

ERP
ABBATE
UK

Independent System Evaluation

Planning, Analysis, Design and Implementation

ERP systems, their advantages and drawbacks. How to mitigate ERP implementation risks thru an independent system evaluation.



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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 consultancy.

We 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.

We 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. We will appraise the situation with "helicopter skills", seeing what sometimes is not being properly focussed.

We 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.



ERP requires great stamina and unlimited commitment!

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

- 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 foreseen in the analysis process.

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

You need an independent system review to address all these issues and we are here to provide that kind of service.



Systems reviewed

We reviewed the following systems:

- International ERP systems such as SAP R/3, SAP IS RETAIL, BAAN, J.D.EDWARDS, ORACLE ERP, INFOR, MAPICS, NAVISION, AGRESSO, MOVEX – LAWSON, EXCHEQUER, GREAT PLAINS, TROPOS-SOLARSOFT, SAGE X3, COMARCH and iSeries based architectures
- National ERP systems such as ESA EXPLOIT, SMC PRACTOR, BORM, GALILEO-SAN MARCO, SAGE X3, GAMMA ENTERPRISE, KERRIDGE K8 and ZUCCHETTI AD HOC
- Specialised systems such as RED PRAIRIE, CYBERPLAN, NICIM, STR, MASTRO, CLICK4-REPLY, ARTEMIS INTERNATIONAL, RETICOLO-REPLY, KORAM, SYSPRO, BLUE VISION, SELIMA, PECAS II, MAXIMO, CERM, THEURER C3 and SERADEX.

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), power plants, turn-key plants, photo-voltaic plants and furnishing
- Utilities: Oil, Gas and Electricity.

About us

ERP ABBATE UK LIMITED offers independent ERP and SCM advisory services.

The company is managed by Alex Abbate, an experienced independent system reviewer.

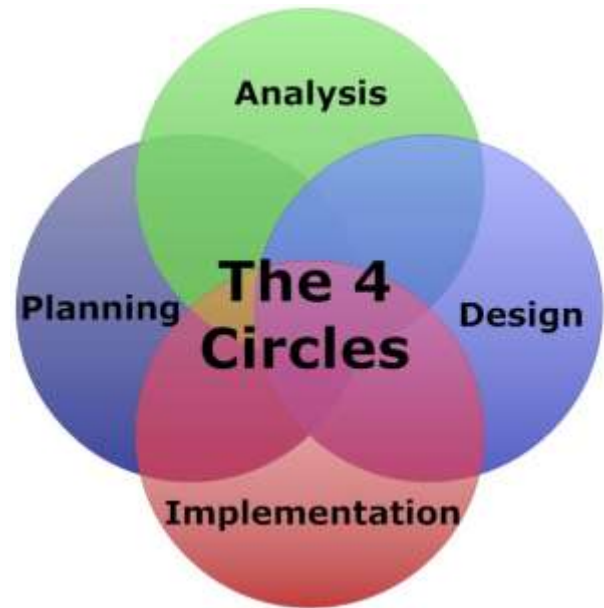
Alex Abbate, developed a wide computer and management expertise along 18 previous years spent working with the military and large European organisations, and dealing with very important topics such as organisation and management of supply procedures for satellite, microwave, telegraphic automatic relay, 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.

Since 1998, Alex Abbate managed 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 and Icelandic.

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 & Minicomputer-based Architectures.



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