QAD EE 2015 Implementation

MWUG
September, 2016

What Happened?

- **Landmark Plastic replaced a 30 year-old business system with the latest version of QAD Enterprise Edition.**

- **The company went live with QAD version 2015EE in May of 2016.**

- **Key components of the implementation include: Advanced Repetitive Processing with Modified Backflush, as well as, the use of barcode labels for all on hand inventory.**

Agenda

- ❑ **Goal of Presentation**
- ❑ **Landmark Plastic Overview**
- ❑ **Project Summary**
- ❑ **New Functionality**
- ❑ **Lessons Learned**
- ❑ **Q & A**

Presentation Goal

- **Project Overview**

- **Functionality leveraged**

- **The key lessons we learned**

Landmark Plastic Overview

For 30 years Landmark Plastic has been making life easier and less chaotic for growers, from propagation to patio. Our wide range of plastic containers, trays, packaging and growing systems for the horticultural industry were all designed with a deep understanding of what growers need. And what they don't.

Our *injection molded* and *thermoformed* products can meet virtually any size, propagation, water conservation or transportation need. And because they're precision-made in our own state-of-the-art facility, everything we make includes the uncompromising quality that allows for easy use. Not to mention the flexibility to customize your products with a variety of color, printing and labeling options to highlight your brand.

Based in *Akron, Ohio* since 1984, our reach now extends across a number of countries. So no matter where you are, our problem-solving products and innovative solutions are right there to make life just a little easier.

Company Overview

- **Privately held company**

- **Management Team**

  - **Chief Executive Officer– Bob Merzweiler**

  - **COO & President - Steve Merzweiler**

  - **CFO – Randy Gaj**

  - **Controller – Glen Betts**

- **GEN version 1980's – Foxpro – 16Bit**
- **Resin and Regrind are primary material inputs into production**
  - **Injection Molding**
  - **Thermoforming**
- **Analytics – Pounds Based. (Past and Present)**
- **Material Cost Focus (~ 60% of product costs)**
- **Tribal Knowledge**
- **Employee Attrition**

ERP Selection Goals

- ❑ **Choose the right ERP Business Software**
  - ❑ **Perform a Selection for the right Software Package.**

- ❑ **Choose the Right Implementation Partner**
  - ❑ **Determine the level of involvement from your partner.**

Project Scope

- **Full Cycle Implementation**

  - **Manufacturing**
  - **Distribution**
  - **Financials**
  - **Eagle Barcode data Collection**

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- **Our internal infrastructure was outdated.**
- **We upgraded servers.**
- **We upgrade user machines.**
- **Migrated to Office 365.**
- **Stood Up a new production line**
  - **Line 12 - Increase our capacity specialty product .**

Project Summary

- **Non-Regulated Industry**

- **Migrate from Homegrown 16 bit FoxPro to 2015 QAD Enterprise Edition**

- **5 Month Project Plan, 2 sites, Single Domain, Multi-Entity**

- **New QAD Database, no conversation of historical data**

  - **(legacy FoxPro used for historical data).**

- **New to QAD EE and .NET UI Interface, Reporting Framework**

  - **(FoxPro app used CHUI interface)**

- **Advanced Repetitive Orders with Modified Back Flush**

- **Eagle Bar code data collection.**

- **Landmark Responsibilities included**

  - **Documentation Deliverables (Flows, Narratives and Work Instructions, CRP Scripts)**

  - **data conversion and Data Cleansing**

- **Logan Responsibilities**

  - **Scoping, Planning, Installation, Software Training and Business Process Design.**

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Project Solution

❑ **Manufacturing Accounting Solution**

- **Advanced Repetitive Manufacturing with modified backflush**

- **Lot control on extruded Roll**

- **Run Labor**

- **Goal of this Configuration**
  - ❑ **Obtain Meaningful Materials Requirements**
  - ❑ **Obtain Meaningful run times for routings**
  - ❑ **Material cost Reductions**
  - ❑ **Increase Focus on Material Planning**
  - ❑ **Track Discrete Extruded Rolls and Weights in Inventory**
  - ❑ **Track Specific Material Content for Each Roll**
  - ❑ **Move Material components of roll from "Tribal Knowledge" to Science.**
  - ❑ **Report actual roll usage to account for material yield**
  - ❑ **Report actual roll usage to fairly state Inventory Quantity on Hand.**

Project Solution

- ❑ **Planning**

  - • **MSW/PSW**

- ❑ **Distribution**

  - • **Advanced Shipping.**
  - • **DRP to support Florida warehouse replenishment requirements.**
  - • **EMT for direct shipments of Florida customers.**
  - • **New Price Lists focused on list and discount pricing.**

