



Systems Conversion, Ltd.

Client Connection

Knowledge at Work

May 2002

Perspectives on the PRMS Acquisition

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The acquisition of the interBiz supply chain, financial and HR applications by SSA Global Technologies from Computer Associates was announced as this newsletter was going to press. This acquisition nearly doubles the installed base of SSA GT (to 10,000 accounts) with the inclusion of MANMAN, MK, KBM, BOSS, PRMS and Masterpiece. The full ramifications are not yet known, including the final disposition of some senior interBiz managers. There must have been around 700 interBiz employees prior to the purchase, and we estimate that a little more than half remain. Sales and administrative positions were the hardest hit. Although development now reports directly to SSA, Mike Connolly retains the overall reins at this time. We will have to wait to see whether his commitments at the last ANAUG Fall Forum will be carried through.

The Outlook

There are indications that this change may be positive for PRMS clients, although the key word is "may." However, I believe PRMS users are looking for informed and measured opinions about this transaction, not just the PR version or the overused adage that "everything is going to be great." At the Sunday seminar at the ANAUG Fall Forum in October, I suggested the ERP industry is moving from immaturity to a more mature transition phase

where vendors are consolidating their offerings. In the 1980's, the quality of consulting services was not the critical factor for MRP user companies. Clients were lenient because the technology was new. The most important factor was achieving a competitive advantage.

Fast forward twenty-odd years...today's message from clients to ERP vendors is "make me happy" and "I'm here to stay." CA wasted the last few years with a strategy that ignored interBiz' bread and butter ERP products in favor of BizWorks. Some senior interBiz managers and staff were aware of the impacts of turning away from new ERP sales, but this had no apparent effect and led to the SSA acquisition.

In this age of advanced technology, functionality with ERP systems should be a given, and customer service is the top priority. There will be fewer and fewer vendors in the upcoming years. Your voice will say who survives and who does not. The consolidation has already begun.

Common Origins

PCR was the developing company for PRMS, and merged with Pansophic in the mid-1980's, which was later acquired by Computer Associates in November 1991. SSA was formed by an ex-PCR principal and others in the 1980's with the BPCS product, so the two systems have a common heritage. BPCS and PRMS on IBM iSeries platforms have similarities, although the emphasis has diverged.

Observers see BPCS as having assimilated many add-on applications while PRMS concentrated on core ERP function.

SSA GT Perspective

Probably the most significant advantage for PRMS clients is that their software is now part of a business with an undiluted interest in commercial and ERP solutions. There is encouragement from the statements issued in the press releases. "This ensures that we can provide customers with ever increasing functionality to meet their specific industry challenges" said Michael Greenough, President, Chairman and CEO of SSA GT. Graeme Cooksley, SSA executive Vice President, global sales and marketing says "the interBiz products have real brand value." SSA GT also feels the new market share and added revenue will allow them to invest more in development and research. This will be good news for PRMS users when it happens, but one wonders where the added revenue will come from. I'm sure CA didn't give interBiz away. We should also note that SSA GT has stated there are no plans to directly integrate the interBiz products.

SCL Perspective

For nearly a decade, Systems Conversion Ltd. has been the leading services provider for PRMS. No other third party organization has been involved in more new sales or upgrades to version 9.X. We have been the one constant in a world of change. PRMS is a tremendous ERP package that was ignored by the vendor for too long.

Continued on page 2

IN THIS ISSUE

- Perspectives on the PRMS™ Acquisition
- Getting a Great Start for Projects
- "Ask Denny"
- PRMS™ Tips & Techniques



Perspectives on the PRMS Acquisition *Continued from page 1*

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Pansophic and CA both failed to take advantage of what they had. The fact there are about ten times more BPCS installations than PRMS speaks for itself. If SSA GT feels there is a strong brand for PRMS they must be looking at the PRMS clients themselves. PR and new business marketing for PRMS and the other interBiz supply chain products has been non-existent. When was the last time we saw a magazine ad for PRMS? Not lately!

It's a fact that IT and other executives want to have some pride in their systems, and name recognition is a key element. PRMS as a brand has been fading fast for some time. If SSA GT is truly interested in making PRMS a viable alternative for manufacturing and distribution firms, we're behind them all the way. Forgive us for the reservations, but these are because PRMS and its users have been ignored for so long. How many new licenses of PRMS have been sold in the US in the last two years? You can count them on one hand.

What's In the Crystal Ball?

