

Failed Implementation of a Major Software Developer's Payroll System

PROJECT OVERVIEW

- System Implemented: A major developer's payroll system running on-premise
- Implementation Scope: Payroll entries and disbursements for a government entity with 100,000+ employees
- Developer Complaint: Lack of payment
- Client Complaint: The failed implementation resulted in the issuance of incorrect paycheck amounts and inaccurate calculation of vacation pay, etc., to an unacceptable percentage of the company's employees.

OUR ROLE

Panorama's Expert Witness team was retained to provide a forensic analysis and written report to the court regarding the failed implementation of a major software developer's ERP/payroll system. The goal of the implementation was to allow for the generation of accurate and traceable employee payrolls for a large governmental entity.





CHALLENGES WITHIN CLIENT ORGANIZATION

- Limited bandwidth from the core implementation team resulting in missed client deliverables and validations
- Lack of buy-in from executive leadership
- Executive team experienced several key turnovers at the highest level
- No execution of recommended communications strategy
- Excessive turnover in the project management office (PMO) – most notably four different project managers within three years
- Little or no knowledge transfer, little ramp up time and disagreement on the processes and procedures when transitioning between project managers
- All project plan contingency time was consumed prior to the completion of the blueprinting phase leaving no buffer for the balance of the implementation
- No action taken in response to recommendations from a third-party IV&V team

THE DEVELOPER'S RESPONSE

The developer tried multiple times to fill in the gaps left by the negligence of the client. Unfortunately, these efforts ultimately backfired on the developer as they attempted to take on responsibilities originally allocated to the client, and this did not leave the developer enough time to satisfactorily complete the tasks.

The client claimed that the developer took on these activities for a profit motive when in fact they were attempting to move the project to a successful conclusion.



Bill Baumann, Director of Expert Witness Services
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THE PRIMARY ISSUE IN THIS CASE WAS THE CLASSIC, REPAVING OF THE OLD GOAT PATH. THE NEW SYSTEM, EXPRESSLY AT THE CLIENT'S CLEAR DIRECTION, WAS BEING INSTALLED WITH NO PROCESS CHANGES AND LITTLE EXPANDED FUNCTIONALITY RESULTING IN A HUGE EXPENSIVE REPLICATION OF THE OLD SYSTEM ON A NEW PLATFORM.



OUR APPROACH

By analyzing project documentation, our ERP Expert Witness team made the following observations:

What the Developer did Right

- Created a detailed statement of work (SOW) and tried to obtain signoffs to all deliverables listed in the SOW
- Stepped up to the plate when asked to supplement or replace client resources to ensure the success of the project
- Effectively communicated throughout the project
- Sought effective solutions for escalated issues regarding high risk areas
- Established a clearly defined escalation process so that all parties understood their roles when inevitable problems arose

The Developer's Mistakes

- Set unrealistic expectations for the project during the initial sales process
- Allowed the client to ignore the IV&V consultant's recommendations allowing the project to progress without addressing reoccurring major risk areas
- Failed to escalate delayed validations and signoffs from senior management and the PMO quickly enough to avoid unrecoverable delays to the project go-live date
- Put themselves in a position where the client tried to turn their well-intentioned efforts against them in litigation



OUR EXPERT CONCLUSIONS

Based on these findings, Panoramas' Expert Witness team provided a strong report that supported the developers' contentions:

- The client's PMO was mis-staffed
- The client did not follow the developer's recommended change management plan
- The client ignored the IV&V consultant's findings throughout the implementation
- Senior management pressured the PMO team members to vote yes on go-live despite their concerns over unresolved issues
- The client had unrealistic expectations in terms of a go-live date