

# Post Modern ERP

## Lessons from the Other Side

---

May 12, 2022

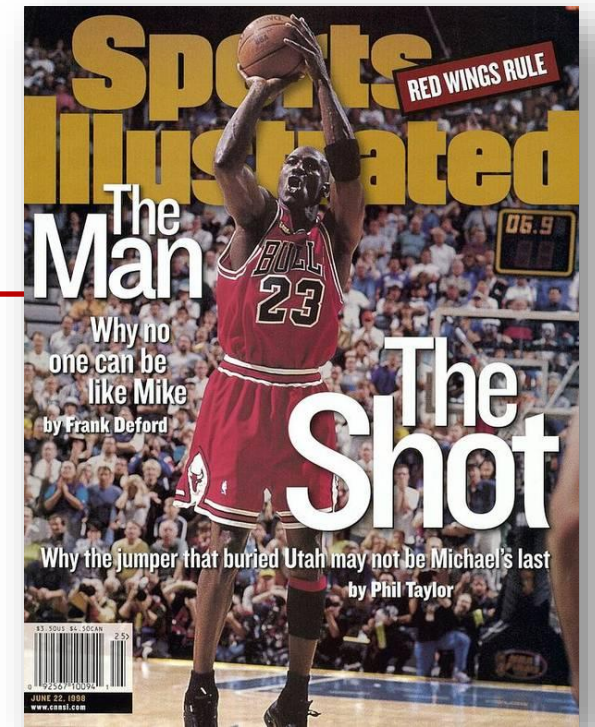
Nashville AFP Spring Seminar

Rob Ivy, CFO



# Remember 1998...

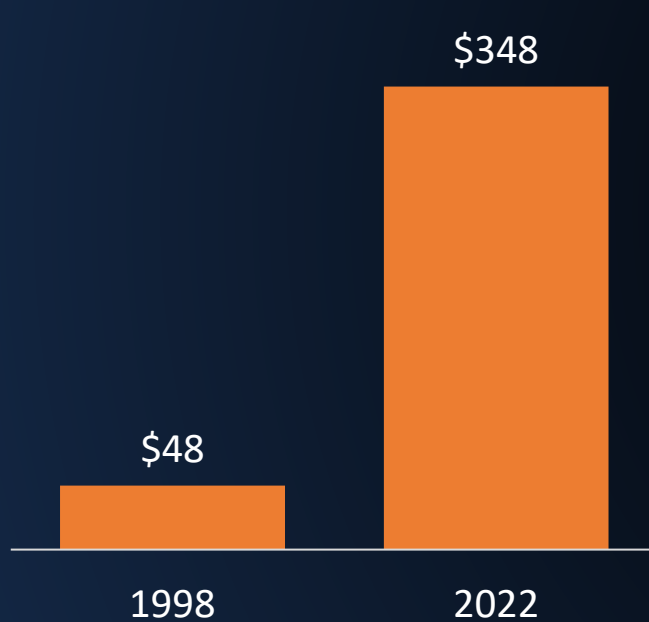
- Saving Private Ryan topped the box office
- The final episode of Seinfeld aired
- Google, Inc. was founded
- Disney's Animal Kingdom Theme Park opened
- Dale Earnhardt won the Daytona 500 for the first and only time, in his 20<sup>th</sup> attempt.
- An F3 tornado passed through downtown Nashville as part of a two-day tornado outbreak where 13 tornadoes swept through Middle Tennessee.
- President Bill Clinton was impeached by the U.S. House of Representatives in the wake of the Monica Lewinsky scandal
- Michael Jordan played his last game as a Chicago Bull, winning the NBA title in the final seconds with a fadeaway jumper.
- Lee Company installed its first ERP: Solomon (to become Microsoft Dynamics SL)



