PART 20

# The Implementation Operating System

## *Vendor Selection Through Go-Live*

*Implementation is the gap between the architecture on paper and the architecture in operation. The discipline that closes the gap determines whether the investment thesis becomes reality.*

*The Finance Technology Stack*
*A CFO's Strategic and Architectural Guide*

# Why Implementation Is the Discipline That Determines Outcomes

Implementation is the gap between the architecture on paper and the architecture in operation. The architecture on paper is a document. The architecture in operation is the platform configurations, the integration flows, the data structures, the user adoption, the operational rhythms, and the broader operational reality that the implementation produces. The gap is substantial. The architecture on paper that survives the implementation unchanged is rare. The architecture in operation that aligns with the architecture on paper is the result of disciplined implementation rather than the default outcome.

The discipline of implementation has been the area in which the chief financial officer's involvement has historically been most variable. Some chief financial officers engage with implementation substantively, holding executive sponsorship that shapes the implementation outcomes. Other chief financial officers delegate implementation entirely to the program management function and the implementation partners, with the consequence that the chief financial officer's strategic vision becomes diluted through the implementation process. The position taken in this masterclass is that the chief financial officer must remain the executive sponsor of finance technology implementations through the operational arc rather than handing them off after the investment decision. The investments that this masterclass has discussed are too consequential to the function's strategic position to be implemented without sustained chief financial officer engagement.

The work of this part lays out the implementation operating system that translates investment decisions into operational reality. The part treats the vendor selection process with the discipline that the investment thesis warrants, the implementation partner economics that the chief financial officer must understand, the steering committee structure that maintains executive accountability through the program, the phased versus big-bang implementation philosophies, and the change management discipline that determines whether the operational adoption matches the technical deployment. The reader will leave with the framing to maintain executive sponsorship through the implementation arc rather than treating implementation as a separable program that the chief financial officer can step back from.

# The RFP Design Discipline

The request for proposal is the structured exercise that translates the function's requirements into the vendor selection. The exercise has become formulaic at many enterprises, with the chief financial officer's engagement limited to the executive summary at the conclusion. The formulaic treatment produces RFPs that surface the standard vendor responses without surfacing the specific dimensions that matter for the function's specific case. The discipline of RFP design that this section treats produces an RFP that produces meaningful differentiation among the vendors.

## The Requirements Framework

The RFP requirements framework distinguishes among the categories of requirement that the function imposes on the platform. The functional requirements specify what the platform must do operationally, including the specific workflows, the calculation logic, the reporting outputs, and the broader functional capability the function operates. The integration requirements specify how the platform must connect with the broader architecture including the specific source and destination systems, the data flows, and the integration patterns that the architecture supports. The non-functional requirements specify the operational characteristics the platform must satisfy including the performance, the availability, the security, the compliance, and the broader category of operational requirements that the platform must meet.

The requirements framework also distinguishes between the requirements that are non-negotiable and the requirements that are preferred but flexible. The distinction supports the structured evaluation of vendor responses by separating the requirements that disqualify vendors that cannot meet them from the requirements that contribute to the relative ranking. The chief financial officer who insists on the distinction will produce an RFP that focuses the evaluation on the meaningful differentiation. The chief financial officer who allows all requirements to be treated equally will produce an evaluation in which the relative ranking is dominated by the cumulative count of features rather than by the strategic fit.

## The Scripted Demo Discipline

The scripted demo is the discipline that addresses the vendor demo's tendency to highlight the platform's strengths while obscuring the platform's limitations. The standard vendor demo presents the platform through scenarios that the vendor has chosen, that the vendor has prepared extensively for, and that have been demonstrated many times to optimize the experience. The standard demo is informative about what the platform can do well but is uninformative about what the platform will do for the function's specific case.

The scripted demo addresses this limitation by requiring the vendor to demonstrate the platform against scenarios the function has constructed rather than scenarios the vendor has chosen. The scenarios are designed to exercise the dimensions of the platform that matter for the function's case, including the specific workflows that the function operates, the specific complexity that the function's data presents, the specific integration patterns that the architecture requires, and the specific edge cases that the function's experience has identified as warranting attention. The vendor must demonstrate the platform against these scenarios in real time rather than against pre-prepared scripts.

