

Part 19 of 20

World-Class Implementation Governance and Project Framework

The complete annotated governance architecture — steering committee charter, project plan structure, risk register, milestone definitions, change order governance, and go-live readiness criteria

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HOW TO USE THIS BENCHMARK

The implementation governance framework is the organizational infrastructure that keeps an ERP project on track — the structured system of decision rights, accountability mechanisms, and progress measurement disciplines that prevents the scope creep, schedule slippage, and quality compromises that characterize most ERP implementations that fail to deliver their projected value.

This part presents the complete annotated architecture of a world-class implementation governance framework: the steering committee charter that establishes the executive governance structure, the project plan milestone framework that makes progress visible and measurable, the risk register that surfaces and manages the most significant implementation risks, the change order governance that prevents scope expansion from consuming the budget reserved for core delivery, and the go-live readiness criteria that protect the organization from a premature go-live.

Each element is annotated to explain the specific reasoning that makes it a governance requirement rather than a procedural formality. Use this benchmark alongside your current or planned implementation governance documentation to identify the specific gaps that represent the highest risk to your implementation's success.

ANNOTATED EXEMPLAR: STEERING COMMITTEE CHARTER

IMPLEMENTATION STEERING COMMITTEE CHARTER Project: ERP Implementation | Organization: [Company] | Effective Date: [Date]

PURPOSE The Implementation Steering Committee is the executive governance body for the ERP implementation. Its purpose is to provide strategic direction, make scope and resource decisions, resolve escalated issues, and ensure that the implementation delivers the business outcomes specified in the approved business case.

[Annotation: The explicit reference to the business case in the purpose statement establishes from the outset that the steering committee's accountability is to the value delivery projected in the business case, not merely to the technical completion of the implementation. This framing prevents the common failure mode in which the steering committee celebrates a go-live that is technically successful but that never delivers the analytical improvements that justified the investment.]

MEMBERSHIP Chair: Chief Financial Officer Members: Controller, VP FP&A, VP Engineering (for integration oversight), VP Sales Operations (for order management scope), VP Finance Operations, IT Director Advisors (non-voting): Implementation Partner Engagement Manager, External Audit Partner (invited for key design decisions)

[Annotation: The inclusion of VP Sales Operations as a voting member — rather than merely as a stakeholder consulted when needed — reflects the scope of the order-to-cash design, which materially

affects the sales operations function. Governing bodies that exclude the functional leaders most affected by implementation scope decisions will generate resistance when those decisions are made without adequate functional representation.]

MEETING CADENCE AND AGENDA STRUCTURE Monthly during implementation phases; bi-weekly during the testing phase and the 60 days before go-live.

Standard agenda: 1. Project status dashboard review (10 minutes): milestone achievement against schedule, budget vs. actual, open critical and high severity defects 2. Risk register review (10 minutes): status of top-5 risks, new risks identified since last meeting 3. Escalated issues for decision (20 minutes): issues the project team cannot resolve at its authority level 4. Change order review (15 minutes): pending change order requests with scope, cost, and schedule impact analysis 5. AOB (5 minutes)

[Annotation: The change order review as a standing agenda item — not an ad hoc discussion but a scheduled governance activity — signals that scope management is a recurring steering committee responsibility rather than an exceptional event. Most implementations that experience scope overrun do so through the accumulation of individually approved change orders that are reviewed in isolation rather than in the context of their aggregate impact on the project budget and timeline. The steering committee agenda structure ensures that the cumulative change order impact is visible at every meeting.]

DECISION AUTHORITY The steering committee has exclusive authority over: — Any change to the implementation scope, including additions to the requirements traceability matrix — Any revision to the go-live date, whether advancement or deferral — Any engagement of additional implementation partner resources above the approved statement of work — Any decision to proceed with go-live against the recommendation of the project team — Any decision to engage a different implementation partner

The project team has authority over: — Day-to-day configuration and technical decisions within the approved design — Vendor resource allocation within approved staffing levels — Issue prioritization within the approved defect severity framework

[Annotation: The explicit statement that the steering committee has the authority to proceed with go-live against the project team's recommendation — and conversely, that the project team can recommend against go-live and have that recommendation considered by the steering committee — establishes the governance dynamic that prevents the two most common go-live decision failures: proceeding despite known critical issues because of schedule pressure, and delaying indefinitely because of risk aversion that is disproportionate to actual readiness gaps.]