SSA GT says they will continue development on all of the acquired products. The fact that BPCS and PRMS have similar development origins should mean an enlarged selection of add-on products. But caution will be the watchword of those who remember Buyer Center, Order Desk, EDM, QRE, and other products that have come and gone. It is prudent to check three references prior to buying such products. According to SSA GT, within 60-90 days they will be introducing a CRM offering tailored to the interBiz client base. That's some pretty quick tailoring.

Look for SSA GT to be promoting new and long-term maintenance agreements. The maintenance contracts of many PRMS users are nearing renewal because of three-year agreements signed during the Y2K work-up. I suspect there will be user companies that will not renew for the wrong reasons. It would be a mistake to allow the frustrations with CA to carry over to SSA GT without giving them a chance to demonstrate their intentions.

Maintenance gives you benefits you should not discount. Virtually everyone needs life and health insurance. Think of maintenance as insurance. Use what you have (software) effectively by staying current and re-educating your staff. It's cheaper to use what you have, rather than buying a new car because you don't like the color. I have yet to see a company leave PRMS because it lacked functionality, only because they did not know how to use it properly or had a corporate directive to make a change.

If you don't stay on the latest version and invest in training you will endure such knowledge degradation that users will be unaware of the most basic features, and you're basically starting over. This is a very expensive proposition. If you cancel maintenance to save money, you will pay later in spades. SSA GT has mentioned that clients are changing ERP systems with reducing frequency. This means revenue to enhance the ERP suite will have to come from maintenance dollars as

well as from new product sales.

For a vendor to be successful in this business scenario they must continue to add value to the core line of products with continual enhancements, while keeping education and operational documentation updated and backed by good help-line support. This means correcting software problems as they are identified and reported, something CA had limited results with last year.

Seventy percent of user companies leave a software product because they don't feel they have a business relationship with that vendor. As customers begin to receive better service, expectations increase and this is only natural. The point that some of today's software vendors seem to be missing is that the cost of acquiring a new customer is five times what it takes to keep an existing account. Only satisfied and loyal employees deliver value, and vendors must deliver what is promised because they will be held accountable over time.

Looking Forward

SCL's track record is testament to our dedication to the PRMS product, and to its customers. As we evaluate how SCL will be working with SSA GT, a key objective is to not impact SCL clients, or impair our ability to provide top-level services and exemplary project management at competitive rates. The common interest in PRMS should be a sound foundation for an enduring relationship.

**For more on the future
of ERP systems go to
www.systemsconversion.com.**

Getting a Great Start for Projects

A well-considered and supported kickoff enhances project success.

Although it does not necessarily ensure success, an inadequate kickoff and meeting will almost certainly derail a project.

The meeting will vary according to the size of your project, but usually merits a full day. Participants may be just the project team, but for wider ranging projects, nearly all employees are involved and preparation is more critical.

A Formal Meeting

SCL's success over the past ten years has proven the importance of a formal and well-organized meeting. Especially when held away from the hustle and bustle of the workplace, the meeting demonstrates management's commitment and the significance of the project.

After all, any payback activity important enough to involve key people and managers for an extended period of time, should merit an appropriate launch. The launch should capture everyone's attention, because it confirms the importance placed on their responsibilities.

The Full Day

A proper kickoff is worthy of careful planning and significant effort. SCL recommends a full day for most PRMS situations, with two segments.

General Meeting: Attendance is mandatory for top managers, the executive steering committee, project manager and team, plus SCL executives, consultants and project manager. The agenda

includes presentations from user management and SCL, such as:

- Opening statement by the CEO/COO
- Presentation of Project Charter with expected results and benefits for employees.
- Introduction of members and explanation of the roles of:
 - Executive Steering Committee
 - Project Team
 - SCL personnel
- Description of the SCL methodology and related project timeline.

Team Meeting: This working session for the project team and SCL project managers is a foundation of their ongoing relationship. The topics may include ratification or expansion of the mission statement, and the project name if this had not been decided prior to the morning session.

Essential Topics

A good kickoff meeting is somewhat similar to a coach's pre-game lockerroom meeting, but should also contain some pep-rally elements:

- The business need behind your company's objectives for this project.
- Management's expectation for the project and the project team.
- Responsibilities, roles, and duties for any and all employees.
- The issues that are likely to occur, and the anticipated resolution.
- How such issues will be recorded and tracked.
- The company's commitment, investment, and support for the project team.

A Recent Example

Although the agenda varies, SCL provides guidelines to client executives on critical requirements. We emphasize top managers participate actively, and set the tone for the project, as illustrated in a recent situation with a wholly owned subsidiary of a corporate holding company.

