™

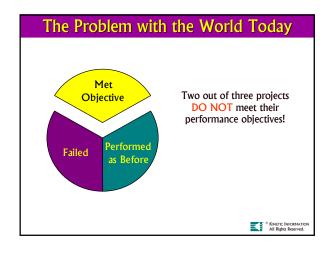# MAXTV^{SM} for ERP

Getting Maximum Total Value From Your ERP Solution
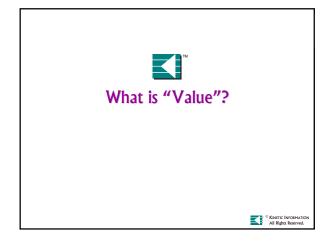
by
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The Problem with the World Today

Met Objective

Failed

Performed as Before

Two out of three projects **DO NOT** meet their performance objectives!

Inquiring Minds Want to Know

- How Do I:
  - » recoup the millions of dollars and scores of person-years I just invested?
  - » ensure and improve the effectiveness of my system going forward?
  - » get the most value I can from the beast I installed?

? ? ?

What is "Value"?

What is "Value"?

- "Attributed or Relative Worth, Merit, or Usefulness"[1]

- A *Metric* to be *Measured* and *Maximized* over Time
  - » Rapid Return on Investment / Low Total Cost of Ownership: *the economic "must-haves"*
  - » Ability to Support Key Business Initiatives *via process analysis and change*
  - » Ability to Improve Communications Flow *by streamlining webs and enhancing information access*

[1] *Random House College Dictionary*

What is "Value"?

- For You, a System is Valuable if:
  - » it saves money
  - » it saves time
  - » it saves effort

- And Supports
  - » functional versatility
  - » technical flexibility
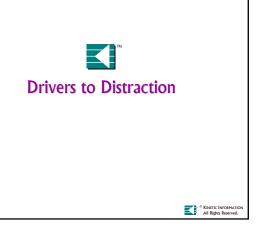 - » competitive agility

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What is "Value"?

- For Your Constituents, it's Satisfying 'My-ness Mania'
  - » Increasing demand for individualized views and some measure of control
  - » Self-service is king ... and a key to ROI justification

My Netscape *My Intranet*

MySAP *My Desktop*

Value is More than Raw Economics

- It Includes Helping People Work Better, and Work Better <u>Together</u> …

  … Today and Over Time …

  … To the Greatest Degree Possible

You Need to Get as Much as You Can!

- But it's Harder than it Looks …

Drivers to Distraction

Drivers to Distraction

- You and Your Vendor: "A People Divided by a Common Purpose"
  - » One goal: to maximize the total value of your solution
  - » But two different perspectives:

    Noel Coward

    - Vendors want to sell as quickly and efficiently as they can. Key metric: **revenue**
    - Customers want to improve their operations to the greatest degree and for the least cost possible. Key metric: **value**

Drivers to Distraction

- Workplace Realities
  - » schedules & budgets as measures of "behindness"

Drivers to Distraction

- Workplace Realities
- Politics, Baggage & Religion

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  - **Politics**: boardrooms, budgets, behaviors

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Drivers to Distraction

- Workplace Realities

- Politics, Baggage & Religion
  - **Politics**: boardrooms, budgets, behaviors
  - **Baggage**: legacy systems, existing applications, prior experiences
  - **Religion**: Microsoft *über alles*, Hot Java!, process vs. product
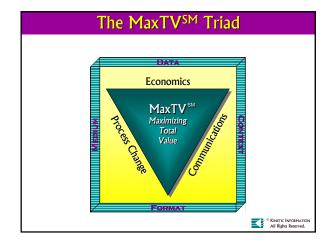

Drivers to Distraction

- Workplace Realities

- Politics, Baggage & Religion

- ERP, e-Business & Financial Initiatives
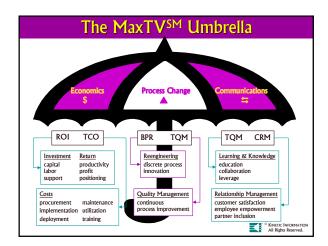 - » trying to do it all, and doing it all at once!

  No wonder a CIO's average
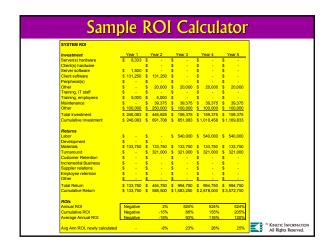 tenure is only 18 months!

MaxTV℠ to the Rescue!