ANNOTATED EXEMPLAR: MILESTONE FRAMEWORK AND RISK REGISTER

PROJECT MILESTONE FRAMEWORK

The following milestone framework applies the binary milestone design principle described in Part Seven. Each milestone is expressed as a specific, verifiable deliverable completion rather than as a percentage-complete estimate.

DISCOVERY PHASE MILESTONES: M1: Requirements traceability matrix completed, reviewed by finance leadership, and approved by CFO — all must-have requirements classified, all should-have requirements prioritized M2: Future-state process flows completed for all four core financial processes — record-to-report, order-to-cash, procure-to-pay, plan-to-perform — reviewed and signed off by the process owner of each process M3: Chart of accounts design completed, reviewed by external auditors, and approved by CFO M4: Integration architecture document completed and reviewed by IT Director and implementation partner technical lead M5: Data quality assessment completed with specific data remediation plan approved by data migration owner

[Annotation: Milestone M3 — chart of accounts design approved by external auditors — is the governance discipline that most commonly prevents the revenue recognition and financial reporting design problems discovered at audit. Most implementations do not engage external auditors until the system is configured, when changes are expensive. Engaging them at the design stage — when the chart of accounts is still a document rather than a deployed configuration — allows audit concerns to be addressed at zero incremental cost.]

BUILD PHASE MILESTONES: M6: Revenue recognition module configured and unit tested for all five contract types in the requirements M7: Financial close workflow configured and demonstrated to complete a simulated month-end without manual intervention for routine activities M8: All required integrations built and passing unit tests M9: Data migration scripts developed and successfully completing the first dry run migration with less than 0.5% record-level error rate

TESTING PHASE MILESTONES: M10: All must-have requirements test cases executed with pass rate of 100% M11: All high severity defects resolved and verified M12: Integration end-to-end tests completed for all 7 integration connections with 100% pass rate M13: User acceptance testing completed with 90% of UAT participants confirming their functional area is ready for go-live M14: Parallel run completed for one full monthly close cycle with all balance variances investigated and resolved

[Annotation: The M13 milestone — 90% of UAT participants confirming readiness, not 100% — acknowledges the organizational reality that some level of UAT hesitancy is normal and does not indicate system failure. A 100% threshold would allow a small number of holdouts to indefinitely delay go-live. A 90% threshold requires genuine consensus while providing a mechanism to proceed when the remaining 10% reflects individual resistance rather than systemic issues. The remaining 10% must be documented with their specific concerns and specific resolution plans.]

RISK REGISTER FORMAT

Each risk in the risk register contains: Risk ID, Description, Probability (High/Medium/Low), Impact (High/Medium/Low), Risk Owner, Mitigation Plan, Contingency Plan, Current Status.

Example Risk Entry: Risk ID: R-003 Description: Implementation partner key personnel substitution — the functional lead identified in the statement of work is replaced with a less experienced consultant during the build phase Probability: Medium (this has occurred in 2 of the 5 reference implementations reviewed during partner selection) Impact: High (the functional lead is the primary owner of the revenue recognition configuration, the most complex technical component of the implementation) Risk Owner: CFO (executive sponsor) Mitigation: Statement of work includes key personnel clause requiring client approval before substitution; steering committee to review monthly Contingency: If key personnel substitution occurs, require implementation partner to provide a 4-week overlap period with the departing consultant and the replacement, with the departing consultant completing all revenue recognition configuration documentation before departure Current Status: Mitigation in place; no substitution proposed as of [date]

[Annotation: The probability assessment is supported by reference data — this risk has occurred in 2 of 5 comparable implementations — rather than by generic judgment. This specificity makes the probability estimate analytically credible and ensures the risk is taken seriously rather than being filed as theoretical.]

