

up a notch™

Advice for your 'escape' from BPCS



Haste makes waste

We've spoken with dozens of enterprises who are in the process of moving off BPCS or are getting ready to start that process. Here's the consensus frame of mind:

IS Directors frequently characterize the move away from BPCS as an “**escape**” from the endless frustrations and provocations they've experienced with SSA/SSA-GT/INFOR. The senior corporate officers that have been negotiating with INFOR are fed up; some aren't even sure who their current BPCS rep is.

A “**sprint away from BPCS at full speed**” mentality typically breeds a “**haste makes waste**” migration plan.

Another result is that the long-simmering annoyance with BPCS has smothered interest in running the business better with BPCS. Once a senior corporate officer says, “let's start evaluating ERP replacement options,” the budget for iSeries-related initiatives goes from modest to invisible. There's a stalemate on business process improvement that typically lasts for *at least* a year. The opportunity cost of the stalemate is painfully large but the organizational focus on “escaping BPCS” is viewed as paramount.

Strategic planning for BPCS departures

The move from BPCS to SAP or Oracle or something else is expensive and complicated. System implementations typically are. Unbeaten Path doesn't claim technical expertise outside the iSeries platform, but collectively, **our people** do know BPCS better than just about anyone else, including INFOR. We also know how to get an ERP system installed for the lowest possible cost. That BPCS technical expertise and project management savvy can be employed to make your move to some other system less expensive, less chaotic, and less worrisome for your technical staff.

These are the five principle issues that merit consideration as your company plans it's move from BPCS to some other ERP brand:

- ◆ Are you relying too heavily on the “we're-getting-new-software” sizzle factor?
- ◆ Does it make sense to establish/polish business policy after you get on the challenging software implementation critical path?
- ◆ Does your CEO think that the move to SAP/Oracle will be an IS project?
- ◆ Should these two objectives be addressed simultaneously or sequentially: “improve BPCS data integrity” and “migrate BPCS data to SAP/Oracle”
- ◆ When the move off the iSeries is announced, how will your technical staff feel about their future with your company?

Escaping BPCS well

Even well-funded BPCS escape plans go haywire. We know of a multi-billion dollar corporation that has been implementing a replacement ERP system since the mid 1990s. Another big enterprise got the new system installed in about 1.50 out of 3.00 divisions and then gave up and went back to BPCS in the half-completed division.

The content below is intended to debunk conventional wisdom on how to execute your move to a replacement ERP system. Brace yourself for some unvarnished opinions from Unbeaten Path.



The new system sizzle typically fizzles

We've heard something like this from many corporations:

“We need a ton of effort to improve our business processes ... but that’s not going to happen unless we can use the sizzle from implementing a new software package to enlist the help of key users.”

Our observation is that the “new system” sizzle typically lasts long enough to appoint a project team and have the first few project meetings. But, when the once-a-week meeting phase ends and the heads-down work of defining cost accounting policy and re-configuring BOMs and restructuring the chart of accounts begins, the sizzle dials down.

The key people were already working very long hours before the new system implementation began. There's no slack to concentrate consecutive weeks to re-invent a business process. So, the re-engineering work is postponed, and then postponed again. Then the cut-over date begins to loom.

That date is typically dictated and defended by individuals who have tolerated less-than-world-class operations for decades. When the choice is between postponing the cutover until the business process re-engineering is done or getting the new system into production on the planned date, it's no contest. It never fails; the direction always is: “just get it in now, we'll do the improvement stuff later.”

The corporation ends up on a new box and a new system without realizing the ROI envisioned from business process re-engineering. The new system goes live with essentially the same “hit-and-miss” cost accounting methodology used in BPCS, the same BOM structure problems endured in BPCS, and the same “hide-and-seek” chart of accounts architecture that made it hard to compose reports in BPCS.

What a shame. The “getting off BPCS/iSeries” fizzle didn't work. Everyone is worn out. Another victory for the status quo. We're not making this up. It's true.

Advice from Unbeaten Path

1. Base the sizzle on business process re-engineering, not software brand name. Check out **Commitment for Excellence™** training. It works. Companies have moved to world class off the foundation of this training course (even on System 36 versions of BPCS).
2. Get a well-focused, running head start with a **No Stone Unturned™** strategic business assessment.
3. Get started and make solid headway on business process re-engineering long before the CDs for the new software arrive. The critical path will still have more than enough stress.

Escaping BPCS well, *continued...*

Putting the cart before the horse

If your corporation launches a software implementation project before developing a comprehensive set of written business policies, that's a formula for trouble. In our experience, you'll end up delegating corporate policy development to junior-level Oracle/SAP consultants.

Here's what happens:

A flock of consultants arrives at your corporate office. We've seen situations in smaller companies where there is a one-to-one correspondence between consultants and users. It's true. There's so many consultants that there's no room left in the office parking lot.

