

## New project management solution saves years of work

The engineering department of an international automotive supplier has saved several man-years of time in budget planning and time reporting since it implemented Microsoft Project Server and integrated it with the company's SAP system. Staff no longer need to transfer budget data manually from various sources – such as Excel – into SAP or enter their actuals twice into the project management and SAP systems.



For many years now, this global automotive supplier has been using Microsoft Project Server for all the project management in its engineering department. The company started out with the 2007 version and migrated to the 2010 version later on. It is integrated with the ERP system and the combination of the two has replaced the previous solution. This had caused a significant number of inaccuracies and extra work for both project managers and controllers.

For example, the project managers had no overview of how long each member of their team had taken to complete specific tasks. In addition, project controlling staff had to manually enter or edit project-related working time in SAP. Since the company implemented its enterprise-wide Microsoft project management system and integrated it with SAP using TPG PSLink, those problems are a thing of the past. Today, project managers have a transparent way to manage timesheet and cost controls, while financial staff receive the data they need automatically.

### Initial situation: different systems

The company's engineering projects are complex programs with budgets of up to 50 million euros per year. "These projects involve up to 400 developers around the world – like a huge machine running behind the scenes," says Herbert Kluge, Senior Manager and PMO director in the company's electronics division.

"We use various software systems to support each step in the workflow of these engineering projects," explains Kluge. "For example, we use DOORS to log customers' requirements." He adds that this process works very well most of the time. But there was one point in the project workflow that was causing a big bottleneck. Reporting timesheet information in SAP CATS had been a spanner in the works for some time. "The financial controllers didn't have this problem – they would receive the actual hours worked on each project and could charge them according to the costs," notes Kluge.

### Collaboration of controllers and project managers

However, things were not so easy for the project managers. They had a lot of extra work preparing the data required by the controllers – although this process had minimal benefit for them. For example, they could not determine how long and on which tasks their team members had worked, how much money had been spent or how much work and budget was still needed. This made it impossible for them to make decisions on additional resources and budgets.

### Industry:

- Automotive
- Electronics

### Department:

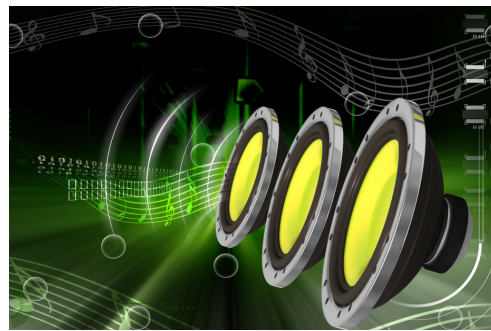
- Engineering

### Solution Components:

- Microsoft Project Server
- TPG PSLink (SAP Integration)

***"What we needed was a service provider who could help us with two things: mapping our processes in Microsoft Project, and making timesheet and cost controlling much simpler"***

Another issue with the previous time reporting process was that external project staff could not enter their hours into SAP CATS, as they were not registered in the company's SAP HR system. This was a problem for the controllers as well as the project managers, because all external staff had to fill out Excel spreadsheets and send them to the relevant controller.



***“With the integration of Project Server with SAP, we reduced the time needed to prepare budget planning from 3 man-weeks to one man-day. The manual transfer of data from various sources like Excel to SAP has been completely eliminated.”***

#### **Difficult final costings for budget**

Along with inaccuracies in capturing actual hours worked, modifying and tracking the budget was also something of an uphill battle. If project managers noticed in the middle of a project that they would need more money than initially planned, they had to read through all the Excel spreadsheets from the external team members, then call or email each internal team member to ask them how long they had worked on which tasks. That was the only way to find out where the extra costs had been incurred. Needless to say, no project manager carried out this immensely time-consuming task particularly thoroughly.

“That meant that we couldn't do the final costings properly either,” says Kluge. “Within CATS, the team members only logged their time against PSP elements – in other words, in the overarching master projects. As a result, the project managers had no visibility into the time and money spent on the individual sub-projects. At the end, we no longer knew what we had initially proposed, nor whether the project was profitable or a total flop.”

#### **First trial of a PM solution unsuccessful**

In 2008, on the project managers' insistence, the company finally implemented Microsoft Project Server as its centralized project management system. The goal was to get all 2000 employees in the automotive division to use the enterprise-wide solution within a year. “Unfortunately, this effort wasn't successful,” says Herbert Kluge. “We tried to move too fast and skimped on decent training. As a result, the level of acceptance was very low.”

After this experience, the PMO manager started looking for a business partner with expertise in the implementation of Microsoft Project Server – among other things. “What we needed was a service provider who could help us with two things: mapping our processes in Microsoft Project, and making timesheet and cost controlling much simpler.” Soon after, Herbert Kluge started working with TPG The Project Group to develop the solution that is in place today

#### **Key information available immediately**

Project managers can now see at a glance how many actual hours have been worked and whether the project is still progressing in line with the plan. “As users now enter task-specific actual hours worked, a project manager can see sub-projects whose team members are up to their necks in work and require additional staff or financial resources,” comments Kluge. He adds that this has finally established a process that gives them control over the budgets. Every request for a budget increase triggers a new workflow that stops with the person managing the budget. When he or she gives the green light, the task is reactivated and the project staff can log the time they worked on it.

This ensures that project managers always have control over areas that are in danger of going over budget and can decide in good time whether to invest more money in them. And if they do spend more, they can more easily justify the extra expense to the steering committee.

**The customer:** An international automotive supplier that develops and manufactures electronic components.

**The challenge:** Project controlling in the automotive supplier's engineering department was causing a significant number of inaccuracies and a lot of extra work. Project managers had no visibility into the time and money already spent on a project or how much they had left. Team members tracked their actuals in SAP CATS, so they were only booked to the overarching master project rather than to the detailed tasks of the sub-projects. Also, the controllers had to manually enter external project workers' actuals in SAP and company employees from other subsidiaries were not registered in the SAP system at headquarters.

**The solution:** The company uses Microsoft Project Server for all project management in its engineering department. It underpins schedule, resource, cost and budget planning as well as timesheet and project management tasks. The SAP system is integrated with the project management solution using TPG PSLink. This ensures that organizational data, preparatory work and costings for the budget plan are synchronized automatically with no manual intervention at all.

**The benefits:** Since the company has implemented the Microsoft project management system and integrated it with SAP, project managers have more visibility and control over time and costs, while the controlling staff receive the business data they need automatically. Manual data transfer has been completely eliminated.

The financial controllers now do a lot less typing with the automatic transfer of actual time worked to SAP. "We use the TPG PSLink interface to integrate SAP with Microsoft Project," explains Kluge. "And as the product's freely configurable, we've had it tailored to our exact requirements."

#### **New process with high acceptance**

With the well-organized workflow, user acceptance is no longer any problem. "We tested the new process over a period of two months with a few selected users and optimized it where nec-

essary," notes Herbert Kluge. "Once that was completed, we gradually added more users to the system in a phased approach. Our people also worked closely with TPG specialists so that they could understand from the outset how the new system works."

The turnaround is now complete. The next step will be to add project portfolio planning to Microsoft Project Server. In addition, Kluge says that he wants to migrate to Microsoft Project Server 2013 and its online capabilities in about two years' time.

***"We have saved the equivalent of several man-years by eliminating double data entry for actuals in Microsoft Project and SAP."***