CHANGE ORDER GOVERNANCE FRAMEWORK

CHANGE ORDER GOVERNANCE PROCEDURE

DEFINITION: A change order is any request to perform work that is not within the scope defined in the statement of work's requirements section. The requirements section explicitly identifies the must-have and should-have requirements to be delivered; any capability not on this list is out of scope.

CHANGE ORDER REQUEST PROCESS: Step 1: The implementation partner identifies a potential scope addition and submits a Change Order Request (COR) document within 2 business days of identification.

Step 2: The COR document must include: (a) description of the requested scope addition, (b) specific reference to why the work is outside the defined scope, (c) estimated effort in hours and cost, (d) schedule impact — will this delay any milestone or the go-live date, and (e) the business justification for the addition — why the business requires this capability that is not in the original scope.

Step 3: The project manager reviews the COR for completeness within 2 business days and either requests additional information or routes it for approval.

Step 4: Change orders with cost below \$10,000 and no schedule impact may be approved by the project manager. Change orders with cost between \$10,000 and \$50,000 or with any schedule impact require CFO approval. Change orders above \$50,000 require steering committee approval at the next scheduled meeting.

Step 5: The implementation partner may not begin out-of-scope work until the appropriate approval has been obtained and the COR has been countersigned. Work performed without approval will not be reimbursed.

[Annotation: Step 5 — the prohibition on beginning out-of-scope work without approval — is the enforcement mechanism that gives the change order governance procedure its practical effect. Without this prohibition, implementations frequently accumulate out-of-scope work that has been informally discussed and informally approved, producing invoices for work the client did not formally authorize and disputes that damage the implementation partner relationship at the most critical phases of the project.]

CHANGE ORDER BUDGET MANAGEMENT: The implementation budget includes a change order reserve of 15% of the implementation services estimate, held specifically for change orders that are approved during the implementation. This reserve should be presented to the board as an explicit budget line rather than being hidden within the overall implementation budget, establishing the organizational expectation that some scope evolution during implementation is normal while providing a defined limit on the total scope expansion the budget can accommodate.

GO-LIVE READINESS CRITERIA

GO-LIVE READINESS ASSESSMENT CRITERIA

The following criteria must each be assessed as Green — meeting the defined standard — for the go-live decision to proceed. Any criterion assessed as Yellow or Red requires steering committee review and explicit approval to proceed over the assessment.

Testing Readiness — Green criteria: All must-have requirements test cases completed with 100% pass rate. Zero open critical severity defects. Zero open high severity defects without an accepted workaround documented in the defect log. Open medium severity defects fewer than [defined threshold] with all having documented workarounds.

Data Migration Readiness — Green criteria: Final data migration completed and validated. All balance reconciliations showing less than 0.5% variance from legacy system balances, with all variances above 0.1% individually investigated and explained. Chart of accounts mapping validated by controller. Opening balance sign-off obtained from CFO.

Training Readiness — Green criteria: 100% of mandatory user training sessions completed. Competency assessment scores averaging above 75% for each user role group. Super-user network activated with at least one super-user identified for each functional area.

Integration Readiness — Green criteria: All integrations tested end-to-end and showing 100% pass rate in the final integration test cycle. Monitoring and alerting activated for all critical integrations. Manual backup procedures documented for all critical integrations.

Change Management Readiness — Green criteria: Stakeholder analysis updated and all high-resistance stakeholder groups have received targeted engagement. Communications sent to all affected users. Executive sponsorship communication from CFO to full finance team complete.

Cutover Readiness — Green criteria: Cutover plan reviewed in tabletop exercise with all cutover owners. Rollback criteria and rollback procedure documented. Rollback decision authority confirmed. Hypercare team staffing confirmed and schedule published.

