

The independent
System Reviewer
By Alex Abbate

Planning
Analysis
Design
Implementation

Planning
Analysis
Design
Implementation





Alex Abbate

The Independent System Reviewer

The word ERP, acronym for Enterprise & Resource Planner, is well known to every corporate manager who is facing with the enormous task of pushing his/her firm to integrate all information in one data repository with the ultimate goal of making

structured information accessible to all system users.

Briefly, we define an ERP as an integrated piece of software, based upon a modular architecture, which covers most of the enterprise needs in terms of Information Storage and Management. Do we need it? Doubtless, an ERP system will push enterprises to gain higher level of integration among departments. However, someone says that over 75% of companies does not get the benefits they wished from a large ERP or IT investment. Early statistics assessed a failure rate of about 42% for a Tier 1 system project, while only 16% of such projects were completed within the existing time and budget boundaries. Do you feel to belong to this picture? You then may need a system review performed by an independent reviewer.

The independent system reviewer will:

- " Analyse your current ERP and IT situation to assess the gap between your key corporate goal and your current ERP or IT system
- " Help your corporate staff to build up a range of manageable optimisation scenarios
- " Analyse costs vs. benefits
- " Spot potential risks and highlight a way to mitigate them.

The independent system reviewer would use a tested set of system analysis techniques and methodologies such as SSADM, DSDM, Prince2, SWOT/MOST, etc.... However, the most important thing is not the methodology but the fact that everything would be assessed thorough an independent perspective. There is no shortage in the market of IT or ERP modular specialists or good system-orientated Project Managers. What is missing here is the big picture: your business requirements and corporate goals vs.

ERP or IT limitations and a way to manage or remove those limitations. The independent system reviewer will appraise the situation with "helicopter skills", seeing what sometimes is not being properly focussed.

The independent system reviewer will address the following issues:

- " Strategic Vision
- " Risks and Business Disruptions Assessment
- " Business Process Reengineering
- " Core System Replacement options
- " System selection and/or optimisation issues
- " Upgrade and/or migration routes
- " Combination of process optimisation and system changes
- " Supplier and Tendering support, dealing with: ITT (Invitation To Tender)
- " Long-list of suppliers
- " Vendor evaluation and short-listing
- " Contract Analysis.

It is essential to perform a high level review of your business processes and current ERP or IT system and to summarise them into a report which can be used from your staff as a guideline or a decision support tool. However, it is also extremely important to involve your business process owner in process change and face with a few issues, such as the Total Cost of Ownership (TOC):

- " Licence plus other direct and indirect costs
- " Contract ambiguities
- " Pilot projects
- " User & Acceptance Tests
- " Customisation
- " Business Process Improvements
- " Phased implementation.

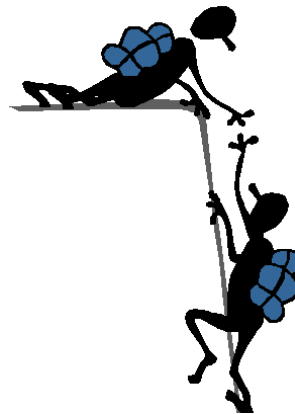
ERP systems are normally chosen to restructure information management activities, achieve some specific objectives and especially to:

- " Eliminate unnecessary process steps concerning product lifecycle management, configure-to-order, service contract administration, CRM and data collection
- " Minimise process time with regards to BOM management, Bill routing & copying, work order management, EDI and workflow
- " Combine steps such as repetitive operations or repetitive order groups, bill planning, master production rate-based scheduling and return-to-vendor
- " Improve resource availability affecting purchasing consignment, demand planning and decision support
- " Improve resource accessibility to enhance sales consignment, warehouse management and plant maintenance
- " Measure and track key issues such as lead time management, vendor performance rating and quality defect reporting.

However, no one should expect to play even one of these objective as a "plug & play" issue. The chances for a corporate organisation to achieve one or more similar goals are too much related to the rationalisation of the corporate structure.

ERP systems will facilitate change, but will not be in charge of it. If a corporate structure contains serious organisational flaws, the ERP will not fix them. The system would expect humans to fix these inconsistencies.

While advantages seem to be clear, drawbacks are very much related to corporate commitment, personnel workload, and cost assessment. This is to say:



ERP requires great stamina and unlimited commitment!

- " ERP projects are difficult to implement. They require great stamina and even greater capability to remain within the "scope" of the project. Corporate support is an essential component
- " Workload placed upon corporate staff can be huge and have unforeseen effects in terms of time and resource management
- " Costs tend to be higher than the ones fore seen in the analysis process.

Quality of data is another important topic. Many pre-existing data are sometimes wrong, redundant, or contain very dangerous stales. Failure to "clean" this data, will feed ERP-files with wrong information.

The independent system reviewer would address all these issues.



The Independent System Reviewer methodology

Systems reviewed

The Independent system reviewer has reviewed the following systems:

- " International ERP systems such as SAP R/3, BAAN, ORACLE, LAWSON/MOVEX, J.D.EDWARDS, AGRESSO, MAPICS, EPICOR, NAVISION and GREAT PLAINS
- " National ERP systems such as SMC PRACTOR, FORMULA-DIAPASON, GALILEO-SAN MARCO, Exchequer, ESA EXPLOIT FAST ERP, SAGE, TROPOS, ZUCCHETTI AD-Hoc and KERRIDGE K8
- " Specialised systems such as CYBERPLAN, NICIM, TXT, BORM, ARCHIPAD, STR, PRIMUS, MASTRO, CLICK4-REPLY, RETICOLO-REPLY, KORAM, STARBASE, ARTEMIS INTERNATIONAL, SELIMA, PECAS II, CERM and MAXIMO.

Industry knowledge

- " Retail: FMCG, IT consumables, stationery, car retail, wood and Bau-Markt (Building/House Bricolage Centre)
- " Manufacturing (mills): converting, chemical-adhesive, printing, narrow-web and paper-based products
- " Manufacturing (on-line assembly): machine building, Telecom
- " Engineering Process Construction: building (houses), building (power plants), building (turn-key plants) and furnishing
- " Utilities: Oil, Gas and Electricity.

About the independent system reviewer

Alex Abbate, developed a wide computer and management expertise along 18 previous years spent working with the military and large European organisations, and dealing with very important topics such as organisation and management of supply procedures for satellite, microwave, telegraphic automatic relay, integrated voice switch systems, and connected information systems (with all related work-flow analysis), management of ADP vertical and ERP systems, purchasing and contracting, budgeting, and management of human resources for the above mentioned activities.

Alex Abbate operates since 1998 as an independent system reviewer. An European mainland resident, he mainly operates in Europe and UK.

Alex Abbate also manages a worldwide ERP-consultant network, mainly functioning as a knowledge base to exchange ERP-related information across various markets.

Alex Abbate speaks English, Italian, German, Danish, Norwegian, Swedish fluently and has a basic knowledge of Finnish.

Alex Abbate owns a Management of Information Systems degree, University of Maryland, and is specialised in System Analysis. He also owns Computer Science Degree and a Professional certification from the Institute of

Certification for Computer Professionals (I.C.C.P.), Des Plaines, IL, U.S.A., with a specialisation in COBOL language and System Analysis - Mainframe & Mini computer-based Architectures.

Contact The Independent System reviewer at:

Phone: +39 045 6837169

Fax: +39 045 6831922

Mobile: +39 3484110960

e-mail: info@erp-abbate.co.uk .