ERP Evaluation Report

Prepared for

Kelly Satterfield

By

Russ Phillips

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An ISO 9002 Registered Company

RP Network

Introduction

An Enterprise Resource Planning (ERP) selection process that began in July of 2001 has now reached the final recommendation stage. This report will address the main proceedings and key elements that factored in to the decision process for the final selection and ultimate recommendation of RP Network's (henceforth RPN) ERP *company* of choice. *Company* is emphasized because the process focused not just on software functionality, but rather the software and the company behind the software.

The process was initiated due to inefficiencies in, and the discontinuation of, RPN's current system JobBoss for DOS. To accommodate RPN's 5-year growth plan and long term vision of the owners, a comprehensive and fully integrated manufacturing system has been deemed essential. In order to control projected growth, RPN's new system will provide a higher level of visibility to all aspects of manufacturing including financials, quality, and customer resource management (CRM). The system will also be stable, reliable, and scalable. In addition to providing an advanced IT infrastructure, the new ERP system will give RPN a leading edge technology and competitive advantage that will not only support, but promote exponential growth.

The Team

The ERP selection committee consisted of one representative from various departments within RPN:

Russ Phillips, MIS (Chair)
Bob Lettner, Scheduling
Tom Jeffreys, Finance
Tiffany Smith, HR
Jennifer Jones, Customer Service
Larry Knapp, Materials
Bill Kline, ISO
Jody Oliver, Quality
Anthony Huber, Manufacturing

The selection process proved to be a very time consuming task for all members of the team. Due to the nature of RPN's business, it was difficult to get all team members together on a consistent basis. Over the course of nine months a core team emerged out of the initial committee. As depicted later in this report, it was the core team members which made the final ERP selection.

The Selection Process

The selection committee decided the Chair would screen multiple software providers and present qualified candidates to the team in the form of on-site or web based demos. No formal request for proposal was generated, however, a request for information (RFI) was provided to all potential vendors.   The following criteria was considered essential for any company to qualify for a presentation:

- Windows Platform
- Open Database Connection (ODBC)
- Microsoft Office Compatible
- Multi-Company Capability
- Fully Integrated Financials, Materials, and Manufacturing
- Material Resource Planning (MRP)
- Supply Chain Management Tools
- Customer Resource Management (CRM)
- Human Resources (HR)
- Bar Coding – Shop Floor Control
- E-Commerce
- Electronic Data Interchange (EDI)
- Local Support
- Reliable Implementation Consultants
- Among Top 100 List of Manufacturing Systems (MSI, Inc.)
- Turn-key Cost Not to Exceed $100K

Qualified candidates were invited in to present their company and software to the team. Presentations typically consumed a half-day and covered the main features/functionality of the software, a brief background on the company, and the company's standard implementation procedures. The team would then have a follow-up meeting to discuss the presentation and either endorse or reject a second, more detailed analysis of the presenting company.

Companies making a second round of presentations usually were given a full day to present their products, and in many cases, were brought in multiple times to make presentations addressing specific areas of RPN operations, i.e., financials, quality, estimating.

Out of the companies making multiple presentations, a short list emerged consisting of three vendors, two of which made comprehensive two-day presentations. The presentations were made only after the companies spent one to two days inside RPN's facility collecting real manufacturing data and gathering process and procedural information from the selection committee. During the two day presentations, time was also allocated to the owners to conduct interviews with the principals of the software vendors and/or their VAR representatives.

Companies Screened for Qualification

- Epicor Vantage
  (currently used at Flextronics-ECA)
- MAS 90
- MAS 200
- Visual Manufacturing (Lilly)
- Best Enterprise Suite (Sage)
- Global Shop
- JobBoss for Windows

- Relevant
- ROI
- PointMan
- Profit Key
- MetalSoft
- RealTrac
- JTrax

Qualified for Demos

- MAS 200
- Visual Manufacturing (Lilly)
- Best Enterprise Suite
- Global Shop

- Relevant
- ROI
- JobBoss for Windows
- Epicor Vantage

From the companies qualifying to make presentations, five actually made on-site presentations to the entire team, however, all of the companies were invited to make either web demos or on-site demos to selective members of the team. JobBoss was very late in responding to the RFI and was ultimately denied an invitation to demo on-site. Epicor was scheduled to demo on-site but was a no show / no call. This confirmed speculation that Epicor was experiencing financial troubles.

After the five vendors made their presentations, several follow-up meetings were held to discuss the pros and cons of each company and the software presented. The team was instructed to consider each company carefully and decide on a first and second choice. On November 14 a vote was taken. The following table shows the results.