[Annotation: The explicit assignment of rollback decision authority — specified in advance rather than to be determined in the moment — is the governance element that most protects the organization from the most damaging go-live failure mode: proceeding on a failing go-live because no one has the clear authority to stop it. The person with rollback authority should be the CFO or the designated executive sponsor — not the project manager or the implementation partner, who face conflicting pressures in that decision.]

COMMON GOVERNANCE FAILURES AND CORRECTIONS

The following governance failures appear in ERP implementations at companies of every size.

The nominal sponsorship failure: the executive sponsor attends steering committee meetings but does not exercise the decision authority the role requires. Correction: specify in the charter that the executive sponsor is personally accountable for the three categories of steering committee decisions — scope, schedule, and partner management — and that delegation of these decisions to the project manager is not permitted.

The verbal change order failure: scope additions are discussed verbally and implemented without written change orders, producing invoices for work the client does not recognize and disputes that damage the partner relationship. Correction: implement Step 5 of the change order procedure — prohibition on beginning out-of-scope work without signed approval — as the operational norm from the first day of the project.

The percentage-complete milestone failure: milestone achievement is reported as a percentage complete rather than as a binary achieved or not achieved, making schedule slippage invisible until it becomes critical. Correction: convert all milestones to binary deliverable completions using the framework in this part.

The risk register filing failure: the risk register is populated at project initiation and never reviewed again. Correction: make the risk register a standing agenda item at every steering committee meeting and require the risk owner to update each risk's current status before every meeting.

The go-live momentum failure: the go-live decision is made on the basis of schedule pressure rather than readiness assessment, with yellow or red criteria accepted to avoid a delay. Correction: establish the

go-live readiness criteria as written governance commitments before the testing phase begins, require steering committee approval for any go-live decision that proceeds over a yellow or red assessment, and document the specific rationale for each override in the steering committee minutes.

ACTIONS TO APPLY THIS BENCHMARK

The following actions will immediately strengthen implementation governance in any active or planned ERP project.

The first action is to review the current steering committee charter — or develop one if it does not exist — against the annotated exemplar in this part. Identify the specific governance elements that are missing or weaker than the benchmark standard and propose specific improvements to the executive sponsor before the next steering committee meeting.

The second action is to convert the current project milestone list from percentage-complete estimates to binary deliverable completions. For each milestone currently expressed as a percentage, identify the specific deliverable that constitutes completion — the document that must be produced, the test that must pass, the approval that must be obtained — and restate the milestone in terms of that deliverable.

The third action is to review the current change order governance procedure — or establish one if it does not exist — against the five-step process in this benchmark, specifically verifying that Step 5 — the prohibition on beginning out-of-scope work without approval — is a documented and enforced organizational standard rather than an informal expectation.

The fourth action is to complete the go-live readiness criteria assessment for the current state of each of the six readiness dimensions, using the Green criteria in this benchmark as the assessment standard. Any dimension that does not currently meet the Green criteria should be treated as an implementation risk and added to the risk register with a specific mitigation plan and timeline.

CLOSING PERSPECTIVE

Implementation governance is the organizational infrastructure that converts a well-planned ERP project into a well-executed one. The analytical quality of the business case, the rigor of the vendor selection, and the soundness of the project plan are all necessary but not sufficient conditions for implementation success. The governance disciplines — the steering committee decision authority, the binary milestone measurement, the change order controls, the go-live readiness criteria — are what sustain the analytical quality of the planning throughout the execution phase.

The CFO who insists on world-class governance disciplines — who chairs the steering committee with genuine decision authority, who holds the milestone framework firm against percentage-complete reporting, who enforces the change order controls against scope expansion pressure, and who makes the go-live decision based on readiness evidence rather than schedule momentum — will produce implementation outcomes that the nominally governed project cannot achieve.

COMING NEXT IN THE SERIES

Part 20 — World-Class Post-Go-Live Performance and Value Realization Dashboard

Part Twenty completes the Benchmark Showcase section with the post-go-live performance and value realization dashboard — the annotated framework that tracks whether the ERP investment is delivering its promised value and gives the board the governance information they need to hold the implementation accountable to the business case projections.

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