

FAST TRACK ERP IMPLEMENTATION:
ADVICE FROM THE FIELD

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PAPER

Fast Track ERP Implementation: Advice from the Field

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The common perception is that top-tier enterprise software takes years to implement. Given the complexity of some enterprise applications, and the degree to which business processes must be remodeled to fit them, this is often certainly the case. But other enterprise applications, when combined with effective project management by capable professionals, can be rolled out rapidly when it really counts ... like after a merger or acquisition.

When two enterprises are joined, migrating the entities onto a common enterprise application is considered a best practice for transforming them into a single business unit.

When two acquired enterprises are on the same application, management gains immediate visibility into the workings of the combined enterprise. Moreover, sharing an enterprise infrastructure can help the combined businesses realize economies of scale by sharing inventory and other resources. And similar fiscal and operational policies can help the newly-joined ventures look and feel more like a single entity to employees, vendors and customers.

The need for speed

But given the glacial pace at which some enterprise software implementations move, these desirable goals may not be realized because the project timeline can take a year or more. Such a long and costly project after an already arduous and expensive merger or acquisition could be disastrous for many companies. In this whitepaper, we will share the implementation experiences of IFS customer Colfax Corporation along with their tips

The North American divisions of Colfax Corp., a manufacturer of pumps and valves that grew rapidly by acquisition in the first few years of the 21st Century is a case in point. Within months of acquiring a portfolio of companies across the United States, Colfax has moved these companies onto a single instance of IFS Applications, which is flexible enough to accommodate the varied business models and manufacturing modes of various Colfax divisions. Colfax' experience also illustrates how rapidly new divisions can be brought onto IFS Applications after an acquisition. Amazingly, Colfax has migrated newly-acquired companies onto IFS Applications in as little as nine weeks!

Colfax Corporation is a world leader in the development, engineering, manufac-

turing, distribution, service and support of pumping and fluid handling systems. Specializing in positive displacement and centrifugal technologies, the company now owns product lines that target a wide range of industries including power generation, oil & gas, commercial and navy marine and industrial applications. In North America, its brands include Fairmount Automation, IMO, LSC, Portland Valve, Warren and Zenith, all brought into the Colfax fold through acquisition, and all currently on or in the process of being moved onto IFS Applications. According to Colfax' Senior Business Analyst Jay Michael, IFS Applications were implemented at the various companies on very tight timelines, sometimes as little as nine weeks.

Initial implementation

In 2002, Colfax consisted of three sites in Monroe, N.C., Columbia, Ky. And Warren, Mass. All three locations were running on Compass Contractor, an aging system for defense contractors from Western Data Systems, but the divisions were not all on the same database. For its initial implementation, Senior Business Analyst Jay Michael said the company took a slow, conservative approach.

"We did the implementation in two phases," Michael said. "After our first phase, which took eight months, we did a static go-live that October. We had taken in data on customers, suppliers, parts, routes, structures but no transactional information or orders, and continued to work in the old system. We did dual maintenance and let people work with IFS to become more familiar with the new environment. This was

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inconvenient to a certain extent, but when we dropped in live data including customer orders, shop orders and purchase orders, it was easier for people to get up to speed. Normally, you have someone running around with their hair on fire."

Warren, Mass. came up one month later, according to Michael, to allow IFS to create a custom migration tool to pull data into IFS Applications' Dynamic Order Processing (DOP) functionality.

In 2004 and 2005, Colfax migrated two more divisions, Zenith and Portland Valve, onto IFS Applications, and brought Fairmont Automation on board in 2008. Two additional locations are scheduled for implementation in 2008, and a final location to be scheduled later.

"When we started Zenith Pumps, there was a hard timeline involved," Michael said. "They were formerly a division of Parker-Hannifin Corp., and we were required to get them off of Parker's financials in two months. We used SQL Server to develop some transfer programs and then we used IFS' external supplier and customer invoice functions to pull in the data as vouchered payables and vouchered

receivables. Zenith's legacy system was a little better. They were on ManMan, which instead of being Jurassic like our WDS, it was Triassic. We ran Zenith on IFS financials exclusively for six months and then completed the rest of the implementation. It took us a total six months of work to complete the implementation with about six full time equivalents. This was not a simple implementation either, because Zenith presented us with somewhere between 4,000 and 5,000 customers, 50,000 parts and 150,000 structure records."

Nine weeks implementation

A subsequent implementation at Portland Valve in 2005 saw implementation times reduced even further.

"When we purchased Portland Valve, we went on a crash program, and started work on implementing IFS Applications Jan. 25, started our first migration Feb. 8 and went live on April 1," Michael said. "We brought in an experienced material manager who had been involved in the Warren implementation, and he helped define how migration should go. To run that project, apart from myself, we had a controller, our materials manager and one other individual writing Crystal Reports."

