

KDD020 - Integration of Project Schedules and Plans with SAP S/4HANA

Status	Approved
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Issue

Project time and budget management are the key performance indicators of effective project management. Syensqo's project management procedure requires the project managers to deliver the projects on time and under budget. Syensqo will [perform project accounting in SAP S/4HANA EPPM](#) (Enterprise Portfolio and Project management) for budget and financial management. Project operational management (tasks and schedules) are however managed offline. Currently, there is no integration of project tasks, dates, nor duration with project objects in ERP. Each GBU have their own rules for managing project tasks and are managed in various applications such as Google Sheets, Microsoft Project, Primavera etc. In some GBUs, the project planning and management functions are outsourced to a third-party engineering organization.

This KDD intends to evaluate the potential options to determine the sufficient level of integration (automated vs Manual) between project schedule and project financial management (S/4HANA EPPM).

Recommendation

Based on the analysis and evaluation presented in this document, **External Schedule Management with manual update to S/4HANA EPPM** (Option B in this document) is recommended to allow for effective project accounting and financial management without compromising the ease and flexibility of project tasks and schedule management. This KDD do not challenge the requirement to have a user friendly and flexible way for project operational management using tasks and schedules as per project manager's/GBU's need. However, it recommends that the sufficient level of information (such as the phase dates and WBS dates) are updated in S/4HANA EPPM adequately to address the risks due to delays on project and avoid financial impacts.

Background & Context

Schedule management in project management lifecycle is the process of planning, developing, controlling, and monitoring project timelines to make sure that tasks and activities are completed on time. Currently in Syensqo, this activity (Schedule management) is managed through various tools and it is up to the GBU and/or project managers discretion as to what tools are used to manage a project. Project dates/schedule are managed in various applications such as Google sheets, Microsoft projects or Primavera depending on the complexity and the nature of the project. The project managers and GBU's require the flexibility to allow simple projects to be represented with simple plans and more complex project to be represented by more comprehensive plans (to manage a multitude of tasks and dependencies).

Currently, none of the tools used currently have any integration (automated or manual) to the WBS structure in the SAP project in the ERP system. As an outcome of this, any variation in the timelines of projects or any delays (regardless of reason) are not adequately reflected in the project financials which in turn means that there is little to no visibility of the financial impact of such delays of changes. Accurate project forecasts are difficult to maintain which leads to poor or inaccurate decisions on the delivery of the projects.

The lack of sufficient level of information in Project financial management system (S/4HANA EPPM) causes delays in decision making and addressing projects risks in timely manner.

Assumptions

- SAP S/4HANA EPPM will be the primary project portfolio management application used for financial management of all types of projects (simple, medium or complex) in various domains (i.e. Industrial solutions, R&I, IT)
- The detailed management of project tasks, schedules, and resources will be managed outside S/4HANA in specialised tools (e.g. MS Project, Primavera), or generic tools (e.g. Google Sheets for very simple project), as based on prior experience, S/4HANA's internal tooling is not sufficient to displace non-SAP tools.
- The information that is required for decision making and reporting in S/4HANA EPPM is based on periodic (weekly/monthly) updates at a summary level. Real-time information of the detailed task's status and staff allocation is not required by Syensqo.
- Analysis & assessment of the various applications (Microsoft Project, Primavera, SAP etc.) for detailed schedule/dates management will be done in detailed design.

Constraints

Analysis & assessment of the various applications (Microsoft Project, Primavera, SAP etc.) for detailed schedule/dates management will be determined in detailed design.

Impacts

Standardization - Requires standardization of process for different project types (simple, medium, complex)

Business Rules - Business rules and discipline to be established for timely update of the projects in S/4HANA EPPM which will be determined by schedule management system

Data Migration - Migrated projects will require enrichment of data to ensure sufficient level of scheduling information required for financial management is uploaded/migrated in S/4HANA EPPM

Business Rules

- Business rules and discipline will be established to update the dates of the project deliverables and phases periodically (weekly or monthly) in S/4HANA EPPM to address the financial impacts such as budgets , forecasts, capitalization in timely manner.

Options considered

Option A: Automatic Integration of Schedule Management with S/4HANA EPPM

Project schedule/dates are needed for the delivery of project objectives and benefits on time. Delay in the project can lead to delayed realization of the benefits and impacts the return on investments. Typically the project schedule/dates management are done at (granular) Task level whereas the project financial management is performed at the (summarized) key deliverables level using work breakdown structures based (WBS) on assets being delivered. It is critical to get the right balance of information from project schedule management to integrate with the project financial management. Dates/duration of the detailed tasks are summarized and integrated with the Work Breakdown Structures (WBS) to determine the delivery of each phase or deliverable of project. SAP S/4HANA EPPM (Enterprise portfolio and project management) offers integration capability with different third-party schedule management systems such as Primavera or Microsoft Project using EPC (Enterprise Project Connector).

Benefits

- Data Integrity between Schedule management and financial management
- Automated and less error prone

Considerations & Challenges

- Project schedule management structure must align with S/4HANA EPPM structure at summary level
- Project schedules must be maintained carefully in order to prevent breaking the ongoing integration with S/4HANA EPPM, requiring a high level of user education.
- Complex 2-way integration required to ensure, changes are sync in timely manner
- Some sites and regions have outsourced detailed planning which makes detail planning and integration redundant for some GBUs/Sites

Option B: External Schedule Management with manual update to S/4HANA EPPM

External application will be used for managing detailed schedule and dates for tasks of the project as per project operational management needs. Summarized input and update of the project phase/WBS dates is done directly in S/4HANA EPPM for project forecasting, progress tracking, project delivery, and capitalization. Appropriate project structure will be defined in S/4HANA EPPM to allow budget and cost tracking for the timely capitalization, reporting and delivery of Projects. Business rules and discipline to be established to update the dates of the project deliverables and phases in timely manner. Due diligence and monitoring reports will support the monitoring the project deliver and capitalization.

Benefits

- Optimized and simplified Project structure focused on project financial management as the detailed operational management resides externally
- Allows flexibility and freedom to manage the detail project schedule/tasks/duration as per project manager's discretion.
- Appropriate schedule information at summary level resides within S/4HANA EPPM for effective forecasting of costs
- No integration complexity

Evaluation

The table below outlines the comparison of the proposed options for effective integration of project schedule management with SAP S/4HANA EPPM - Project Financial management) application.

Evaluation Criteria	Option A - Automatic Integration of Schedule Management with S/4HANA EPPM	Option B - External Schedule Management with Manual update to S/4HANA EPPM
Flexibility	✗ Less flexible as the detailed project tasks structure must align with S/4HANA WBS structure	✓ More flexible as the details tasks management is independently managed as per project manager's /GBU's discretion
Integration Complexity	✗ High complexity to manage the 2-way integration	✓ No complexity as the updates are manual at a summarized level
Cost	✗ High cost of implementation, licenses (for EPC) and on going maintenance of interface	✓ No additional costs as the updates are manual
Future Proof	⚠ Interface impacted due to external application upgrades	✓ Not impacted by external system upgrade
Change and Training	⚠ Requires change and training for users to ensure project plans are created and edited in line with integration requirements, and technical monitoring/support.	⚠ Requires change and training to manage dates in timely manner in S/4HANA EPPM

See also

[KDD003 - Integrated Project Portfolio Management Solution](#)

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Sept 03, 2024	Actor	Type	Activity	Version
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