



Innovating Amid Disruption

Insights into deploying during a Pandemic

Innovating Amid Disruption

Sustaining momentum through a global, multi-wave strategic implementation across multiple brands or businesses requires determination; doing so during a global pandemic requires innovation. Deloitte and PVH Corp. are leading the way in sustaining strategic programs during a time of unprecedented disruption with innovative new ways to deliver.

While PVH was in the middle of a global SAP Central Finance implementation as well as a global rollout of SAP S/4 Fashion in Asia, the emergence of COVID-19 had an immediate impact on the program. With the rapid onset of travel restrictions, social distancing, and economic shutdowns, it was apparent that a new approach would be required with only weeks remaining before the next go-live event. Within days, a fully virtual plan was laid out. Within weeks, it was in place and within two months, the first fully virtual go-live was a success.

The program has maintained momentum, on track for its second go-live in as many months, with additional releases planned for June and another in the fall. While it is uncertain how long COVID-19 will continue to disrupt the state of normalcy, it is certain that innovative virtual deployment capabilities will change future delivery approaches.



BACKGROUND

PVH Corp.

PVH Corp. is one of the world's most admired fashion and lifestyle companies, with a portfolio of brands including *Calvin Klein*, *Tommy Hilfiger*, and *Van Heusen*. PVH set out to create an Enterprise Solution capable of driving their strategic objectives by supporting innovation, modernization, digitalization, and scalability. Moving to SAP S/4HANA for Fashion will enable the transparency and flexibility PVH needs to support future growth.

Scope of Deployment

A Global SAP Central Finance and SAP S/4HANA Fashion implementation was planned, spanning North & South America, Europe and Asia and covering all brands. Additionally, PVH made a strategic decision to purchase back the *Tommy Hilfiger* brand license from its Central South Asia market and added it to the deployment schedule. Consisting of Hong Kong, Taiwan, Singapore, Macau and Malaysia, the acquisition required migrating the business onto the global platform including SAP S/4HANA Fashion, a new Point of Sale System, 3PL Warehousing system, network connectivity across stores, and new infrastructure in a span of 6 months.



*"Our Enterprise Solution is key to driving our global processes, operations and technology strategy by supporting innovation, modernization, digitalization, and scalability. Moving to SAP S/4HANA for fashion and vertical business has given us the **transparency and flexibility** we need to continue to grow."*