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According to Michael, rapid implementation is easier if the applications involved are flexible enough to be conform to existing business models and process flows. If the applications can be configured for a variety of business models and process flows, this eliminates a hard requirement for business process re-engineering. Michael and his associates have, particularly in later implementations, been able to avoid not only business process changes but lengthy internal discussions of how the new application environment should work.

"On our first go-live, we showed people IFS functionality, and they would respond by talking about how WDS worked," Michael said. "The temptation is to suggest the new system should work or look like the old one. Now, we just show the management of a new division how IFS Applications works and how it relates to their needs. We don't have time or the manpower to put eight people in a room and debate about it for six months."

Michael stresses that the folder-based nature of IFS Applications works better for a flat organization like Colfax than it might for competing products that are

based more on highly structured work flows.

“With this place running as lean as it does, there is a flat organization structure with a lot of dotted lines,” Michael said. “As our processes change, the applications have an easy time keeping up with us. If anything, the processes embodied in IFS Applications are not so much dependent on defining rigid processes in the organization as much as they are a way to facilitate best practices taught by APICS. Someone like me or a number of our managers who are APICS certified immediately understand a lot about how the applications work.”

Tips for Rapid Implementation

Implementing a powerful enterprise application on a tight timeline requires discipline, skill and support from higher management. Here are some specific tips Michaels offers to those who would, like Colfax, roll out ERP in weeks instead of months or years.

1. Distance the process from the existing system

One hobgoblin that plagues too many implementation projects is the tendency of end users to push for system modifications that make the new system look, feel and function like the old one. This can lengthen the timeline and increase cost without delivering any real business advantage.

According to Michael, this problem can be avoided by controlling the focus of the implementation team.

“What we have learned is that it is best to avoid detailed discussion of how things are done in the existing system,” Michael said. “We used to ask users about what they do in their existing system, and then figure out how to do it in IFS. Instead, we have found it better to lift them out of their system perspective entirely. Now, we just have them describe a process sequence in words rather than showing screens from the existing system. When you open the door to that system-to-system-level comparison with people with a lot of years of experience in the old system, you are probably inadvertently creating the wrong expectations. Don’t compare the new system side-to-side to old system because they are not getting the old system.”

2. Avoid Business Process Re-Engineering

Re-engineering processes during an implementation makes it very difficult to compress an implementation timeline.

“If you want to implement quickly, leave your business processes as they are, even if this means these processes require extra steps in the new application,” Michael said. “It is easy to come back and amend your business practices later, when staff members are not also contending with the challenges of learning the workings of their new enterprise environment. People can get distracted from the

implementation process if they have to struggle with the move from a familiar legacy system, learn a new system and at the same time completely change the way they work as an organization.”

3. Involve end-users in validating data

“During migration of data into the new application, form a core team of end-users to validate that data,” Michael advised. “Involving end-users in this process not only frees up other members of the implementation team, but allows you to harness the knowledge of the people who know the data best. These are the people who have been working with this data year after year. Moreover, this practice forces these users to start navigating around the system, which allows them to come up to speed much quickly come go-live.”

4. Get outside help

“Using consultants on some tasks – like data migration – also spares capacity of internal staff,” Michael said. “This allows you to focus more on guiding and steering the project as opposed to being consumed by hands-on duties. This is a critical consideration at a middle-market company like Colfax. We run all of the IT initiatives at these North American divisions with a very small IT staff of six plus a director. That includes database, application, Outlook, phones, infrastructure, servers, everything.”

Jim Dorr has spent 29 years in technology working in robotics and knowledge management, including more than 22 years in the enterprise application space. Jim joined IFS in 2001 where he has worked within the Major Accounts group as well as in Analyst Relations. Dorr holds a Bachelor of Arts degree from Wayne State University in Detroit, Mich.

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IFS was founded in 1983 and now has 2,600 employees worldwide. IFS has pioneered component-based enterprise resources planning (ERP) software with IFS Applications™, now in its seventh generation. IFS' component architecture provides solutions that are easier to implement, run, and upgrade. IFS Applications is available in 54 countries, in 20 languages.

IFS Applications provides extended ERP functionality, including supply chain management (SCM); enterprise asset management (EAM); maintenance, repair, and overhaul (MRO); product lifecycle management (PLM); customer relationship management (CRM); and corporate performance management (CPM) capabilities.

IFS has over 500,000 users across seven key vertical sectors: aerospace & defense, automotive, high-tech, industrial manufacturing, process industries, construction & facilities management, and utilities & telecom. IFS also provides a cross-industry solution for retail & wholesale distribution.

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