

# **Sonoco Business Redesign**

***Best of Breed vs. ERP***

# Legacy Mill System

- 13 Mill Locations
- 11- Custom Built systems
- 2 – Older version of Honeywell Optivision
- Each plant had it's own server
- Mill specific enhancements (personalizations)
- Costly to maintain
- Information not readily available

# VISION

*(beginning of the project with rose colored glasses)*

- *Our ultimate goal is to have a system which will provide each Paper Division team member with the tools and information to perform his/her duties in the most time efficient and cost effective manner while placing a high emphasis on customer service and cost reduction*

# Objectives

- Replace current system with a standard packaged software that satisfies our current and anticipated future requirements with little or no modifications: The new system should have a focus on:
  - Enhancing customer accessibility to information
  - Reducing cost in the supply chain
  - Making user report construction easier

# Planning and Scheduling Vision

- Capabilities
  - Review all order data
  - Available inventory
  - Cost
  - Machine trim
  - Approved sources of supply
  - Production schedules
  - Production cycles (2-3) weeks
  - Handle break-in orders

# Shop Floor Vision

- Capabilities:
  - Communicate orders to the floor
  - Detail schedules
  - Communication and handling of order changes
  - Packing specifications to the floor
  - Quality notes attached by lots

# Order Entry Invoicing

- Web enabled system for adding, changing and deleting orders
- Order Inquiry of orders
- Account status

# Warehousing and Inventory

- Analytical and monitoring capabilities of inventories and inventory levels

# Shipping and Transportation

- Utilization of RF equipment for shipping transactions

# Sonoco Corporate Mandates

- PeopleSoft Financials required for all divisions
- Corporate management of cash
  - General ledger and P&L
  - Accounts Payable/Accounts Receivable
- Customizations are not preferred  
*(when in doubt change the business process first)*

# Sonoco Corporate Assumptions

- Use of established Data Warehouse for reporting
- Networks are reliable
- Moving servers to Data Center is cost effective
- Centralized servers offer backup and redundancy

# Methodology

- Formed Cross functional teams
- Determined requirements and ranking
- Looked to improved processes for efficiencies, cost savings and value creation:
  - Centralized order entry
  - Centralized planning
  - Centralized trim optimization
  - Centralized purchasing system



# MSS Replacement - Selection Process

2nd Q '01 Requirements Defined - 53 People Involved

3rd Q '01 Selected 8 Potential Candidates

3rd Q '01 Selected 3 Semi-Finalists

4th Q '01 Vendors Completed Scripted Demos

1st Q '02 Request for Proposals

2nd Q '02 Chose 1 More Alternative

2nd Q '02 Scripted Demo for Alternative

2nd Q '02 Request for Proposal with Alternative

3rd Q '02 Site Visits for Alternative (if Required)

3rd Q '02 Select Vendor and Initiate Implementation Project

# Why MES rather than ERP for Sonoco

- ERP would be duplication of finance transactions with PeopleSoft!
- Focus on Shop Floor use!
- Focus on Industry Specific functionality!
- Limited scope!
- Overall Price and Maintenance!

# Learnings

- MES for Sonoco is easier to implement
- Integration to legacy for roll-out is an issue
- System Engineering critical
- *Still mill nuances(customers and products)*

# Marriage and System Purchase Similarities

# Rules to follow in selecting a potential partner!

- Know where to find good partners!
- Choose possible mates only with good reputations!
- Stay away from high maintenance partners!
- There is more to beauty than skin deep!
- Your choice should be a personality fit!
- Remember this is for the long-term!

# Rules to Follow on the First Date

- No promises!
- Don't move too fast!
- Set timetable for subsequent meetings/dates!
- Take the time to get to know each other!
- Don't be afraid to break up early!
- Narrow the field down to a few and tell them you are serious!
- *Remember you can only marry one!*

# Beware of the Courtship period!

## *A time for further intimacy*

- Both will promise you the moon!
- Remember you are probably lying too!
- Both will be nice until you say I do!
- Examine potential mates as closely as they will permit!
- Sharing *private* information among multiple suitors is not socially acceptable!
- Remember vendor script testing is not the real thing!
- *If a vendor gives you the real thing now there usually are strings attached!*

# The Final Choice

- Look at the entire family!
- Do you need the whole family or just a mate?
- It's OK to look at the finances!
- Beware of multiple personalities!
- Complex choices are harder and costlier to maintain!
- **Warning : “ One Deviation from analogy”:**  
*Unlike a marriage experienced vendors are preferred*

# The Truth

- *No matter what we say, the choice is mostly emotional !*

# Marriage and Purchase Guidelines

*before walking down the aisle*

- *We strongly advise a prenuptial agreement although the spouse may object!*
- *Wouldn't it be nice if we could have a marriage warranty!*

# Honeymoon Realities

- *“The first time (go live) will probably not be that good!.....so keep trying and have patience”*
- *“It’s not the large issues that will bug you but the on-going small things”*

# Major Reasons for Divorce

- *“The expectation that there will be major modifications after the ceremony”*
- *“Most marriages fail because of misunderstandings over finances”*

# Marriage Stress & Surprises

- **Marriage**

New children  
Need a larger house  
Growing expenditures  
Previous marriage issues  
Spouse won't work  
Personality change  
Artificial implants

- **Vendor**

Inherited consultants  
Growing infrastructure  
Growing expenditures  
Unfinished engagements  
Software won't work  
Personality change  
3<sup>rd</sup> party software

# Rules for a Happy Marriage

- **Interfacing with other systems/people is acceptable including visits to the data warehouse down the street!**
  - ***However we strongly discourage integration for the following:***
    - It may be fun and glitzy at first but support will get old!
    - Costlier to maintain primary system and the secondary systems!
    - Was it worth the added functionality?????
- ps..if you still want to be sure to get virus protection***

# Our Opinion on version updates is mixed at best :

- Always costlier in time, money and effort to get an update
- You may get added pleasant features with the new version that was not present in the old
- It will require some retraining
- If the your partner announces he will no longer support the legacy version you have no choice!

# Final Comments

- *“Don’t get married unless you have to!”*
- *“Treat your Honey Well”*