Is Your Business System Providing a Competitive Edge?.......Take the Test!

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Taking the plunge to replace a company’s business system(s) is a major challenge and has a degree of risk associated it. You need to test the waters to see if there is really a need, as identified by the users, that the system is not adding value to the business operations but creating non-value added work. A caution, some users will want to stay with the current system. So you have to be aware of the people that are happy as a lark and don’t really want to change.

Generally you need to query whether the users are satisfied with the current system and also if senior management is satisfied. Is there a level of operational pain with the current system? Usually if there is pain, then people will see that there will be something to gain by implementing new software. Get a number of users together to discuss, “Do we need to change?”, this is a start. Usually the manufacturing or finance personnel can lend support as to if there is a need. The next important question is - Are we ready to change? This assessment of resistance to change is also a critical part of this process.

Sometimes you have to generate reasons for change. This is especially true at companies that have had their current system for a number of years, was developed internally, and has been changed or developed over a number of years to fit the users requests. The checklist below may help with this search of user dissatisfaction. The list was developed over a number of years with clients who have gone through this soul-searching process of determining if their system is supporting their business to become world class.

User Dissatisfaction Checklist!

- Does system support customer service requirements?
- Does system support the business process flow?
- Are there interface issues with other software that has been recently added?
- Is critical information lacking or difficult to access from the system?
- Are there too many software modifications, or have the developers left the company and there is minimal technical and user documentation?
- Are users aware of the system functionality?
- Is business information/data available on a timely basis and can it be accessed?
- Do many informal systems exist, e.g., manual processes and/or other software like MS Excel or Word?
- Is ability to create reports a major task and does IT need to be involved each time?
- Does the system support new information technology, i.e., bar coding, e-commerce, or email?
- Do we see lot of paper reports, are the nearby forests disappearing, and are the recycle bins always full?
- Can we access historical data easily and create it into useful business information for analysis?
- Will the system support the growth of the business and the changing business model?
- Does the software vendor still support our software release, or are we at the mercy of a third party?
Is there limited user and IT knowledge of the system functionality?
Is there limited amount of technical and user documentation available, or does user tribal knowledge run the system?
Does the system allow data drill down capability, e.g., enter a customer order and peg down to purchase order or job status in manufacturing?
Are there islands of system automation requiring either duplicate data entry or need to access multiple systems to get an answer to execute a transaction?
Is finance the only key users of the system?
Many of the software modules were purchased but not installed?
Are we still implementing the software modules?
Is the company culture inhibiting the full utilization of the software capabilities?
Do users blame the system if something goes wrong or information is incorrect? Are there questions about system data integrity?
Does senior management understand the capabilities and use the system on a regular basis?
Is business being conducted the same old way even though the world is changing around us?
Are new employees less effective when using the system? -- a long learning curve.
Do we have system training and education available for new employees?

This list is a start to determining if your system gives the company a competitive advantage. To help you with the evaluation process the following test will help assess if your current business system does give the company a competitive edge?

The Test!

For each question pick the most appropriate answer and total the points at the end.

1) What business Functional Areas are supported within the current system(s)? – Count 2 points for each function/module selected.

- Sales Forecasting/Demand Planning
- Master Scheduling/MPS
- Inventory Management
- BOM/Formula/ECN
- MRP
- Purchasing/Receiving
- Fixed Assets
- Assessment Management
- SFA/CRM
- Field Service
- Capacity Planning/CRP
- APS
- Product Configurator
- E-Commerce – EDI, EFT
- Cost Accounting
- Estimating/Quoting
- Customer Order Processing
- Financials – G/L, A/P, A/R
- HR/Payroll
- Maintenance Management
- Warehouse Management/WMS
- Product Data Management/PDM
- Routing/Shop Floor Control
- Project Management/Accounting

Number of Points ________
2) Are all of the functional areas identified in question-one implemented and fully integrated? Integrated means that information passes seamless/directly between the functional areas without data being re-entered.

Select One:
   No = 0 Points, Interfaced Systems = 5 Points, Integrated System = 10 Points

Number of Points ________

3) Does the system provide on-line “drill down” capability? The ability to access on-screen the detail of transaction sets, e.g., get the details for a customer order, form displaying any open purchase orders, released work orders, or inventory transactions.

Select One:
   No = 0 Points, Partial Capability = 5 Points, Full Capability = 10 Points

Number of Points ________

4) Does the system have a user-friendly report writer or on-line query capability to get access to data/information in a user-defined format? Reports do not have to be created by IT staff.

Select One:
   No = 0 Points, Somewhat, Not the Easiest = 5 Points,
   Very Robust Capability = 10 Points

Number of Points ________

5) Can the system be easily modified to reflect changes in the business process? May use business modeler or process flows, which are part of the software.

Select One:
   Source Code Changes Required = 0 Points, Minor Programming Changes Required = 5 Points, User Definable Changes Can Easily Be Made = 10 Points

Number of Points ________

6) Are PC’s part of the business system network? The PC can be used to access system information and can download data to third party software for analyses.

Select One:
   No = 0 Points, Add-on GUI Capability = 5 Points, Full Capability = 10 Points

Number of Points ________
7) How easy is the business system to use? Is the specific user documentation readily available on-line or in hard copy?

Select One:
Extensive Training Required = 0 Points, Reasonable Help Menus and Documentation = 5 Points, System Very Intuitive and Specific User Documentation Readily Available = 10 Points

Number of Points ________

8) Does the business system have electronic workflow or business modeling available? Has the capability to allow the users to follow a pre-defined or define a business process flow within the system.

Select One:
No = 0 Points, Limited Capability = 5 Points, Full Capability = 10 Points

Number of Points ________

9) Can the system support new technology, e.g., bar coding, e-commerce, electronic transactions for payment or purchase orders, PDA access, or web page access/portals by customers or suppliers?

Select One:
No = 0 Points, Limited Capability = 5 Points, Full Capability = 10 Points

Number of Points ________

10) How easy is it to find answers to system questions or find help about the software functionality and capability?

Select One:
Manual Information Available = 0 Points, Reasonable Number of Help Screens = 5 Points, Multiple-Media Help Available = 10 Points

Number of Points ________

11) Is the system used extensively to help run the business, e.g., receive customer orders, forecasting, purchasing, inventory management, scheduling, status, costing, develop and maintain product structure, etc. or does user tribal knowledge hold everything together? Experience counts on making things happen in spite of the system.

Select One:
No, Tribal Knowledge is Used and Needed to Run the Business System = 0 Points, Combination of Tribal Knowledge and System Is Used = 5 Points, Yes the System Is Used to Run the Business = 10 Points

Number of Points ________
12) Does management think that the system is a good investment and they also use it on a frequent basis?

Select One:
   No = 0 Points, Sometimes = 5 Points, Yes They Use the System Frequently = 10 Points

Number of Points ________

Total Points_________

How did you do?

The Results

The following describes how well your system rates regarding its ability to make or keep the company competitive.

❖ > 105 Points; System Will Keep the Company Competitive, But Don’t Let Up
❖ 70 to 105 Points; System Might Hang on For Awhile
❖ 50 to 69 Points; System Just Hanging On, But Heading For Trouble
❖ <50 Points; It May Be Too Late To Catch-Up

Summary

Depending upon where your system scored, you could be feeling great or a little down. The important thing is, if you are in the latter categories then now is the time to do something, fast. Initiate a project to pursue an enhancement or replacement of your current business system. This will require the support of management to make the whole definition, selection, and implementation process succeed. Good luck with the project, it’s worth the effort to stay competitive!

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