The scripted demo discipline produces meaningful differentiation. Vendors that genuinely have the capability handle the scenarios well. Vendors that have positioned around the capability without the underlying depth struggle with the scenarios. The differentiation is visible in the demo rather than buried in the documentation. The chief financial officer who insists on the scripted demo discipline will produce vendor selections that reflect the actual capability. The chief financial officer who accepts the standard vendor demos will produce selections that may not reflect the actual capability for the function's specific case.

## The Proof of Concept Design

The proof of concept is the discipline that addresses the limitations of even scripted demos by requiring the vendor to demonstrate the platform against the function's actual data and against the function's actual integration architecture. The proof of concept goes beyond the demo by configuring the platform for the function's specific case and operating the platform against the function's specific data.

The proof of concept design must specify the scope, the success criteria, the timeline, and the broader operational dimensions that determine whether the proof of concept produces meaningful information. A proof of concept that is too narrow will not exercise the dimensions of the platform that matter. A proof of concept that is too broad will exceed the time and cost the discipline supports. A proof of concept without explicit success criteria will produce conclusions that the chief financial officer cannot defend. A proof of concept without explicit timeline will extend indefinitely and consume resources without producing the decision support the discipline is intended to provide.

The chief financial officer who insists on the proof of concept discipline for the most consequential platform decisions will produce selections that have been validated against the function's specific case. The chief financial officer who skips the proof of concept will produce selections that depend entirely on the vendor's assurances and the implementation partner's confidence.

# The Reference Call Discipline

The reference call is one of the more underdeveloped disciplines in the vendor selection process. The reference call is treated as a confirmation exercise rather than as an investigation. The vendor provides references that the vendor has cultivated and that are predisposed to speak favorably. The reference call confirms what the vendor has presented without surfacing the dimensions that the vendor has not presented. The discipline that this section treats produces reference calls that produce substantive information rather than confirmation.

## The Reference Selection

The reference selection should not be entirely controlled by the vendor. The vendor will provide references that are predisposed to speak favorably. The function should supplement the vendor-provided references with references that the function identifies independently, including customers identified through the broader network, through the relevant industry communities, and through the implementation partners that may have visibility into the broader customer base. The supplementation produces a reference set that is more representative of the actual customer experience.

The function should also specify the characteristics of the references that the vendor must provide. The references should be of comparable scale and complexity to the function's case. The references should be in similar industries where the use cases are sector-specific. The references should be at comparable stages of the implementation lifecycle, with the recognition that the references at early stages may not have the operational experience to address the questions the function has. The chief financial officer who specifies the reference characteristics will produce a reference set that informs the decision. The chief financial officer who accepts the references the vendor provides will produce a reference set that confirms the vendor's positioning.

## The Reference Call Structure

The reference call structure determines whether the call produces information beyond what the vendor's positioning provides. The structured call addresses several specific dimensions. The implementation experience including the timeline, the cost, the scope changes, and the broader experience of the implementation. The operational experience including the platform performance, the ongoing maintenance burden, the user adoption, and the broader experience of operating the platform. The vendor relationship including the responsiveness to issues, the engagement with the customer on the roadmap, and the broader relationship dimensions. The honest reflection on what the customer would do differently in retrospect, which is one of the more informative dimensions of the reference call when handled well.

The questions must be structured to surface substantive information rather than to elicit confirmation. Questions that ask whether the customer is satisfied will produce confirmation. Questions that ask what surprised the customer will produce substantive information. Questions that ask what the customer would do differently will produce the honest reflection that the discipline depends on. The chief financial officer who insists on the structured questions will produce reference calls that produce information. The chief financial officer who accepts informal reference calls will produce calls that confirm what the vendor has positioned.

# Implementation Partner Economics

The implementation partner economics shape the implementation in ways that the standard contracting does not always address. The partner is engaged to implement the platform. The partner's economic incentives may not align with the function's outcomes. The chief financial officer who understands the economics will structure the engagement to align the incentives. The chief financial officer who does not will operate an engagement in which the misalignment produces the consequences that the field's experience demonstrates.