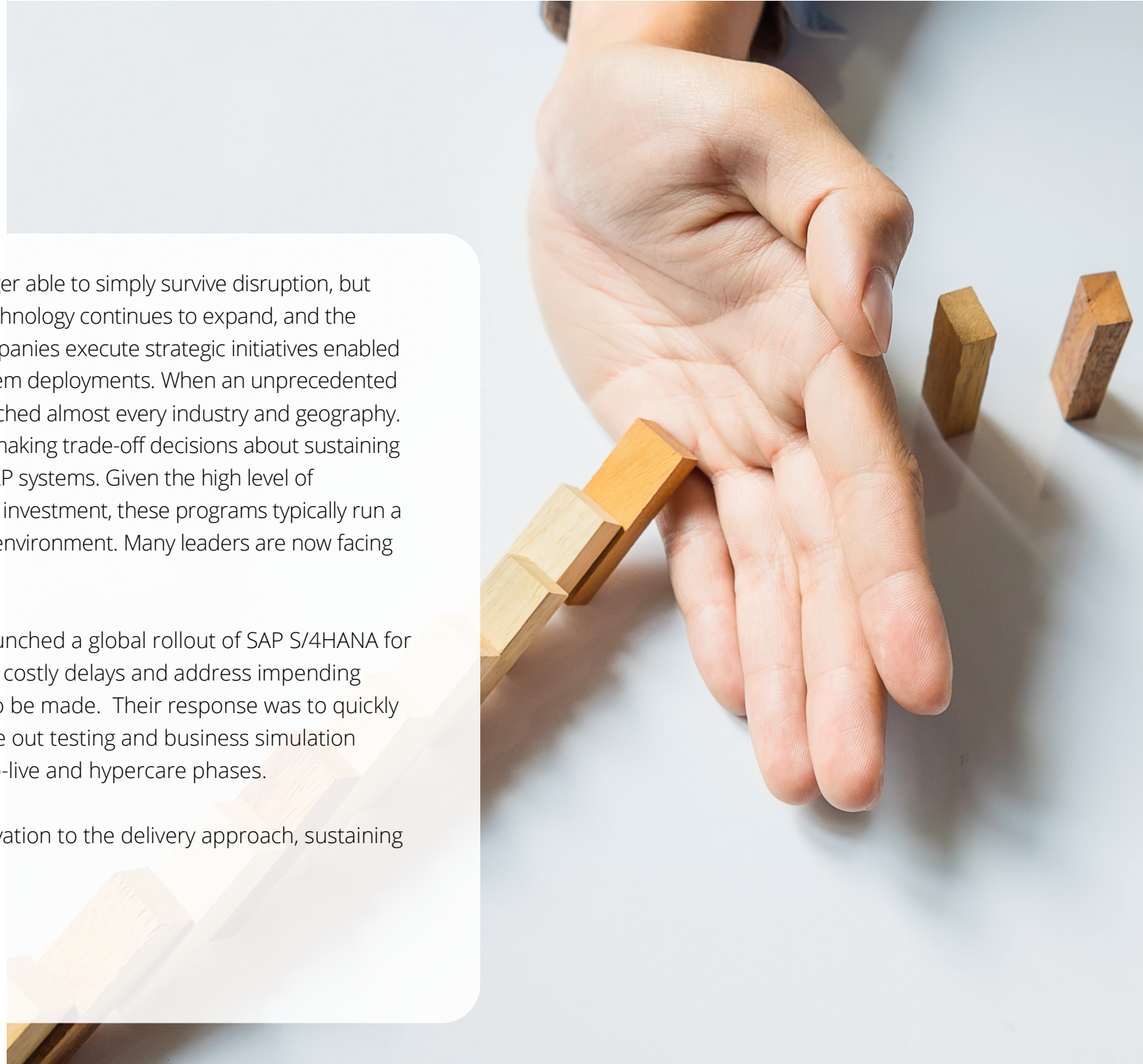
Eileen Mahoney, Executive Vice President, Global CIO, PVH Corp.

CHANGE IMPERATIVE

The pace of change continues to accelerate, and companies are no longer able to simply survive disruption, but must adapt to thrive on leading change. Given this reality, the role of technology continues to expand, and the linkage of strategy and technology has never been more critical. As companies execute strategic initiatives enabled by technology backbones the result is a perpetual state of ongoing system deployments. When an unprecedented disruption like COVID-19 occurs at global scale, the ripple effect has reached almost every industry and geography. The challenge for many companies is trying to manage cash flow while making trade-off decisions about sustaining key strategic initiatives, especially large-scale programs involving core ERP systems. Given the high level of interdependencies and coordination needed, combined with the size of investment, these programs typically run a centralized 'hands on' model – a model not well proven in a fully virtual environment. Many leaders are now facing the question: "What do I do with my in-flight programs?"

PVH, one of many companies with a strategic initiative in flight, had launched a global rollout of SAP S/4HANA for fashion, with an upcoming go-live event on the near horizon. To avoid costly delays and address impending deadlines for completing an acquisition, rapid tactical decisions had to be made. Their response was to quickly adopt a completely virtual plan that leveraged innovative ways to close out testing and business simulation activities and execute the remaining training, cutover, deployment, Go-live and hypercare phases.

The following discussion outlines how Deloitte and PVH brought innovation to the delivery approach, sustaining the in-flight program and preparing the company for future growth.



Test Execution and Business Simulation

Business Disruption

The purpose of Integration and Business Simulation testing is to provide final confirmation that the system, processes, and people are ready to deploy. During these testing cycles, business end-users work directly with their system integrators to simulate real-world business scenarios in order to understand the new system mechanics, test their decision-making skills and safely learn from their experience. Due to travel restrictions in Asia, US, and India, the team was unable to conduct in-person test support with the business partners.