The MaxTV℠ Triad

DATA

Economics

MaxTV℠
*Maximizing
Total
Value*

Process Change

Communications

FORMAT

The MaxTV℠ Umbrella

Sample ROI Calculator

Relating ROI and TCO

Process Elements to be Orchestrated

Procedures   Applications

Processes   Technology

Business Objectives

Sample Process Map

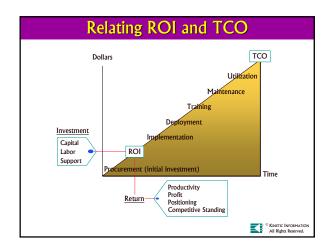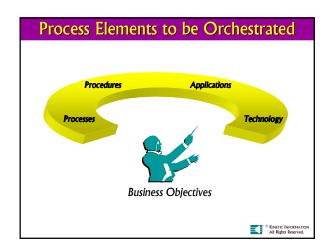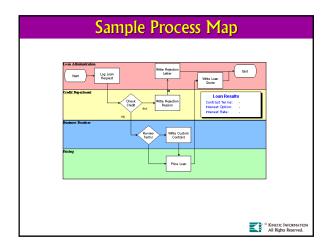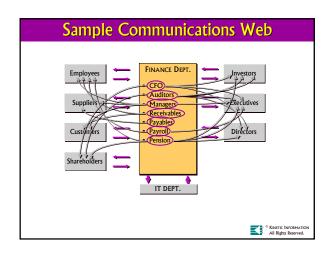## Sample Communications Web

Applying Max**TV**SM

Applying MaxTVSM

- Address Everything
  - » Economics
    - Look at purchase orders, timecards, licensing agreements, maintenance contracts, etc.

Applying MaxTVSM

- Address Everything
  - » Economics
  - » Process Analysis
    - Look at procedure manuals, org charts, supply chain 'telemetry,' etc.

Applying MaxTV^{SM}

- Address Everything
  - » Economics
  - » Process Analysis
  - » Communications
    - Look at e-mail directories, telephone lists, calling & mailing patterns, correspondence policies, etc.

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Applying MaxTV^{SM}

- Address Everything

- Encompass Everyone
  - » From the mailroom to the boardroom
    - Line of business managers
    - Technology directors
    - Senior executives
    - Purchasing agents
    - HR staff
    - Folks like you 'n' me

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Applying MaxTV^{SM}

- Address Everything

- Encompass Everyone

- Look Everywhere
  - » Up and down the process chain
    - Inside
    - Outside
    - In Between

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Applying MaxTV^{SM}

- Address Everything
- Encompass Everyone
- Look Everywhere
- Quantify, Quantify, Quantify!
  - » Populate an ROI/TCO calculator
  - » Plot the procedures & processes
  - » Map the communications web

Applying MaxTV^{SM}

- Address Everything
- Encompass Everyone
- Look Everywhere
- Quantify, Quantify, Quantify!
- Take a Long-Term View
  - » Plan for continuous follow-up
  - » Demonstrate MaxTV^{SM} on an ongoing basis
  - » Be there when add-on services are required

Customer Examples

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- Sears, Roebuck & Company
  - » Integrated HR & financial management program replaces "spaghetti chart" of legacy systems

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    - Streamlines HR functions; company expects 46% decline in ongoing operating expenses (economics)
    - Streamlines invoice processing; reduces administrative tasks and frees staff to handle more value-added responsibilities *(process change)*

Customer Examples

- **Sears, Roebuck & Company**
  - » Integrated HR & financial management program replaces "spaghetti chart" of legacy systems
    - Streamlines HR functions; company expects 46% decline in ongoing operating expenses (economics)
    - Streamlines invoice processing; reduces administrative tasks and frees staff to handle more value-added responsibilities (process change)
    - Unifies existing interfaces and systems; provides greater data integrity and smoother information flow throughout the organization *(communications)*

Customer Examples

- **Bausch & Lomb Eyewear Division**
  - » Supply chain planning technology reduces inventory levels and planning cycle times

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    - Lowers inventory across the supply chain; so far has reduced finished goods stocking constraints by $2 million (economics)
    - Reduces the planning cycle; so far has cut planning time from 40 days to 10 (process change)
    - Flexibly models business on a global basis; drives upper-level analysis of supply and demand, future outlook, and interim levels *(communications)*

Conclusion

Tricks of the MAXTV℠ Trade

- Subordinate Technology to Functionality
  - » it's about what people <u>do</u>, not what they use *(process change, communications)*

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Tricks of the MAXTV℠ Trade

- Subordinate Technology to Functionality
- Focus on Particular Information Needs
  - » maximize information <u>quality</u>, not quantity *(process change, communications)*

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Tricks of the MAXTV℠ Trade

- Subordinate Technology to Functionality
- Focus on Particular Information Needs
- Expedite Access to Information <u>and</u> People
  - » there's more to IT than just database access! *(communications)*

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Tricks of the MaxTV℠ Trade

- Subordinate Technology to Functionality
- Focus on Particular Information Needs
- Expedite Access to Information <u>and</u> People
- Facilitate Knowledge-Gathering and Analysis
  - » by heeding user feedback & organizational dynamics *(communications)*

The 'Paula Principle'

"Technology has enabled us to do more work <u>about</u> work than to actually *do* work."

– Paula Boyle, Kinetic Information

KINETIC INFORMATION
"Turning Potential Into Performance"™

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