Friedman Corporation

Friedman COMPASS 2006
Implementation Methodology

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The following is a generic description of the Friedman COMPASS implementation methodology. At the end of the description are two flowcharts: one for the overall COMPASS flow and one for the Progress Assessment Documents/milestones incorporated in the methodology.

The Friedman COMPASS strategy follows this general 10-stage outline:

1. Project Organization & Definition of Objectives
2. Discovery, Data Priming & Prototyping
3. Education & Initial Simulation
4. Business Simulation
5. Conversion/Implementation Preparation
6. Integrated Business Simulation
7. Conference Room Pilot (CRP)
8. Final Preparation & Go Live
9. Post Implementation Support
10. Post Implementation Audit

Friedman Corporation's structured COMPASS2006 implementation methodology, a proven approach to a successful implementation, focuses on the following:

- Managing the desired and intended changes that justified the system implementation, to maximize the benefits of the implementation without a negative short-term impact on company performance.
- Making sure the executive management team's vision of the project is communicated to the Project Team. Communication of the vision will help prevent scope creep, as well as unintended backsliding into the old system functions. The latter can result in heavy modification of the Friedman system to look like the old system.
- Assuring that all issues and concerns are identified, documented, and prioritized, then addressed in a timely manner, to prevent small issues from becoming huge problems.
- Making sure the client establishes a realistic, formal education/simulation program that includes a process to identify the need for additional training, and ensures the availability of key resources. For example, the Project Team requires ample time to practice with the system as part of the Business Simulation.
- Getting the Project Team involved - hands-on - and keeping them involved. The project cannot succeed if it is viewed as an Information Systems Department project only.
- Keeping top management appraised of the progress of the project through a series of 4 to 6 project Progress Assessment Documents (PAD) as well as 'Metrics' and 'Scorecards'.

Following is a brief description of each stage:

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Stage 1: Project Organization & Definition of Objectives

This stage consists of the planning and preparation required to set the overall direction and scope of the project. The organization and information gathering needed for this stage is normally done during the first few days of the project 'Kick Off' week and meetings with the client management team. Stage 1 includes the following activities:

1. Conduct a Kick Off Meeting with the Client's Management Team:
Identify and Name the Steering Committee and Implementation Team. The following general structure of the client's project implementation organization is recommended. Individuals assigned to the project should be named and documented in a formal document that is retained as part of Progress Assessment Document #1.

a: Establish Project Organization:

- **Steering Committee**. This committee usually consists of senior management, a Friedman Management Representative (CSD) the Project Manager, and often is chaired by the President or Chief Operating Officer. Committee responsibilities include forming the Project Team, developing business objectives, defining the scope of the project, approving the project budget, and committing resources to the project.

  It is ultimately the Steering Committee who makes the decision of their business 'Going Live' with Frontier

  The Steering Committee executes their responsibility by monitoring the project status and resolve project issues. It is the responsibility of the Steering Committee to ensure flow of information, support resource commitments, make timely decisions, and support the Project Team and Process Owners.

  - Provide overall project and company 'vision'
  - Monitor project to limit 'scope creep'
  - Assure resource time is made available
  - Manage budget and expenditures
  - Be sufficiently informed regarding the system to facilitate timely decision making
  - Audit content of COMPASS project tracking tools (Metrics/Scorecard)

  Committee meetings usually occur once a month, but must include at least 4 to 6 meetings to review the applicable project Progress Assessment Documents (PAD's). The following is the suggested meeting content/format:

  - Structured status project update from Project Manager – Scorecard
  - Progress Assessment Document review
  - Audit vision, scope, and project progress for alignment
  - Review budget and expenditures
  - Review and resolve critical path issues/decisions

  Friedman Corporation will assign a Client Services Director (CSD) to represent Friedman at the Steering Committee level. The CSD will monitor the project's progress and advise the Steering Committee if the project appears not to be on track. The CSD may recommend additional resources be added to get the project back on track. The additional resources can be either internal client resources or from Friedman Corporation.

