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Featured in this Issue:
- People, Process & Technology - Bridging the Gap
- ERP Implementation Case Study

Newsletter
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PROVIDING SOLUTIONS FOR PEAK PERFORMANCE

People, Process & Technology – Bridging the Gap

An Enterprise Resource Planning (ERP) system is fundamentally necessary for transforming a business, managing the internal and external resources, ensuring scalability for future growth, reducing costs and improving productivity. By properly integrating all operational aspects; the order-to-cash cycle can be significantly reduced, improving how quickly payments are received and ultimately increasing cash flow. All sounds good, right? So why when ERP system implementations come up in a discussion, does everyone roll their eyes, shake their heads and sigh deeply?

Typically, it is because the implementation was expensive and extremely painful. Also, the projected cost savings, operational efficiencies and productivity improvements were never achieved.

In most cases, the project is given to and led by an Information Technology team (IT). The integrated ERP system allows for the sharing of data and processes across multiple departments and locations; products will move faster, orders will have processed quicker, customers will be invoiced more rapidly and shipments can be reconciled sooner. ERP systems also bring the added benefit of reducing data redundancy, increasing data accuracy and relevancy. And while IT excels at being technologically savvy, successfully implementing an ERP system requires the business, i.e. the people to embrace it with the required processes in place to support it.

Based upon our experience, ERP implementations do not achieve the desired results because there is a gap that needs to be bridged between IT and the people/processes that will be supporting it. To achieve success, it is critical that IT and the Business agree to work together to ensure that the people's needs are met and the processes are in place to take advantage of the ERP system's benefits.

It has also been proven that by having an experienced Project Manager; who understands the business needs, the technology and can also bridge the gap between IT & the business is critical to a successful implementation. Having this Project Manager work closely with IT to facilitate the implementation, they can help to ensure that the business embraces the new system, uses the new process required and ultimately increases productivity, reduces costs and drives operational efficiencies; making everyone happy.

Case Study – ERP Implementation

SITUATION ANALYSIS: A national supplier of oil field tools and services was considering a new ERP system. Racca Solutions Group (RSG) was assigned to help select and implement the operating system. RSG performed in-depth analysis of the client's current and future capabilities and documented a full operationalized functional specification.

IMPROVEMENTS IDENTIFIED: Over a three-week period RSG documented all of the processes and capabilities. People, Process and Technology gaps were identified and socialized with the executive leadership team.

1. Processes Inefficiency - One of the major issues the client faced was a lack of process visibility and potential efficiency gains that could be achieved from process re-engineering. Inadequate process would put the ERP implementation at risk of time and cost overruns. Client agreed to fully process re-engineer the organization prior to embarking on a very costly ERP implementation process.
2. ERP Implementation - RSG led the client through a successful one-year ERP implementation process. The process work that had been performed the year prior was invaluable in aiding in a seamless implementation. The project was completed on time and under budget.

OVERALL RESULTS: Racca Solutions Group redesigned the processes to create greater efficiency. In addition to this aspect of the redesign, RSG also designed the processes such that they were functional for the entire enterprise. As a result, of process design and an ERP implementation the client was able to reduce FTE's by 40%.