

Debunking Conventional Wisdom Software Implementations & Version Migrations



Six categories of provocative questions

Category A: Is your company employing the functionality of your current ERP system well?

For example, are you using manufacturing and material planning in the ERP system or relying on spreadsheets? Are material requirements across multiple plants automatically consolidated at the HQ level? Are standard costs and variance measurements trusted?

Opinion: It's a good idea to get these things working in your current version of BPCS before moving anywhere. We've seen many examples of companies that have been migrating from version x to version (x+1) of BPCS since 1990 and at each "cutover" the improvements are postponed. So, they spend months of effort moving the current state of dysfunction to a higher version of the software.

The sad result is that very costly resources are invested to get things that already work just fine (A/P, billing+collections, the ledger, purchasing, inventory transactions, etc.) working again. It's a hollow "IT" victory, not an authentic step towards world class performance and competitive advantage.

Some enterprises haven't measured the distinction between how they are using their current system and how that system would be used at a world class level. If that describes your situation, a **No Stone Unturned assessment** would be helpful.

Category B: What strategic enhancements to system functionality would provide a strong boost to enterprise competitiveness and/or profitability?

For example, would consignment inventory functionality give your sales force an edge? Do you need an expert system that customers could use to configure the product they want to buy on your website? Would truckload pallet sequence planning within cube and weight limitations speed deliveries and/or cut your freight bill? What are the break-through strategic ideas that would really boost your company?

Opinion: Almost invariably, the fastest way to acquire new strategic functionality is to bolt it on to the current system. Does it make sense to postpone attention to these competitive advantage ideas while IT is working 55 hour weeks getting the new system to do things the old system already does well enough?

The sad result is that the IT budget and project team hours are consumed doing things that don't provide competitive advantage functionality.

We've frequently seen proposals delivered to top management which co-mingle promises about **strategic** functionality improvements with the **tactics** of relocating existing business process functionality. The CEO approves the plan based on the ROI from the strategic ideas but the vast majority of the proposed time and money will be spent moving functionality that already works just fine.

The strategic gains must be scheduled to arrive last because they rely on the foundation of operational standard business processes. Not infrequently we've seen competitors introduce the break-through strategic ideas while the IT staff is heads-down setting up inventory transactions in the new software.

Six categories of provocative questions, *continued*...



Category C: Do you have a portfolio of written business process policies ready to give to your implementation project team?

For example, are all your plant controllers on the same page with how to do cost of sales and variance reporting? Do all your BOMs follow the same rules? Do all your sites have the same opinion about how to book inbound freight in A/P? Is there a well-structured engineering change management policy in place? Have you defined and implemented a control-group cycle counting discipline?

Opinion: In our experience, way too many companies put the implementation cart in front of the policy horse. The sad result is that the software prototype ends up configured first and the policies are derived from the prototype later. We've seen cutover weekend arrive with different plants embracing different opinions about what the policy is supposed to be and/or how BPCS is supposed to accomplish things.

Unbeaten Path's advice has been to hammer out the policies first and then let those written policies be the "iron fist" that directs the implementation prototyping activity. Without a world-class policy to guide your staff and your consultants, your ERP system could end up configured in a non-world-class way.

Occasionally a new customer will ask us how their BPCS can be made to work better. We arrive years after an implementation and find i) multiple unconstructive distinctions between the current state and how BPCS should have been configured in the first place, and ii) no written policies. Sometimes we even find that a pile of money was spent on modifications that cause BPCS to perform in a non-world class way.

Click on the purple text to see **standard cost accounting** or **accounts payable** policy specimens. Consider evaluating Unbeaten Path's **up a notch** service; it helps companies develop world-class operating policies and procedures that are in harmony with MRP II principles.

Category D: Would the cost of moving your existing data to the new system/machine be more reasonable if the integrity of your existing data was high?

For example, is your item master file littered with thousands of obsolete items? Does Plant A use a different part number for raw material x than Plant B? Do your bills of material comply with MRP II principles? Are your engineering standards accurate and consistently applied? When was the last time someone checked to see if unit of measure factors and lead-times were perfect?

Opinion: System migrations/implementations are plenty stressful enough without the overhead of "correcting" the data while trying to migrate it.

Invariably, the cutover critical path ends up crowded with data cleansing efforts. It becomes a critical path thread of activity because until the data is "clean enough," you can't bring it over to the new system to support prototyping. Momentum is lost because there aren't enough "data experts" to find+analyze+fix things fast enough.

Unbeaten Path believes it is a much better idea to do the janitorial work on the existing data before the implementation project team starts having weekly meetings. We can testify that there is nothing more stressful than an approaching cutover weekend with x% of the data not yet fixed.

It's also a good idea to acquire some tools to do the janitorial work more efficiently and more reliably. Click **here** to see a **description of several of these tools**.

Click **here** to return to the description of Unbeaten Path's **up a notch** services

Six categories of provocative questions, *continued* ...



Category E: Is there a detailed and reliable written plan for moving custom modifications over to the new system?

For example, have you located detailed documentation for all the mods you'll have to move? If you can't find the documentation, are you confident that you know all the different places that a modification will touch? Can you find the most current objects for all the international versions?

Opinion: Companies with a solid **Software Change & Configuration Management (SCCM)** system in force don't have to worry as much about Category E. Failing that, we've seen project plans bent into amazing shapes by a progression of newly minted Murphy's Law corollaries.

By all means, if your company anticipates a major mod migration effort, consider acquiring and implementing a SCCM system before publishing the first draft of the project plan. The impact analysis functionality of **Tight as a Drum** software, for example, will help you assemble a much more competent plan.

By the way, if some of your legacy mods are intertwined with AS/SET code and you don't have an AS/SET expert around, consider asking Unbeaten Path for help. Our **NoExcuses** money back-guarantee of error-free technical support includes any of our work on legacy custom code.

Category F: Do the senior managers in your enterprise understand MRP II principles, and do they understand their leadership role in an implementation process?

For example, does the President understand the need for very high data integrity? Does the V.P. Manufacturing understand why spreadsheets for material planning won't work? Has anyone ever sat down with the CFO to explain how the corporate financial plan can be extracted from BPCS planning results?

Opinion: In Unbeaten Path's experience, few senior management committee members have ever had training that paints a target on what world class operation of an ERP system is supposed to look like. Therefore, these individuals are not well equipped to lead enterprises to outstanding software implementation results.

Unbeaten Path's two-day **Commitment for Excellence** training comes with a money back guarantee that managers will leave the classroom with i) the world class vision understood, and ii) an authentic, heart-felt passion for achieving that vision.

Questions ?

It would be a privilege to answer any questions about the opinions in this document. Give our President **Milt Habeck** a call; he'd welcome the chance to revisit the historical episodes that shaped his opinions. Here's Unbeaten Path International's contact information:

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