## The Three-Party Structure

The implementation engagement involves three parties with distinct interests. The customer wants the platform implemented well, on time, on budget, and in alignment with the strategic vision. The vendor wants the platform implemented successfully because successful implementations support the vendor's business through references, expansions, and the broader customer relationship. The implementation partner wants the engagement to be profitable, which depends on the relationship between the engagement scope, the engagement duration, and the engagement pricing structure.

The interests are partially aligned and partially divergent. The customer and vendor are aligned on successful implementation. The customer and implementation partner are aligned on completing the implementation. The vendor and implementation partner may be aligned on the partner's broader business with the vendor's platform across many customers. The customer interest in the specific economic outcome of this specific engagement may not be aligned with the partner's interest in the engagement's profitability for the partner.

The chief financial officer who recognizes the three-party structure will engage with the engagement with awareness of the dynamics. The chief financial officer who treats the engagement as a two-party transaction between the function and the partner will miss the dynamics that the three-party structure produces.

## The Pricing Models

Implementation partner engagements operate under several pricing models that produce different incentive structures. The time-and-materials model bills the customer for the hours the partner consumes at agreed rates. The model aligns the partner's revenue with the engagement's duration, with the consequence that the partner's interest is in extending the engagement rather than completing it efficiently. The model is appropriate when the scope is genuinely uncertain and when the customer has the engagement management capacity to constrain the duration.

The fixed-price model commits the partner to deliver a specified scope at a specified price. The model aligns the partner's profit with the partner's efficiency in delivering the scope, with the consequence that the partner's interest is in completing the engagement efficiently rather than extending it. The model is appropriate when the scope can be specified precisely and when the customer is willing to manage the scope changes that emerge through change orders rather than through the partner's discretion.

The outcome-based model ties the partner's compensation to the achievement of specified outcomes. The model aligns the partner's profit with the customer's outcome, with the consequence that the partner's interest is in producing the outcome rather than in either extending or completing the engagement. The model is conceptually attractive but operationally difficult because the specification of outcomes that are meaningful, measurable, and attributable to the partner's work is challenging. The model is most applicable for specific dimensions of the engagement rather than for the engagement as a whole.

Most engagements operate under a hybrid that combines elements of multiple pricing models. The chief financial officer who structures the pricing deliberately will produce an engagement in which the partner's incentives align with the function's outcomes. The chief financial officer who accepts the partner's preferred pricing model will operate an engagement in which the alignment depends on the partner's professional standards rather than on the contractual structure.

## The Engagement Management

Beyond the contractual structure, the engagement requires active management by the customer to maintain alignment with the function's outcomes. The management includes the regular review of the engagement progress against the schedule and the budget, the structured handling of the scope changes that emerge during the engagement, the engagement with the partner's leadership when issues arise, and the broader operational discipline that maintains the engagement's productive trajectory.

The management cannot be delegated entirely to the program management function. The chief financial officer must engage substantively at the executive level of the engagement, particularly at the moments of consequence including the scope change decisions, the schedule adjustments, the resource allocations, and the broader strategic decisions that emerge during the implementation. The chief financial officer who engages substantively will maintain the alignment that the engagement requires. The chief financial officer who treats the engagement as a delegated program will discover at the operational moments that the alignment has drifted in ways the management discipline did not catch.

# The Steering Committee Structure

The steering committee is the structural mechanism that maintains executive accountability through the implementation. The committee is the body that holds the implementation against the strategic vision, that addresses the issues that the program management cannot resolve, that approves the scope changes that affect the implementation's trajectory, and that maintains the broader executive engagement that the implementation requires. The steering committee design and operation are dimensions the chief financial officer should engage with substantively rather than accepting the standard structures the implementation partners propose.

## The Composition

The steering committee composition determines whether the committee can produce the executive accountability the implementation requires. The committee must include the executive sponsor, typically the chief financial officer for finance technology implementations. The committee must include the senior functional leaders whose teams are affected by the implementation. The committee must include the chief information officer or the senior information technology leader who holds the broader architectural accountability. The committee must include the implementation partner's senior representative who can speak for the partner's commitments. The committee may include the vendor's senior representative in some implementations.

The composition must be small enough to operate as a decision-making body rather than as a status update audience. A steering committee with more than six to eight members rarely operates effectively as a decision-making body. The composition must include the authority required to make the decisions the committee must address, with the consequence that the members must be senior enough to commit their organizations rather than carrying decisions back to higher authority for ratification.