- ❑ **Warehouse**

  - • **Eagle Bar Code Data**
  - • **Inventory Tickets.**
  - • **Put away, and Picking.**

- ❑ **Financials**

  - • **General Ledger**
  - • **Accounts Payable**
  - • **Accounts Receivable**
  - • **GTM for Transactions Taxes**

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Project Summary

Steering Committee

President - Steven Merzweiler
CFO -   Randy Gaj

Quality Assurance

Tim Lovely
Logan

Account Manager
Craig Thompson
Logan

Project Management

Glen Betts - Controller

Andy Vitullo - Logan

Landmark Team / Roles

| GL Cheryl Hunt | Costing Randy Gaj | AP/AR Cheryl Hunt | Operations Paul Wallbrown | Procurement Tony Ferrara | Sales/CSR Steve Beall Yvonne Olenzak | Scheduling/ Shipping Jennifer Wallace | Systems Analyst Maija McClure Creed Helmsley |

Technical
Jeff Fostyk

LOGAN TEAM

| Finance Lead Andy Vitullo | Operations Lead Andrew Hall | Technical dBA Gary Seibold |

Project Summary

Before we start implementing, lets all agree that the following will happen:

Change:

- **Must have a willingness to modify and optimize business processes leveraging QAD Business Application functionality.**

Learning:

- **End users must be dedicated to learning the new software, which typically requires additional training and practice.**

Investment:

- **Forms need to be designed using the Reporting Framework Templates**

Self Sufficiency:

- **Business Process Owners**
- **Internal 'Learning Environment' and Tools**
- **Good data entry practices fosters trust in system outputs**
- **Commitment to elimination of side systems**

Project Summary

- **Significant change**
  - **New Software**
  - **From Resin Pounds Focused Management to Transactional Based Data.**
  - **Legacy master item and BOM date was stale.**

- **New Chart of Accounts for P&L Section**

- **Perform Process Design**

- **Loaded All Master Data Tables.**

- **Converted GL History at the Trial Balance Level.**

- **Ran Parallel with QAD and FoxPro for 6 weeks leading up to Go-live.**
  - **Huge!!**
  - **Mitigated (change – learning – investment – self sufficiency)**

Project Summary

Major Project Milestones/Deliverables:

Scoping and Planning
- Project Charter
- Detailed Project Work Plan

Installation and Training
- Trained Project Team
- Installed Hardware and Software

Design
- To Be Process Flows
- To Be Process Narratives
- Detailed User Procedures

Development
- Technical Specifications – From developers
- Completed Development

Validation and Testing
- Conference Room Pilot Scripts
- Conference Room Pilot
- Training Plan
- Trained Users

Launch
- Data Conversion Programs
- Detailed Cutover Plans
- Live Production System

Project Summary

Results:

Go live = May 15th, 2016 (8 months after target)

Unexpected Additions to Budget:

- **Technical Assistance**
  - **DBA Management**
  - **QRF Support**
- **Go Live Support**
  - **Very Limited as a result of Parallel Processing**

- **Project Delayed due to Lean internal resources.**
  - **Running the business always trumps the project.**
  - **Seasonal Business Condition**

Lessons Learned

1. Project Lessons
   - Design Phase – Process design had to be done "from scratch" .
   - Bring in non-core SMEs into design sessions where appropriate.
   - Never enough time to practice transactions.
   - Development Phase – Forms and Labels, as well as, data conversion was the focus of this phase.
     - Progress, Linux and QRF were our technical challenges for our internal team.
     - Our business analyst was new to QAD and required a "learn up" phase. He became very proficient in Excel Integration, Progress Queries, and CIM Loading.
   - Validation Phase – Testing had to be much more rigorous here due to the new processes resulting in a longer testing timeline.

2. We pushed for a data conversion exercise immediately after the completion of the Design phase. Ensured internal business analyst practiced data conversion, learned the tools and cleansed the data from the source system.

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Lessons Learned

Data Conversion

- **Excel Integration - Troubleshooting failed loads is frustratingly tough due to poor error reporting. At its worst, it won't direct you to the record that fails forcing you to keep cutting the load file down in half until you get to a manageable set of records to troubleshoot through.**
    - **Bulk Data Loader in new functionality to 2015EE and allowed to overcome the limitation of Excel Integration .**

- **Excel Integration does not allow for the deletion of records, however, there are technical xml related scripts to run on the tomcat server to mass delete records in tables.**
- **Practice, Practice, Practice**

Immediate Benefits

- **Reporting via ODBC**
- **Variance analysis is proving invaluable**
  - **Standard Costs analysis.**
  - **Run time labor reporting versus standard routing.**
- **Production Supervisors are getting actual data.**
- **Close cycle - 10 days to 2.**

Questions