none"> Listening Groups Post-release Lessons learned 			
Training 	<ul style="list-style-type: none"> Site Trng Capability Assessed End-User Trng. needs Assessed System reqs Assessed Gap Analysis 	<ul style="list-style-type: none"> Write RFP Implement Guidelines Established & Approved 	<ul style="list-style-type: none"> Select Vendor Site Plan Approved Trng Dev'pt Kick Off Mtg. for Entire Site 	<ul style="list-style-type: none"> End User Training Assessment (1:1) Commence Trng. Comm. Program 	<ul style="list-style-type: none"> Trng. Products Designed & Blueprinted Begin Trng. Prod. Dev'pt. 	<ul style="list-style-type: none"> Validate/Modify Trng. Products (3.0) 	<ul style="list-style-type: none"> Trng Hot Line Established Trng Data Base/validate 	<ul style="list-style-type: none"> Design, Review, Validate Documentation Commence Instructor Trng (T3) Conduct Gen'l SAP Overview Sessions 	<ul style="list-style-type: none"> T3 Commence SAP Training Major Users Trained (by function) 	<ul style="list-style-type: none"> Implement on-going education & end-user support system Evaluation of Trng. 				
Organization Alignment 	<ul style="list-style-type: none"> Current Organ. Alignment issues analyzed 	<ul style="list-style-type: none"> Macro Organ. Model Defined (High Level Design) 	<ul style="list-style-type: none"> Review Current State Key Roles Complete Site Organ. profile Determine linkages with other partners 	<ul style="list-style-type: none"> Define Future State Key Roles Commence OAP Process 	<ul style="list-style-type: none"> GAP Analysis Job Families/ Job Levels, Jobs Conduct OAP Process Refine Job Families/ Levels/Profiles Determine Preliminary Staffing levels 	<ul style="list-style-type: none"> Finalize Detailed Organization Structure and Roles Determine Skill Requirements by Job Family 	<ul style="list-style-type: none"> Finalize Staffing Levels 	<ul style="list-style-type: none"> Validate Org. Design 	<ul style="list-style-type: none"> Implement Detailed Design and monitor organization 					
Transition of Employees 	<ul style="list-style-type: none"> Past & Present Practices/ Policies for Organ. Change Reviewed 	<ul style="list-style-type: none"> Complete Impact Analysis from Site Workforce Profile 	<ul style="list-style-type: none"> Develop/ Approve Transition Plan 	<ul style="list-style-type: none"> Conduct MOC Workshops for Mgrs. 	<ul style="list-style-type: none"> Define Assessment Process 	<ul style="list-style-type: none"> Conduct MOC Workshops for employees Develop Transition Tools 	<ul style="list-style-type: none"> Assess Individual Job Capabilities -gap analysis Map employees to new job families/levels 	<ul style="list-style-type: none"> Provide 1:1 Transition Coaching 	<ul style="list-style-type: none"> Transition employees to new job families/jobs 	<ul style="list-style-type: none"> Conduct diagonal listening grps to monitor transition 				
Performance Management 			<ul style="list-style-type: none"> Establish Function's Bus. Metrics 	<ul style="list-style-type: none"> Establish Designs Team Performance Mgmt/Compensation systems assessed 	<ul style="list-style-type: none"> Develop new Perf. Mgmt Compensation System 	<ul style="list-style-type: none"> Define MICRO Performance Metrics Link Reward System to Metrics 	<ul style="list-style-type: none"> Approve revised Perf. Mgmt./Compen. Design Develop Tools/ Materials (Communication) T3 	<ul style="list-style-type: none"> Conduct employee awareness sessions 	<ul style="list-style-type: none"> Commence Perf. Mgmt. Compen. Trng. for employees 	<ul style="list-style-type: none"> Roll out Revised Perf. Mgmt. & Comp. System 				

Critical Success Enablers for Change Management for SAP



Sponsorship & Commitment

- Support and alignment of key stakeholders and management
- Involvement, contribution and commitment of employees



Communication

- Communicated purpose, vision, plan and participation of employees



Training

- Development of technical/functional, skills required to maximize new technology and business processes



Organization Alignment

- Redesigned structures, jobs and skill requirements



Transition of Employees

- Plan for migration of employees to new structures and roles

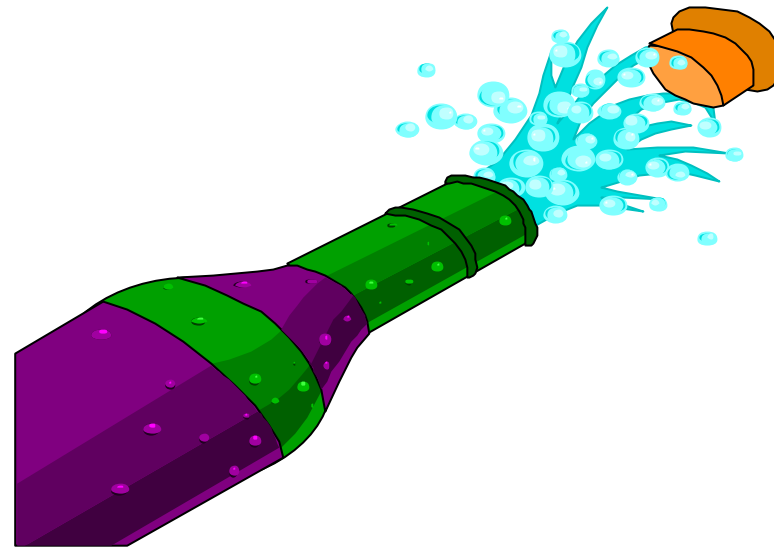


Measurement and Rewards

- Alignment of performance management and compensation systems with targeted business results

Why HP ?

- ✍ **One stop shop**
- ✍ **Customer satisfaction and reputation in Taiwan**
- ✍ **Long term focus on manufacturing industry more than 15 years**
- ✍ **IC Foundry SAP project implementation experience**
- ✍ **SAP and CIM/MES integration experience**
- ✍ **Willing to transfer SAP skill and knowledge**
- ✍ **Project commitment and partnership**



Thank You !