## The Operating Cadence

The operating cadence of the steering committee determines whether the committee can address the issues at the speed the implementation requires. The monthly cadence is typical and is usually adequate for the operational issues. The cadence should compress at critical implementation moments including the cutover preparation, the immediate post-cutover period, and the moments when significant issues arise. The cadence should not be diluted to less than monthly because the dilution produces gaps in which the implementation drifts without executive engagement.

The committee meetings should operate against structured agendas rather than as free-form discussions. The agendas should address the implementation status, the issues requiring committee attention, the decisions requiring committee approval, and the strategic dimensions that warrant committee discussion. The structured agenda focuses the limited committee time on the substantive work rather than on the broader status reporting that the program management can handle outside the committee.

## The Decision Authority

The steering committee's decision authority must be explicit. The authority includes the scope changes that affect the implementation's trajectory, the budget changes that adjust the financial commitment, the schedule changes that affect the implementation's timing, and the strategic decisions that emerge during the implementation. The authority is exercised collectively by the committee rather than individually by the chief financial officer or any other single member. The collective exercise produces decisions that have the executive consensus the implementation requires for sustained execution.

The chief financial officer's role on the steering committee is to bring the investment thesis perspective to the decisions, to insist on the discipline that the decisions should reflect the strategic direction, and to challenge the decisions that would compromise the strategic vision for tactical convenience. The chief financial officer who exercises the role substantively will produce a steering committee that maintains the strategic direction. The chief financial officer who treats the steering committee as a status update audience will operate a committee that drifts from the strategic direction as the tactical pressures accumulate.

# Phased Versus Big-Bang Implementation

The implementation philosophy determines the broader architectural approach to bringing the new platform into operation. The two principal philosophies are phased implementation that brings the platform into operation incrementally and big-bang implementation that brings the platform into operation in a single cutover. The choice between them is consequential and depends on several specific dimensions that the chief financial officer should engage with deliberately.

## The Big-Bang Philosophy

The big-bang implementation brings the new platform into operation in a single cutover, with the previous platform retired at the same moment. The philosophy produces a clean break between the previous state and the new state, with the consequence that the operational complexity of running parallel systems is avoided. The philosophy carries substantial risk because the cutover concentrates the implementation risk into a single moment, with the consequence that a poorly executed cutover produces immediate operational disruption that the previous platform cannot mitigate. The philosophy is appropriate when the platforms involved are tightly coupled in ways that prevent partial cutover, when the operational scale is manageable through the cutover concentration, and when the implementation preparation has been sufficient to support the cutover risk.

## The Phased Philosophy

The phased implementation brings the new platform into operation incrementally, with specific aspects of the operation moving to the new platform in sequence while other aspects continue on the previous platform. The philosophy distributes the implementation risk across multiple cutovers, with the consequence that any single cutover affects a smaller scope. The philosophy carries the operational complexity of running parallel systems during the transition period, with the consequence that the operational burden during the transition exceeds the steady-state burden of either platform alone. The philosophy is appropriate when the platforms involved support partial cutover, when the operational scale exceeds what a single cutover can support, and when the implementation timeline benefits from the incremental delivery of benefits as each phase completes.

## The Decision Framework

The choice between the philosophies depends on the specific implementation context. The major enterprise resource planning implementations typically operate under phased philosophies because the scope is too large for a single cutover to be feasible. The implementations of more focused platforms may operate under either philosophy depending on the integration complexity and the operational scale. The chief financial officer who engages with the choice deliberately will produce an implementation philosophy that fits the specific case. The chief financial officer who accepts the implementation partner's recommendation without engagement will operate an implementation under the philosophy the partner prefers, which may or may not align with the function's specific needs.

The choice also depends on the function's tolerance for the specific risk profile that each philosophy produces. The big-bang philosophy concentrates risk but supports cleaner transition. The phased philosophy distributes risk but produces longer transition complexity. Different chief financial officers and different audit committees will have different preferences across these dimensions. The choice should reflect the explicit consideration of the preferences rather than emerging from the implementation partner's recommendation.