These consultants are trying to **simultaneously i) learn your business and ii) prototype the new system so it "works" in your business.** There's an Oracle accounts payable consultant working with a payables supervisor and *on the same day* a different Oracle purchasing consultant is working with a buyer.

There's no written policy to follow. The consultants and the interviewees have never talked with the CFO nor Audit Director about how purchasing and A/P ought to work together in a world class enterprise.

The consultants are happy as long as they can prototype their narrow slice of the system so "it works." Then the wrinkles between the buyer's opinion and A/P supervisor's opinion must be ironed out months later in the cross-functional conference room pilot.

The chaos of simultaneous prototyping activity and the critical path timing pressure forces companies to accept these results as "good enough for now." Some companies pay the consultants to document it with screen shots and then it becomes corporate policy. What a shame.

Advice from Unbeaten Path

1. Put the policy development horse in front of the new software prototype cart. Corporate policy should be blind to ERP brand name.
2. Invest a very considerable amount of cross-functional, **internationally savvy**, senior-level effort in corporate policy development. The policy ought to work just as well for your 2013 implementation in São Paulo as it does for the 2010 pilot in Dayton.
3. Challenge the collective internal wisdom by seeking seasoned, internationally experienced consulting advice. Check out Unbeaten Path's **up a notch™ Policy Development** services. We could give you a running head start with copies of the battle-tested corporate policies in our file.



Escaping BPCS well, *continued...*

It's not an IS project

When the CEO and Board of Directors approve the \$x,000,000 proposal for implementing a replacement ERP system, it's likely they'll be convinced that i) it's an IT project, and ii) the Chief Information Officer is in charge of getting it done well. That's a very unfortunate misperception for both the enterprise and for the CIO; his/her scope of *authority* isn't broad enough to accomplish the business process re-engineering which supposedly is going to generate that impressive ROI for the expenditure. Product engineers, cost accountants, warehouse supervisors, and master schedulers don't report up through the IT department.



Advice from Unbeaten Path

1. Develop an implementation plan that makes it crystal clear which functional areas are responsible for accomplishing which facets of the project.
2. [Click here](#) to learn about Unbeaten Path's solution for this senior executive communication challenge: **Bedsread™ Project Visualization**.

Data migration: the reliability theory perspective

Here are Unbeaten Path's observations about the "migrate data from BPCS to the replacement system" chore:

- ⊕ The consulting shop hired to put in the replacement system tends to downplay the importance of the chore. They say "we've done it before" and "we've got migration tools to help," but those assurances rest on an untested (and frequently unmerited) *presumption* that the BPCS data has high integrity.
- ⊕ The cumulative consulting effort invested in trial runs typically chews up way too much budget. Quite a few trial run disappointments are born from BPCS data surprises. The net result is that high-priced SAP/Oracle consultant time is burned trying to fix the BPCS data and migrate the BPCS data at the same time.
- ⊕ At least some of the chore must be accomplished at the last minute: cutover weekend. If there is too much data to migrate or data errors slow the migration process down, then Monday morning dawns without an operational ERP system.

Our conclusion: it's a very bad idea to make BPCS data clean-up part of the data migration process. Reliability theory mathematics confirm the point.

If there is a 95% chance that the data mapping into the new system will work without a hitch and there is a 85% chance that an element of BPCS data will have full integrity, then the reliability of migrating and fixing data simultaneously is:

$$(0.95) * (0.85) = 80.75\%$$

Advice from Unbeaten Path

1. Start work on BPCS data integrity long before the CDs for the new system arrive. If you need consulting help to accomplish that, hire an **Unbeaten Path BPCS expert**, not a SAP/Oracle consultant.
2. Run **Internal Control Microscope™** to find BPCS data integrity errors.
3. Cut the quantity of BPCS data subject to migration down to size with these **Bells & Whistles®** for BPCS tools: **Item Undertaker™** and **Locksmith® Archiving**.

Escaping BPCS well, *continued...*

Protecting intellectual property

None of the BPCS experts working in your IT department are going to know much about the replacement system. RPG and AS/SET won't work on the new box. So, there won't be any IT staff celebrations when the "we're escaping BPCS" announcement is made.

Your BPCS support staff has a very valuable business asset worth preserving: intellectual property about your business. They have years of experience hearing and understanding what your users need. They'll have a much better idea of what the new system *ought to do* than the flock of arriving SAP/Oracle application consultants.

Advice from Unbeaten Path

1. Extend the career of your BPCS IT staff by giving them an opportunity to learn the replacement system. Put one or two on the implementation project team and assign important facets of project responsibility to others.
2. Free up BPCS support staff time by cutting off any development effort except the "fix-bleeding-at-the-neck" variety. Then rely on Unbeaten Path to keep all the BPCS lights burning with our **NoExcuses™ HelpLine** support. After cutover weekend, plan showing the door to Unbeaten Path instead of thinning out the experience in your IT staff.

Questions ?

It would be a privilege to answer any questions about **escaping BPCS well**. Please contact Milt Habeck. Here's Unbeaten Path International's contact information:

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