- **Project Manager.** Friedman Corporation requires that the client assign a Project Manager to the project. The Project Manager should possess knowledge of senior management's goals and objectives, and should be thoroughly familiar with the business and the Steering Committee's decision on the scope of the project. The Project Manager is expected to become the client's 'Expert' on the Friedman system as well as the driving force and 'Champion' of the project. Responsibilities include managing the Project Team, reporting to the Steering Committee, managing the overall project, and being the main contact between the client and Friedman Corporation. Additional responsibilities include maintenance of project plans, manpower expenditure, budget, programming modification progress, issue lists, and all other documents associated with the project management activities. The Project Manager is the 'driver' of the project and Friedman consultants are the advisors. Time requirements may be substantial. On average, a Project Manager may spend approximately 75% of his/her time on project implementation.

- **Project Team.** Members of the Project Team should be assigned senior key employees from each department. They must have significant knowledge of the department processes and must be given the authority to make decisions on most process issues occurring with the implementation of Frontier. Responsibilities include identifying existing business processes, flows, policies, and procedures, and then simulate and document the new/similar processes and procedures using Frontier. The Project Team must also develop the project plan and requirements, determine the appropriate data preparation and data conversions, and oversee the proper and timely completion of the Conference Room Pilot. The Project Team is required to communicate to the Process Owners the status and the process changes that are considered/recommended in their areas of responsibility. They must also hold the Process Owners accountable for providing the data needed to ensure timely decisions and define the new process flows instituted around the Frontier functionality.

Time requirements vary throughout the implementation. Members become more active as their areas of knowledge and specialty are required. In our experience, the average implementation requires approximately 25% of the Project Team members' time. However, some weeks require 90% effort and other weeks require only 10% effort.

- **Process Owners.** At larger clients Friedman Corporation requires the client to identify and involve the ultimate Process Owners (if they are not already assigned to the Project Team). Process Owners are the functional managers responsible for the continued business results and improved performance AFTER Frontier has been implemented and the Project Team dissolved. For example, the Process Owners could be the three plant managers in a three-plant organization. They may have assigned one key person to the Project Team; however at the conclusion of the project, THEY are responsible for continued and improved performance utilizing the Frontier system. One Process Owner can also be the Vice President of Finance, if the controller is the person assigned to the Project Team. It is the obligation of the Process Owners to ensure that the Project Team implements the Frontier system in such a way that the business impact immediately following the Go Live does not put the business at risk and that both the current and improved functions are available. This obligation requires that the Process Owners are involved, although not necessarily on a day-to-day basis. It is the responsibility of the Process Owners to ensure the quality and timeliness of the following:

    - Process definition
    - Data integrity
    - Internal resources
    - Business simulation
    - Script integration
    - Issue resolution
    - Modification business requirements definition
    - Forms definition
    - Testing criteria
    - Suitable hardware peripherals
    - Go/ No-Go Live Recommendation

- **Key Users.** In addition to the Project Team, a group of key users should be identified and assigned to the project. Normally Project Team members will need one or two key people from their respective departments. Key Users serve two purposes: 1) support the Project Team members by participating in education, simulation and decision-making activities during the simulations, and 2) coordinate people from their respective areas for various data gathering, problem solving, and training activities. Usually there is at least one Key User for each Project Team member, however there may be more. For example, we frequently see Project Teams with one person representing the finance department, but with Key Users for Accounts Receivable, Accounts Payable, Cost Accounting, and General Ledger. Time requirements will vary throughout implementation. In our experience, the average implementation requires approximately 10-15% of their time.

- **Module Captains.** At larger clients it may be advisable to introduce a level between the Project Team member and the Key User. The Module Captain could be the manager responsible for the Frontier Accounts Receivable module. A second Module Captain could be the manager responsible for the Accounts Payable module, and so on. Each Module Captain should have a Key User assigned as described above

- **Configurator Team.** If the project includes significant configurator development, it is recommended that the client establish a special sub-project team for this activity. The team should be small but at a minimum staffed as follows.