# The Change Management Discipline

The change management discipline is the dimension of implementation that produces the operational adoption that the technical deployment requires to deliver value. A platform that has been deployed technically but that the operational users have not adopted produces limited value. A platform that has been deployed with disciplined change management produces the operational adoption that the investment thesis assumed. The discipline is one of the more underinvested dimensions of finance technology implementation and is one of the dimensions that most consistently determines whether the implementation delivers the projected value.

## The Stakeholder Mapping

The change management discipline begins with the structured mapping of the stakeholders affected by the implementation. The stakeholders include the finance team members whose work the platform changes, the broader functional users who consume the platform's outputs, the executive consumers who experience the platform through reports and dashboards, the external counterparties including auditors and advisors who interact with the platform's outputs, and the broader category of stakeholders that the implementation affects.

Each stakeholder group has specific change management needs that the discipline must address. The finance team members need the training, the support, and the cultural framing that supports their transition to the new operational reality. The broader functional users need the awareness of how the platform affects their work and the support for any adjustments their work requires. The executive consumers need the engagement with the platform's outputs and the framing that supports their continued confidence in the function's reporting. The external counterparties need the awareness of the changes that affect their interactions with the function. The chief financial officer who insists on the stakeholder mapping will produce a change management plan that addresses each group. The chief financial officer who treats change management as training alone will produce a plan that addresses only the most visible stakeholder group while missing the broader population.

## The Training Discipline

Training is the most visible dimension of change management and is the dimension that most consistently receives explicit investment. The training discipline must address several specific dimensions to produce the operational adoption the implementation requires. The training must be delivered at the time the stakeholders will use the new capability rather than substantially in advance, because training delivered too far in advance is forgotten before the operational application. The training must use scenarios that match the stakeholders' actual work rather than

generic scenarios that the platform vendor has developed. The training must include the operational rhythms and the broader operational context that the stakeholders need to integrate the platform into their work. The training must support ongoing reinforcement rather than treating the initial training as the complete intervention.

The training delivery may operate through multiple channels including instructor-led sessions, self-paced learning materials, peer-based learning, and the embedded support within the platforms themselves. The choice of channels depends on the stakeholder population and on the operational reality of how the stakeholders will absorb the training. The chief financial officer who insists on the training discipline will produce operational adoption that matches the technical deployment. The chief financial officer who accepts the vendor's standard training program will produce adoption that may not match the deployment.

## The Cultural Dimension

Beyond the training, change management addresses the cultural dimension of the transition. The transition produces uncertainty for the team members whose work is changing, anxiety about the implications for roles and responsibilities, and the broader cultural responses that any significant operational change produces. The cultural dimension cannot be addressed through training alone. The dimension requires the executive engagement that the chief financial officer provides, the communication framework that addresses the questions the team has, the operational support that helps the team navigate the transition, and the broader cultural framing that the chief financial officer establishes.

The chief financial officer who engages with the cultural dimension explicitly will produce a transition in which the team navigates the change with appropriate support. The chief financial officer who treats the cultural dimension as the program management function's concern will operate a transition in which the cultural responses produce the operational friction that the change management discipline should prevent.

# Operating Implications

The implementation operating system operates continuously through the implementation arc and the immediate post-implementation period. The operating implications include the sustained executive engagement, the disciplined handover from implementation to operation, and the broader learning loop that the function applies across implementations.

## The Sustained Executive Engagement

The executive engagement that the implementation requires extends from the investment decision through the steady-state operation of the new platform. The engagement is not a single moment but a sustained discipline that the chief financial officer maintains across the implementation arc. The engagement includes the substantive participation in the steering committee, the visible support for the implementation across the function, the management of the implementation partner relationship, and the broader executive presence that signals the implementation's strategic importance.

The engagement must extend past the cutover into the immediate post-cutover period, which is the period in which the operational reality of the new platform becomes visible and in which the issues that the implementation did not anticipate emerge. The engagement at this period is essential because the response to the emerging issues determines whether the platform achieves the steady state the investment thesis assumed. The chief financial officer who maintains engagement through this period will produce platforms that stabilize at the projected performance. The chief financial officer who withdraws engagement at cutover will operate platforms that may struggle through the stabilization period without the executive sponsorship that supports their resolution.