Our Response

Offshore working schedules were adjusted to cover virtual testing sessions in HKT time during normal business hours. During virtual sessions, local meeting rooms were booked, if applicable, and the project team facilitated end to end walk throughs of test scenarios, ensuring results and defects were captured appropriately in HP ALM. For test execution with any external interfaces, the project team coordinated receiving or sending the appropriate files prior to the business joining the working sessions. This tactical approach kept working sessions on track and boosted testing productivity during the time allocated with the business. For security and role mapping testing, the project team conducted role testing prior to business test script execution, reducing security issues and defects during business execution.

Challenges

Security role testing is typically done within a larger overall test scenario. In the event a security defect occurs, the scenario is held until the issue is resolved. Running into these issues at the start of a testing session can result in delays. Validating security testing prior to business users executing test scripts greatly minimized downtime issues during working sessions. Since virtual work environments can lend themselves to unanticipated personal disruptions, minimizing single threaded or bottle necked scenarios provided greater flexibility to work around interruptions without delay.

Key Factors to Success

Communication and transparency of test script progress and defect resolution served as the foundation of success. The project team conducted twice daily status meetings to discuss status, issues, and upcoming planned scripts. Attendance was taken for both the business and project team, and status reports with forecasts on how the team was tracking toward exit criteria were distributed.

Tools and Enablers

HP ALM/WebEx/Skype



Training Delivery

Business Disruption

Training Delivery enables the end users to acquire the critical knowledge, understanding, and SAP skills necessary to run the business once the solution is live. The original training plan was to conduct in-person classroom style training courses to over 150 business users across Hong Kong, Taiwan, Singapore, Macau, and Malaysia. Office and store closings in response to sudden travel restrictions and economic shutdowns meant training needed to be conducted in a fully virtual format.

Our Response

The working hours of the US team were adjusted to HKT time zone in order to deliver twenty-four training courses over two and a half weeks. The training was a blend of high-level process, functional process, technical overview, and technical hands-on. To complement the virtual approach, the team worked to elevate the training content, blending PowerPoint, SAP Enable Now, video recordings, live demos, quick reference guides, and cheat sheets. This content was made available to users on a single learning platform, Workday Learning. During training sessions, the PVH business process team utilized Slido to encourage questions, conduct polling to test users' knowledge, and enable submission of anonymous feedback on the course.

Challenges

Attendee hands-on training was difficult to incorporate due to the virtual environment. In response, the team anticipates providing additional hypercare support and office hours to focus on key topics as they come up for the first time as part of the product lifecycle calendar.

Key Factors to Success

Selecting the right tools for training facilitation, enriching the content to include more robust explanations and process details, and developing a communication strategy that resonates across the program broke down language barriers and empowered users to actively participate in the sessions. Recorded sessions and the Workday Learning platform will serve as refreshers and resources for future reference and become on-demand content for those who were unable to attend the real-time training sessions.

Tools and Enablers

WebEx/Workday Learning/SAP Enable Now/Slido/PowerPoint/Snagit

"I was astonished at the level of engagement virtual training achieved. The positive feedback I received gave me the confidence my associates were prepared for go-live"

Tom Chu, Regional President, PVH Asia Pacific



Data, Cutover and Deployment

Business Disruption

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Cutover is a comprehensive list of interdependent tasks required to convert master and transactional data into the new S/4HANA platform, while Deployment incorporates the corresponding business activities, such as the ramp down of warehouse operations. Cutover and Deployment execution requires a high level of coordination across business and IT to complete all tasks within a finite time window, without disruption to businesses already live on the platform. Typically executed across multiple 'control rooms' of cross functional resources, in a disrupted environment, cutover and deployment would have to be accomplished virtually. Additionally, due to lockdowns the country deployments needed to be re-sequenced.

Our Response

To improve operational effectiveness and efficiency during cutover, Deloitte and the PVH Technology Process Group (TPG) project team coordinated to add all business communication tasks to the cutover plan. In addition, pre-data checks and load simulations tasks were executed prior to the final cutover task in order to reduce the number of data issues during final data validation. The PVH Deployment lead utilized Deloitte's Cutover tool, DCUT, to automatically trigger tasks and communications based on time zone and responsible person. All tasks had designated backups and a business escalation matrix to establish timely responses. Daily status calls were conducted with the business and project team, as well as daily hand-off calls between India and US deployment leads to ensure timely follow up on open tasks. A 24-hour open bridge line between project and business was available to support task related issues.