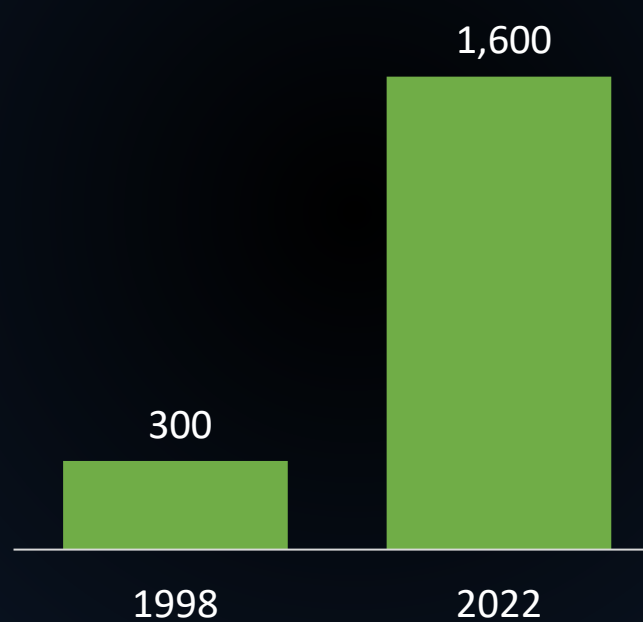
# Lee Company: Then and Now

---

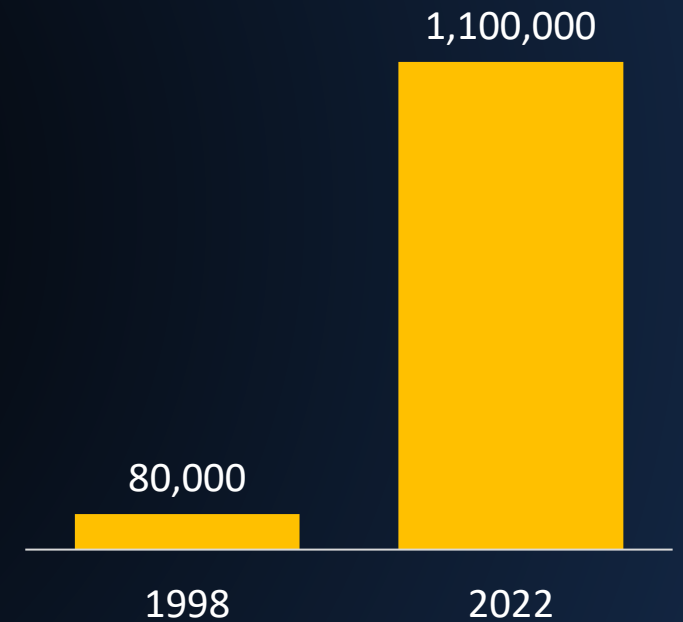
Revenue (millions)



