

Navigating Conflicting Internal Priorities & IT Challenges: An SAP APM Transformation

QUICK STATS

Client: Highmark Blue Shield

Project Duration: 20 months

Technology Leveraged: SAP Agent Performance Management (APM)

Results: Consistently accurate commission payouts for 10,000 brokers, error-free implementation after reset, and streamlined operations.

CRITICAL ISSUES

Competing IT Priorities: The customer's IT vendor had concerns about the project, preferring their own project methodology throughout the implementation.

Lack of Business Requirements Knowledge: The business team heavily relied on IT, which controlled the system without transparent documentation.

Data Quality Issues: The source data contained errors and inconsistencies, complicating initial implementation efforts.

Internal Politics: There was significant tension between the client's business team and the IT vendor, leading to delayed decision-making and big budget impacts.

KEY CONSIDERATIONS

- The client's IT operations were managed entirely by a third-party vendor, which presented significant challenges due to conflicting methodologies and limited cooperation.
- The organization's structure included both a nonprofit health insurance division and a for-profit IT division, giving an org structure with competing interests.
- The client's growth objectives as well as outdated, error-prone systems necessitated the transition to SAP APM for commission management.

SITUATION

The client relied on another commissions software system managed by the IT vendor. As this vendor also operated as a for-profit entity under the client umbrella, transitioning to SAP APM would divert budget away from the vendor, thus creating internal conflict. The legacy system suffered from:

- Poor documentation of rules and processes.
- High staff turnover, leaving key knowledge gaps.
- Outdated on-premise architecture.
- Significant payment errors, including a high-profile \$1 million mistake that spurred the business side to demand change.

TECHNICAL BARRIERS ENCOUNTERED

- Inconsistent and inaccurate data
- 10 year old system with employee turnover
- The solution had to have a streamlined process flow for enhanced usability and functionality all while being easily maintainable despite impending customizations.

SOLUTIONS

Project Reset: After facing significant challenges from following the IT vendor's methodology, the client's business sponsors empowered Canidium to take the lead using our proven methodology.

Collaborative Testing: Canidium introduced a new "joint system integration testing (SIT)" phase was to align the client's business team, IT vendor, and Canidium.

Improved Data Handling: Data formats and quality were revamped to align with SAP's requirements, reducing import issues and manual corrections.

Transparency and Documentation: Risks and objections were meticulously documented, ensuring clear accountability and evidence for all decisions.

RESULTS

Error-Free Implementation: UAT was completed early, meeting project deadlines despite tight timelines and holiday work.

Business Confidence: The first payout post-implementation was accurate, reducing broker complaints.

Scalability: The system reliably processed about \$12 million in monthly commissions for 10,000 brokers.

Customer Advocacy: The client became a strong advocate for Canidium, co-presenting at the Dallas SAP SPM Summit with Canidium.