## The Implementation-to-Operations Handover

The handover from the implementation team to the operations team is a specific operational moment that determines whether the platform transitions smoothly into steady-state operation. The handover requires the disciplined transfer of knowledge, the structured handoff of operational responsibility, the clear definition of the post-implementation support arrangements, and the broader operational framework that the operations team will work within.

The handover is often handled informally, with the consequence that the operational reality after handover differs from what the implementation produced. The discipline that addresses this gap includes the explicit documentation that the operations team needs, the structured shadowing arrangements that transfer the operational knowledge, the period of overlap during which both

teams operate the platform together, and the broader framework that supports the operational continuity. The chief financial officer who insists on the handover discipline will produce a transition that maintains the platform's operational quality. The chief financial officer who treats the handover informally will operate a transition that depends on the operational discipline of the receiving team rather than on the structured discipline the handover should provide.

## The Learning Loop

The function's implementation experience produces learning that applies to future implementations. The structured capture of the learning supports the continuous improvement of the implementation operating system across the years. The learning includes the specific lessons from the implementation including what went well, what went poorly, and what would be done differently. The learning includes the broader observations about the implementation partners, the vendors, the platforms, and the implementation patterns. The learning includes the cultural observations about how the function navigates major operational change.

The chief financial officer who establishes the learning loop discipline will produce a function in which the implementation capability improves over time. The chief financial officer who treats each implementation as an independent event will operate a function in which the implementation lessons must be relearned with each new program. The learning loop is one of the more cost-effective investments in the implementation operating system because the capture of learning across multiple implementations compounds across the years.

# Synthesis

Implementation is the gap between the architecture on paper and the architecture in operation. The architecture in operation that aligns with the architecture on paper is the result of disciplined implementation rather than the default outcome. The chief financial officer must remain the executive sponsor of finance technology implementations through the operational arc rather than handing them off after the investment decision.

The RFP design discipline distinguishes among the categories of requirement, distinguishes between non-negotiable and preferred requirements, and incorporates the scripted demo discipline and the proof of concept design that produce meaningful differentiation among vendors. The standard formulaic RFP treatment produces vendor responses without producing the substantive information the selection requires.

The reference call discipline produces substantive information rather than confirmation. The reference selection must extend beyond the vendor-provided references to include references the function identifies independently. The reference call structure must address the implementation experience, the operational experience, the vendor relationship, and the honest reflection on what the customer would do differently in retrospect.

The implementation partner economics shape the implementation in ways the standard contracting does not always address. The three-party structure of customer, vendor, and implementation partner produces interests that are partially aligned and partially divergent. The pricing models including time-and-materials, fixed-price, outcome-based, and hybrid combinations produce different incentive structures that the chief financial officer should structure deliberately.

The steering committee structure maintains executive accountability through the implementation. The composition, the operating cadence, and the decision authority determine whether the committee operates as a decision-making body or as a status update audience. The chief financial officer's role on the committee is to bring the investment thesis perspective and to insist on the strategic discipline.

The implementation philosophy choice between phased and big-bang depends on the specific implementation context. The big-bang philosophy concentrates risk but supports cleaner transition. The phased philosophy distributes risk but produces longer transition complexity. The choice should reflect explicit consideration rather than emerging from the implementation partner's recommendation.

The change management discipline produces the operational adoption that the technical deployment requires to deliver value. The discipline includes the stakeholder mapping that addresses the population the implementation affects, the training discipline that supports the

operational adoption, and the cultural dimension that addresses the broader transition the team navigates.

The operating implications include the sustained executive engagement across the implementation arc and the immediate post-cutover period, the disciplined implementation-to-operations handover, and the learning loop that captures lessons across implementations. The chief financial officer who operates the implementation operating system with the discipline this part has developed will produce implementations that achieve the investment thesis. The chief financial officer who treats implementation as a delegated program will produce implementations that may deploy the technology but that may not produce the operational reality the investment thesis assumed.

The next part treats the finance technology roadmap and operating cadence, the framework that integrates the architectural, investment, and implementation disciplines into the continuous operating reality of the function. The architectural reasoning across the preceding parts and the implementation discipline developed in this part carry forward into the roadmap framework Part Twenty-One provides.