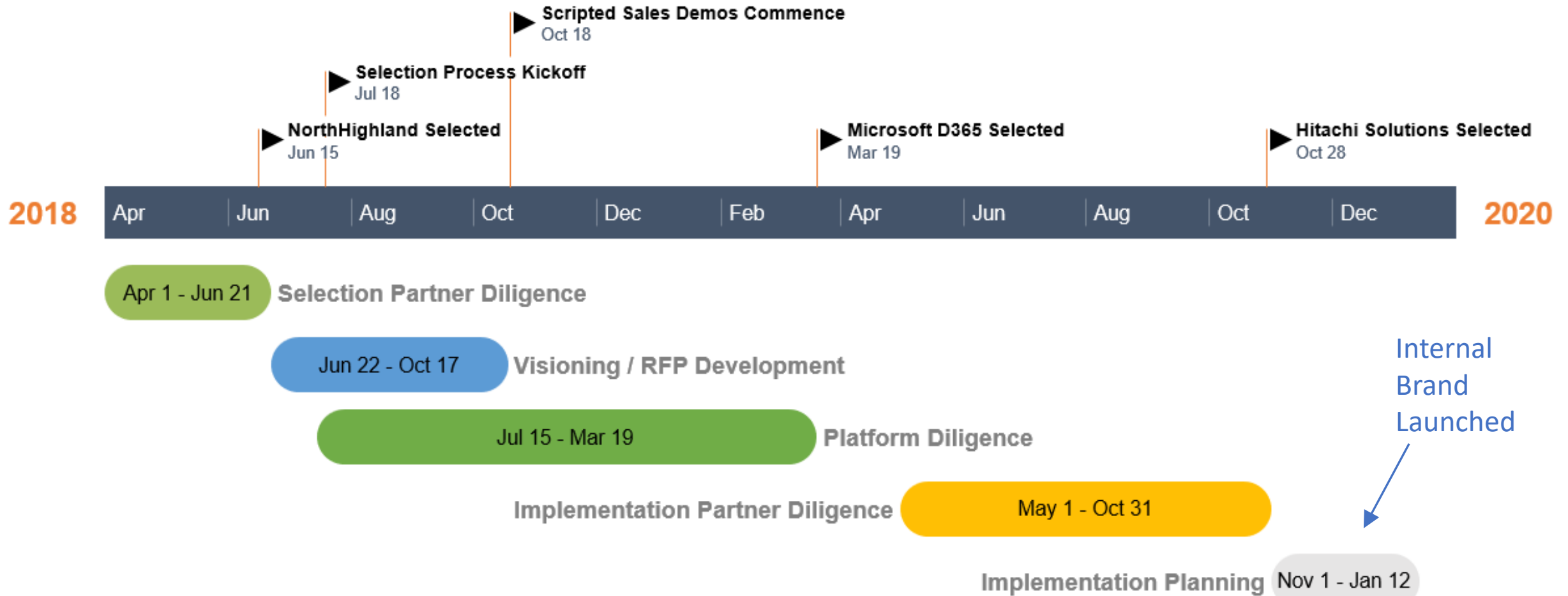
Employees



Transactions



# Timeline: Pre-Project

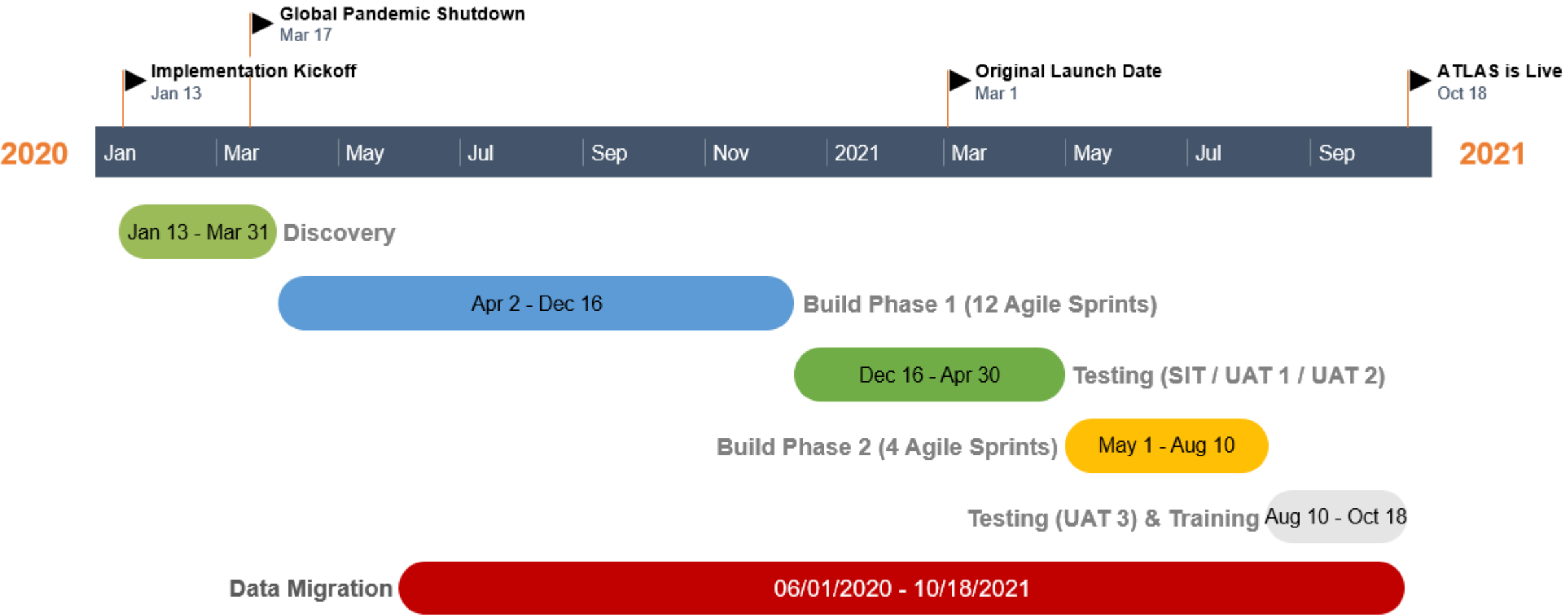


# Why ATLAS?

- Standing as one and moving as many is something Lee Company does everyday for our employees and customers, as part of our “One Lee Company” philosophy.
- Like the Greek Titan, ATLAS will support the weight of our organization on its broad shoulders.
- Better than Rand-McNally, our ATLAS will help us map our future, paving the way for innovation and expansion.



