The One Thing You Need to Get Right in Platform Consolidation

by Chad McCloud

What's the one thing business leaders need to get right when they're merging mission-critical systems after an acquisition?

As companies grow through acquisition over time, one of the hidden costs is the addition of the "platforms" of the acquired companies. A platform is the bedrock upon which business capabilities and products are built and managed, like the foundation of a house.

While redundant business functions such as human resources and finance are often consolidated immediately in post-merger integrations, business-critical platforms rarely are. Platform consolidation is incredibly complex to plan and execute, and it invites real risks to the business when problems arise.

And yet, the more platforms a company acquires, the more expensive and challenging it is for the company to scale. Adding new capabilities to your product set? Even simple improvements can require changes to multiple platforms. Planning investments for the future? Consider the redundant costs of upgrading multiple platforms. Managing internal talent?

Better have experts who understand the complexities of every single platform.

Maintaining redundant platforms increases costs exponentially, and reduces a company's ability to respond quickly to market demands—ultimately making it less competitive.

It's no wonder companies take on platform consolidations reluctantly. These efforts aren't sexy. They don't normally increase revenue. They require valuable attention and coordination from business and technology leaders alike. They're incredibly complex to plan, and even more complex to execute. Consolidations are expected to work—at best, no one notices when they go smoothly. When they don't, people's careers are severely affected.

Fortunately, seasoned experts who've survived the platform consolidation journey can share several lessons from the experience. What's the one thing you need to get right? Five Jabian consultants respond:

Big Bang or Continuous Delivery?

by Kristy Jordan

Set your goals, then set your plan.

A key decision in consolidating platforms is the approach for delivery. One end of the delivery spectrum is a "big bang" approach, where a longer-term plan leads to consolidation (and business value) at the end. This type of approach reduces the challenges and costs of maintaining multiple solutions during the transition to the new platform, but the business doesn't achieve the benefits until it makes significant investments.

The other end of the delivery spectrum is an approach that delivers incremental value over time. If the business demands a faster payback (sometimes to self-fund the effort), or if previous big bang approaches have compromised the trust between business and IT, launching in pieces may make more sense. Both approaches can be successful, but the optimal solution should be based on the stated goals of the organization. Define the goals first, then tailor the approach to meet the goals.

Once the organization has defined the approach, its comprehensive plan should account for dependencies. Platform consolidations inherently carry a complex set of dependencies that require significant planning up front, with representation from all affected stakeholders. Unconfirmed and surprise dependencies can severely affect a timeline, drive cost spikes, and destroy the trust with business stakeholders and customers.

Finally, once the plan is put in place, clear accountability for the plan and active management of the plan will keep the migration on track. Dormant risks can easily become issues if not managed properly, and unresolved issues can ruin delivery. Managing the plan is more than checking boxes. A clear understanding of the scope and status will help a team actively manage the plan through the finish line.

Define Requirements.

by Yosef Beck

Don't let them define you.

A common challenge I've seen across multiple large-scale platform consolidations, regardless of the industry or the technology, is the ability to define and document the comprehensive needs of the business.

Because consolidation efforts involve platforms that fit at least some of the business's needs, business leaders commonly disengage from defining what is required. The business may rely too much on IT to develop the set of requirements because IT understands and supports the current platforms. The business may provide a solution overview that is too high-level to capture the nuances of what's really important. IT is left to interpret what is required, rather than build what is needed.

Another common challenge is the ability of affected stakeholders to stay continuously engaged through the design and development of the solution. I've seen numerous examples of business stakeholders withdrawing to their day-to-day operational activities, confident that IT would deliver a consolidated system that would be ready for use at go-live.

Over time, as details of the new solution began to emerge, the stakeholders realized the solution being built would miss meeting customer commitments. This caused numerous headaches for everyone, increased costs by multiples, delayed benefits by months, and distracted everyone involved from other important initiatives.

When requirements are defined clearly and comprehensively, everyone knows if the solution will meet the needs of the business or not. The business can test the consolidated platform against the requirements. It can hold IT accountable (and they want to be held accountable) for the delivered solution. And people can be trained on the consolidated platform using the defined processes and highlighted changes.

The amount of time, effort, and stress to put platform consolidation projects back on track can far exceed the up-front cost of defining requirements at the beginning.

It's All About the Data.

by Fleming Free

Managing data is the linchpin of the project plan.

Defining how the business will manage data affected by the consolidation is a linchpin of the overall project plan. The spectrum of data-related tasks runs from simple extraction, transformation, and loading of existing system data to very complex in-flight data scenarios.

For enterprise data, detailed migration plans accounting for all data attributes are essential for successful completion of the project. Identifying critical data helps prioritize migration tasks, which defines the critical path activities in the migration plan. Project managers must schedule full-scale data conversion tests in production-like environments to validate timing assumptions and verify performance assumptions.

In most systems, incomplete in-flight transactions exist at any point in time, including at the planned time of implementation. Analysis should be performed to determine if an opportunity exists for transactions to acquiesce naturally, but usually there will be some longer-lived subset of transactions that must be managed. A plan must be developed to preserve or complete these in-flight transactions in the new system. The conversions and transformations must be tested and timings rehearsed with production-sized data to best ensure that the implementation plan schedules are realistic and accurate. A resource designated as the data integration/transformation lead is a requirement for success.

Preparing Customers.

by Chad McCloud

Retention is the ultimate barometer of success.

Above all other customer-related measures, customer retention is the ultimate barometer of a platform migration's success. Companies can't let a poor migration become an excuse for customers to look at competing alternatives. While the risks of losing customers are generally understood, platform consolidations also provide the opportunity to drive deeper relationships.

Because platform consolidations involve platforms that work, it's common for companies to develop their requirements without customer involvement. This is a missed opportunity to understand what customers really want. Engaging multiple customer stakeholders (rather than the monolithic "customer") not only reveals critical insights, it also cultivates personal relationships.

Customers will be more forgiving in the migration process if they feel they are getting what they asked for.

Customer communication is important, but communication that is both planned and actively managed can build partners in the process. If specific stakeholder groups get benefits that are uniquely important to them, highlight these in your communication. Let them know their voices are heard.

When customers must perform work to migrate to the new platform, acknowledge the work involved. Show them why the work is worth it. And when timelines slip and commitments are missed, communicate early and openly.

Companies are judged not only by the capabilities and functionality of the new platform. They're also judged by the customer's experience in migrating to the new platform. Consolidations are opportunities to win in both categories, a chance to be rewarded with loyal (and retained) customers.

Change Is Not an Afterthought.

by Fred Jewell

Define the change. Manage the change. Support the change.

Just reading my colleagues' insights should get your head spinning from the complexity of the change a platform consolidation brings to the day-to-day lives of the workforce. Unfortunately, helping the workforce through such a change is often an afterthought, and its impact on the overall effectiveness of the workforce is usually underestimated.

In addition to coping with the technology changes inherent in a platform consolidation, people will

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also likely experience changes to business processes they're used to. This, in turn, often changes how they define their roles in the organization. The uncertainty associated with such changes and the tedious nature of a transition to a new process can put people on edge, affecting productivity and engagement in their work.

It's critical to understand the changes to business processes and roles prior to going live. Knowing what's changing will allow leaders to adequately communicate what's coming, provide training to help people understand new processes, and establish clarity around their roles in the new environment.

Staying on top of the change through go-live and supporting the transition to the new environment with job aids, coaching, and help desk support will ensure a smooth transition to the new environment. ▣

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