Team Member	Visual Mfg	Best	Global Shop	ROI	Relevant
Bob Lettner	1	2	3	3	3
Bill Kline	3	1	2	3	3
Larry Knapp*					
Jennifer Jones	2	3	1	3	3
Tiffany Smith	1	2	3	3	3
Tom Jeffreys	1	2	3	3	3
Russ Phillips	2	1	3	3	3
Totals:	10	11	15	18	18

* Larry Knapp was not present during Best presentation and did not vote.

Legend:
1 = 1st Choice
2 = 2nd Choice
3 = Not Chosen

The Short List

After the initial vote three vendors remained. To this point pricing was never considered by the team, although proposals were being submitted throughout the process. The committee's primary focus was on software functionality, screen navigation, and the company's implementation capabilities. In general, all vendors were fairly aggressive with their pricing, indicative of the fragile economic times.

By January, Global Shop had visited RPN's facility five times and had presented some portion of their software each time. The other two vendors making the short list had only been in once (Visual), or twice (Best).   Both of these companies were invited to make two-day presentations after spending a day compiling real data and process information from the various team members.

Once the presentations were complete, more follow-up discussions were held with just the core committee members and a final vote was taken on January 29. The team was asked to vote for their first choice only. The following table shows the results.

Team Member	Visual Mfg	Best	Global Shop
Bob Lettner	1		
Bill Kline	1		
Larry Knapp		1	
Jennifer Jones		1	1*
Tiffany Smith		1	
Tom Jeffreys		1	
Russ Phillips		1	
Totals:	2	5	1

* Jennifer Jones' first choice was Global Shop. Because it was the only vote for Global, Jennifer was allowed to cast another vote for one of the two leading vendors.

Preferred ERP Company

Best Enterprise Suite, formally Sage, emerged as the software vendor of choice by a fairly close margin. Each member of the selection committee had an opportunity to voice their opinions, both openly to the entire group, and privately with the Chair. Visual and Best were clearly the preferred vendors of the remaining three so most of the discussions focused on those two.

All members seemed to be comfortable with the selection of either system, be it Visual or Best. Everyone agreed that implementation of either of the two systems would allow their respective departments to run more efficiently.

Aside from the software features, which were similar, Best swung the vote based on its size, its position in the marketplace, its value added reseller (VAR), and ultimately its pricing structure.

Best's VAR, Real Software Company (RSC), was clearly the preferred consulting firm of all firms evaluated. The team's position on a successful ERP implementation and ongoing deployment was very succinct: RPN must *partner* with a local VAR and the software company they represent. It was unanimous that RSC has the infrastructure, competence, motivation, financial stability, and the personal emphasis to make a strong IT *partner* with RPN.

Attached to this report is RSC's proposal and financial statement.

Pricing by Vendor

Software Vendor	# of Users	Software	Implementation	Total	Annual Maintenance
Relevant	20	$ - - - ,230	$ - - ,600	$ - - - ,830	$ - - ,462
ROI	20	$ - - - ,995	$ - - ,000	$ - - - ,995	$ - - ,500
Profit Key	No Limit	$ 0	$ - - ,000	$ - - - ,000	Unknown
Global Shop	20	$ - - - ,000	$ - - ,500	$ - - - ,500	$ - - ,200
Visual Mfg	20	$ - - - ,417	$ - - ,500	$ - - - ,917	$ - - ,999
Best Enterprise	25	$ - - - ,195	$ - - ,500	$ - - - ,695	$ - - ,578
MAS 200	20	$ - - - ,000	$ - - ,000	$ - - - ,000	Unknown

It is important to note that some of the pricing listed has been estimated. Because of the various ways in which vendors price 'optional' modules, adjustments to the original proposal have been made in order to compare all packages fairly. In most cases, vendors submitted multiple proposals, each time reducing their original price. As part of Best's final proposal, an additional five users was added at no additional charge, hence the disparity in user count.

The Next Step

Now that the votes have been counted and a recommendation has been made, the next step is to perform due diligence on the preferred vendor. Financial statements have been provided, along with a list of Best references. Also, because this will be the first Best implementation for RSC, a list of companies using RSC as implementation consultants has been provided. Reference checks are on-going and thus far have been favorable.

In addition to reference checks by phone, it is recommended that an on-site visit to a Best user be conducted. An offer has been extended by RSC and Best to visit its corporate headquarters and software support center in Irving, CA. Located nearby is a Best user, which has offered to open up its facility for RPN to take an in-depth look at its operations and deployment of the Best Enterprise Suite.