# Timeline: Implementation





# PROJECT GOVERNANCE

Lee Team

Hitachi Team

Other External

Executive Committee (8)

Steering Committee (20)

CORE Team (12)

## Functional & Technical Roles

Architects

Infrastructure

Consultants & ISVs

Lee SMEs (60+)

Data Specialists

Technical / DEV

# Lessons Learned: Governance

---

1. Establish a timeline and a budget, and then double both.
  - That's not an indictment of our process, it's a recognition that no one (not your implementation partner, and not you) understand the complexity of your business and what it will take to translate that complexity into the software
2. DO NOT UNDER-RESOURCE THE PROJECT, especially with respect to the number and type of internal team members that you assign to work on it.
  - FULL-TIME on the project, you will need:
    - Dedicated Project Manager
    - Admin Assistant for the PM
    - 2 to 3 Representatives from each unique line of business (1 director-level, 1 field manager)
    - Ensure sales, ops, and admin from each line of business is represented
    - 1 Senior Manager or Director from each of the following areas:
      - IT, Accounting, Payroll, Procurement
3. Be very selective in who you pick as your implementation partner
  - make sure you pick one that will take the wheel when you are driving through a thunderstorm, not the one who is content to be a passenger.
4. Insist on having an Executive Sponsor from your Software Vendor assigned to your account





# Lessons Learned: Scope

---

1. Assemble the Wish List, and cut it in half
  - Features vs Requirements
  - Scope creep will happen
2. Plan for multiple phases
  - e.g. Phase 1, 2, 3 released 9-12 months apart
  - Allow time for the organization to digest the change
3. Prioritize the work using your ROI framework
4. Limit the number of external integrations
5. Your internal team will be your biggest bottleneck

# Lessons Learned: Process

---

1. It takes longer than you think for your internal team to become software developers (DevOps, Acceptance Criteria, Test Cases, etc)
2. Data Migration is not something you can do yourself
  - Need business analysts, not just IT
  - Need a leader / PM just for this
  - Need external expertise
3. Ensure Cross-Functional Collaboration
  - Have everyone there for every sprint review and design session and talk through the full impact on all segments
  - Involve field-level team members in design decisions
  - Get Executive-level sign-off on all major design decisions
4. You can't do enough testing or training
  - Test with real data
  - Run parallel if you can
  - Iteration training - not all at once at the end
  - Load test



# Q&A

---

- **How did you present the business case to the company to make the investment?**
  - ROI analysis in each of our 5 business units across four dimensions
    - Revenue Opportunities
    - Productivity Enhancement - Field Operations (Cost of Sales)
    - Productivity Enhancement - Support (Variable Overhead /SG&A)
    - Hard Savings (IT)
- **How did the organization define success?**
  - In hindsight your definition is a lot more forgiving....basically not bankrupting the company in the short term!
  - In addition to delivering the product on-time and on-budget (we failed at both)
  - We identified what we called the "15 commandments" Our 5 most important enhancements in each of Projects, Service, and Support (we only got 10 at launch)



# Q&A

---

- **How did the staff manage competing priorities during the project? How did you keep staff motivated, excited and engaged during the project?**
  - For the CORE Team there were very few competing priorities, because ATLAS was their full-time job
  - The senior executive in their group made it known well in advance that they were going to be pulled out of their normal job to work on the ERP full-time and that they would need to transition their responsibilities to someone else for the duration of the project
  - For the SMEs, it was harder. Basically they just worked more hours to get it all done. There were urgent work priorities and urgent ATLAS priorities...there were a lot of long nights.
- **To handle the entire project, what additional IT investments did the project require? Were there any you weren't expecting?**
  - Expand / upgrade data team (2 to 3)
  - Senior Support Engineer with D365 experience
  - Upgrade from Phones to tablets for Field Techs and Sales
  - Data charges from Azure higher than budgeted
  - Microsoft licenses we thought we would need were different than what we did need

# Q&A

---

- **What were the biggest obstacles managing the organization during this change?**
  - The scope decisions that had to be made / trade-offs
  - Moving everyone's cheese
  - Staying focused on operations
  - Lack of visibility
- **What advice would you give someone who is just starting this process?**
  - If you're not forced to make a change like we were, think long and hard about whether it's worth it, and don't do it until absolutely necessary
  - Platform and Partner are critical decisions. It's great to be a big fish in a small pond until you've eaten all the other fish. Trade off. Personal attention vs R&D. A good partner can bridge the gap.
  - With Microsoft the good news is that it can do anything. The bad news is you have to tell it how to do everything. There is no out of the box.



# SOLOMON



An aerial photograph of a road surface showing several potholes. Some potholes are filled with a light-colored material, likely a repair patch. Two potholes in the lower right quadrant are filled with a bright red material, possibly a different type of repair or a marker. The text "ATLAS 2021" is overlaid in white on the center of the image.

ATLAS 2021



ATLAS 2023