The Corporate CFO reviewed the strategic plan and objectives, in layman's terms, emphasizing how important the subsidiary was to that plan. He gave his personal commitment to be involved with the project and available for the team. The President of the local company followed, and assured the project team and all other participants of the support to do what was needed. The essential people were being "freed-up" to devote themselves to the success of the project, not just saddled with extra work. This two-pronged introduction showed everyone that the project was not just a local priority, but supported by and critical to the success of the Corporation as well.

Key Points

The kickoff meeting is critical to the expectations and tone for a project. When key people are to make a long-term commitment to the company's plan, management support must be evident. The kickoff is a measure of management's commitment for all participants and employees, and can't be just "show-time." It must provide a clear indication of what people can expect during the ups and downs of the project.

Ask Denny

This month's topic...

Menu Master

Question:

It takes too long to sign into Menu Master. Do I have to go through all these overrides?

Response:

If, and only if, you have a single member in your RMSFILES library, you do not have to go through all these overrides. Obviously, this means you are not multi-plant. You can be multi-company, but each company must be in a separate RMSFILES library.

Backup your existing overrides: CPYF RMSMM/FXFOP100 RMSMM/FXFOP100 M001 M001ORIG *REPLACE

Delete the overrides: CLRPFM RMSMM/FXFOP100 M001

Now your first menu will appear almost instantly when you call FX0010. Batch jobs will execute a few milliseconds faster also. Be aware that if you commit yourself to the single member architecture, it will be extremely painful if you ever have to revert to multi-member or multi-plant.

If you are multi-company or multi-plant you can shorten the sign on process by using smaller menu sets. The fewer the number of options in your menu set, the less overrides FX0010 will have to execute.

"Ask Denny" is a regular column in "Client Connection," so please send questions to him at dennydavis@systemsconversion.com.

Denny Davis is a co-founder of SCL with 12 years' experience with PRMS and 30 years with IBM midrange computers.

PRMS Tips & Techniques

Different Vendors for PO & Invoice?

There are occasions when an invoice is received from a vendor that needs to be matched with a purchase order for a different vendor. Since corporate vendors (unlike corporate customers in AR) for PRMS have no related functionality, we offer the following solution.

Assume a purchase order has been entered and the goods received for vendor number 100 as a normal receipt. The next day an invoice is received from vendor 200 for the goods on this receipt (for vendor 100).

Enter the vendor invoice (vendor 200) in invoice entry (invoice registration if you're using invoice registration). The invoice will then be matched against the receipt for vendor 100.

When performing three-way matching you have several ways to match an invoice depending on which piece of information you may know, such as purchase order vendor number, purchase order number, or receiver number.

If you enter the receiver number, and use F8 for PO Match you receive the message: "Vendor for this receiver is different than invoice vendor."

You will press F8 to accept, and this will bring you to the normal invoice-matching screen.

In the invoice header in invoice entry there is a field description PO/Vendor with three fields. Most users only use the PO fields (PO and release number). The third field is for the scenario we are discussing. When the PO vendor is different from the invoice vendor, the PO vendor number can be entered into this field. If you enter the PO Vendor Number only, and use F8 for PO Match you will be taken to a purchase order-matching screen that lists open purchase orders for that vendor.

You can select by purchase order number or receiver number. After you enter your selection and press enter this will bring you to the normal invoice-matching screen.

If you enter the PO number and the PO vendor number you will be taken directly to the PO matching screen and can match the invoice following normal matching procedures.

Make Sure of Shop Floor Data Entry

When reporting shop floor activity with a Production Reporting Batch in SF0320, it is a sensible precaution to make sure the batch "took," and if not, to reopen it for corrections. The common question is: "Why isn't there an F5 refresh key available on the SF0324 screen? We have to exit and return to see if our batch is still executing, in queue, or has it reappeared which means there are errors."

We find this simple tip is especially helpful for new users, and PRMS veterans often find it useful as well. Instead of exiting SF0320, all you have to do is enter the letter "A" in the Position at User field. PRMS will "refresh" the open batch listing in its search for any open batch with a User ID starting with "A" and beyond. Since this is an alpha-numeric field, any open batch will be displayed. The effect is the same as a "Refresh" key.

If you find yourself paging through a large number of open batches, this could indicate procedural issues or the need to improve user knowledge or training. Contact SCL for a review of your user training needs.

To get the most out of PRMS, check SCL's education and consulting offerings at www.systemsconversion.com

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