Challenges

The initial go-live schedule deployed all 5 countries in 3 deployments. Sudden country level lockdowns meant the three go-lives had to be reordered. Adapting the Cutover plan to be more modularized accommodated adjusted go-live dates. The new plan had to be reviewed and additional back-ups identified due to limited business availability.

Key factors to Success

Setting clear expectations with the business and communicating with them regularly was essential to an organized and successful deployment. Business users were reminded two days in advance if they needed to execute tasks in the middle of the night or on the weekend. The PVH business team escalation matrix provided for ways to communicate issues around the clock if they were not available online. System smoke tests were executed with the US-India team to ensure their connection could handle the volume of transactions and a back-up resource was identified in case issues were found.

Tools/Enablers

DCUT/WebEx



Go-Live and Hypercare Execution

Business Disruption

Hypercare provides short term intensive support to stabilize newly deployed businesses and solutions by closely monitoring user adoption, customer service, data integrity, and the function of the platform. Hypercare teams monitor incidents logged in the production support system – in this case, ServiceNow. Hypercare consists of onsite 'war rooms,' meaning resources easily accessible to support business users. SWAT teams facilitate the triage and resolution of systemic and business incidents. In the absence of local in-person support, these teams needed to work virtually.

Our Response

A Hypercare bridge line was leveraged during HKT business hours, simulating an onsite Hypercare war room. The bridge had representation across process areas from PVH business, PVH TPG, and the project team members and was accessible to users with open incidents or production questions. ServiceNow Dashboards consisting of ticket by process area, criticality, and aging were developed to facilitate daily status meetings and status reports.

Challenges

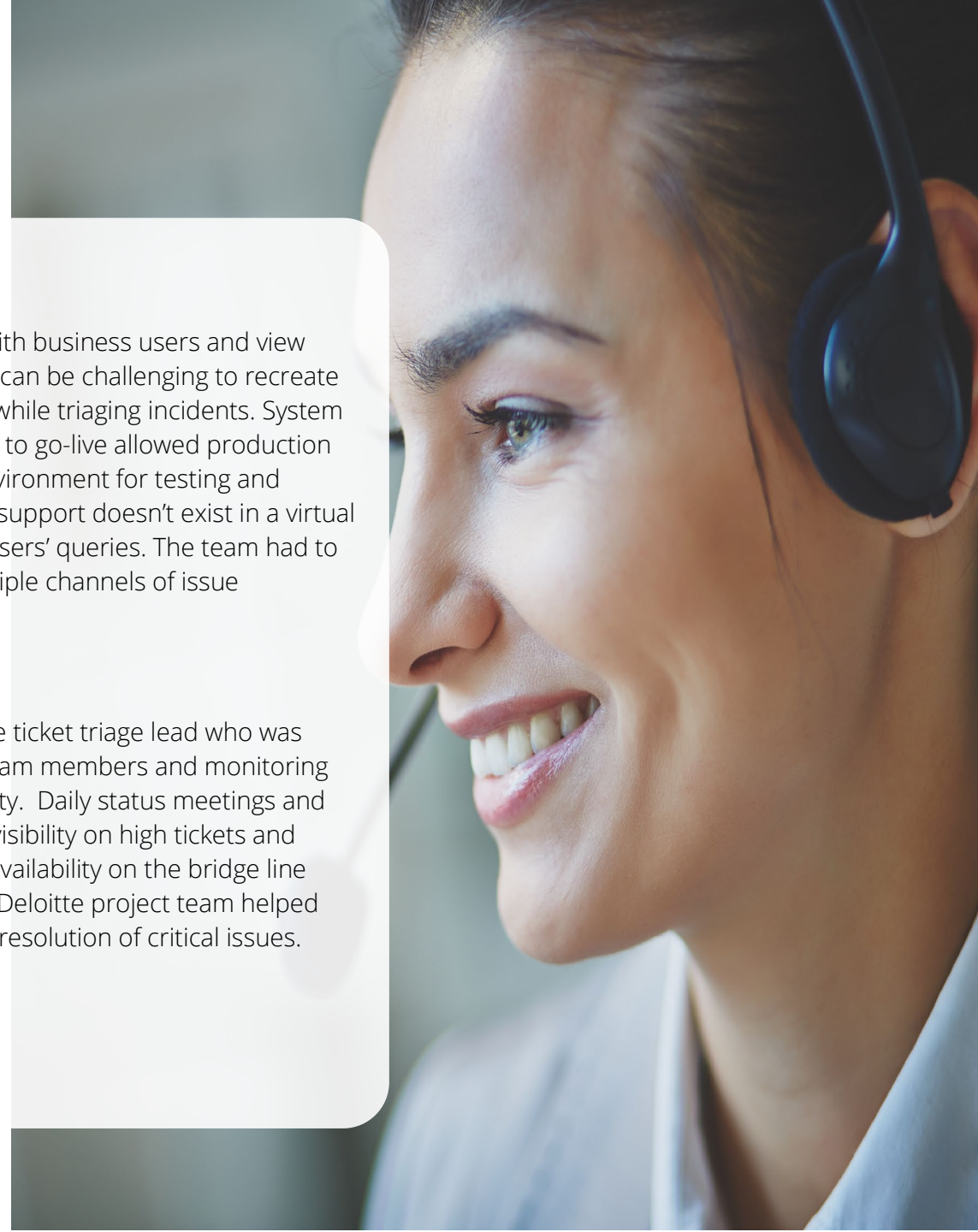
Without being able to sit side-by-side with business users and view issues first hand as they're occurring, it can be challenging to recreate production issues in lower landscapes while triaging incidents. System refreshes of the lower landscapes prior to go-live allowed production issues to be recreated in the quality environment for testing and resolution. Also, the concept of walk-in support doesn't exist in a virtual world to help answer business power users' queries. The team had to develop virtual alternatives for the multiple channels of issue escalation and resolution.

Key Factors to Success

Each workstream identified a Hypercare ticket triage lead who was responsible for reassigning tickets to team members and monitoring SLAs on ticket closure based on criticality. Daily status meetings and end of day reports ensured additional visibility on high tickets and ticket resolution progress. The virtual availability on the bridge line across the business, PVH TPG, and the Deloitte project team helped facilitate communication and the quick resolution of critical issues.

Tools/Enablers

ServiceNow/Zoom/WebEx



Horizon next: The New Normal

As the global pandemic continues, new social and economic norms are not yet determined. For businesses, however, disruption is the new normal. Surviving change is no longer enough and opportunities lie with those who innovate, rather than wait out disruption. PVH is reaping rewards for meeting disruption head on and finding the innovative path in the face of unprecedented changes. In a time of uncertainty, the company has been able to sustain strategic objectives and stay on track to close an acquisition, while pioneering a new, lower cost way to deploy technology and business solutions.

How can we innovate with you?

Mike Shaffer

PVH Corp. Executive Vice President,
Chief Operating & Financial Officer

Eileen Mahoney

PVH Corp. Executive Vice President,
Chief Information Officer

Tom Chu

PVH Corp. **Regional President**, Asia Pacific

David Herridge

PVH Corp. Executive Vice President,
Global Value Chain Technology

Colin Barham

PVH Corp. SAP Program Lead,
Group Vice President

"Our teams did an amazing job keeping this project on track and working through issues never seen before. The ability to go live - on schedule - will allow us to propel the business forward and garner market share as we reopen and the consumer begins to shop again"

Mike Shaffer, Executive Vice President, Chief Operating and Financial Officer, PVH Corp.

Leadership Factors to Success – Keeping your program in *a safe pair of hands*

- Strong and experienced leadership
- Consistent and unified communication
- Clear roles and responsibilities
- Simplified chain of command

Chris Holland

Principal
Deloitte Consulting LLP
cholland@deloitte.com

Eric Kase

Senior Manager
Deloitte Consulting LLP
ekase@deloitte.com

Hari Venkitaraman

Senior Manager
Deloitte Consulting LLP
hvenkitraman@deloitte.com

Michelle Benton

Manager
Deloitte Consulting LLP
mbenton@deloitte.com

Michael Cordin

Senior Manager
Deloitte Consulting LLP
mcordin@deloitte.com

SAP@deloitte.com
www.deloitte.com/SAP
@DeloitteSAP



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