	Average People
Engineer/Technical	1 – 2
Customer Order Processing	.25
Manufacturing/Industrial Engineering	.25
Pricing/Costing	.15
Clerical Support	1

- Whereas the Engineer/Technical person normally is full time, COP and ME personnel are assigned part time only, reviewing and testing the configured models to make sure they are usable and correct from a user point of view. They serve as a quality control and sanity check for the often highly technical resources developing the configurator.
- The Clerical Support person is recommended for more repetitive tasks, such as entering data, replicating models that are similar, replicating matrixes, and so on, to free up the highly technical resources creating the models. It is to be noted that this support person must be of relative high skill level.
- Note that the above team can be key people not on the Project Team. If the team includes people on the Project Team, the effort required is generally cumulative.

- **Friedman Corporation, Client Services Director**. The CSD has the overall responsibility for the client and is generally an advisor to and a member of the Steering Committee. The CSD is responsible for making sure that the client and Friedman consultants follow the COMPASS methodology, and progress towards the overall expectations established during the sales process and objectives stated and documented during the Business White boarding session at the beginning of the project. The CSD is responsible for alerting the Steering Committee if significant 'scope creep' is taking place, if there is significant slippage in the timeline of the project, and alerting the Steering Committee to potential budget overruns.

- **Friedman Corporation, Lead Business Consultant.** The Lead Business Consultant is the main consultant for implementation of core functions at the client and the contact person for all Friedman/the client communication. The Lead Business Consultant will aid and advise the Project Manager and Project Team throughout the implementation. He/She will also provide Friedman system expertise needed by the Project Team during the implementation stages such as: Issue Resolution, Conference Room Pilot, and Systems Start Up. The Lead Business Consultant manages the Friedman education and simulation, as well as any appropriate additional Friedman Corporation involvement. The Lead Business Consultant is not responsible for 'driving' the project to meet the time schedules; this responsibility lies solely with the client's Project Manager.

- **Friedman Corporation, Lead Configuration Consultant.** The Lead Configuration Consultant is the main consultant for the Product Configuration portion of functionality. It is the Lead Configuration Consultant's responsibility to instruct the Configurator Development Team on features and functionality of the product configurator, and provide experience and direction on how to most efficiently develop and maintain configured products.

- **Friedman Corporation, Technical Business Consultant.** The Technical Business Consultant is responsible for providing technical support in the form of conversion knowledge, modification assistance/development, and software enhancements and correction (EC) installation if required. The Technical Business Consultant is assigned to the client to provide a focal point of knowledge assuring the client that EC's, modifications, interfaces, and conversions technically work together.

- **Friedman Corporation, Additional Resources.** Friedman Corporation is able to supply the client with additional resources, such as application specialists in the areas of finance, data collection, and so on. Special resources also can be more technical, such as programmers, systems analysts, and trainers. These Friedman resources are experienced in providing appropriate business solutions and are extremely knowledgeable of the Friedman software and its interfaces.

b. Define and Document Management Goals and Objectives

Goals are key elements in the successful completion of the client project. It is important for the Steering Committee to document the project vision and scope in order to avoid scope creep, project delays, and budget overruns. The documented goals and objectives will be used to keep the project focus on track.

c. Prepare a 'High Level' Milestone Implementation Plan

This activity consists of developing a detailed schedule with milestones and responsibilities for each major module and significant activity. Normally, Friedman Corporation recommends developing the plan in Microsoft Project, but any other good project planning software package can be used. It is however important that the project plan follow the COMPASS methodology outline and activities. Friedman Corporation will normally provide the initial template and adjustments to the template to fit the project objectives and client environment. It is important to note that once the project plan has been developed, it is the client Project Manager's responsibility to track progress as well as make changes and revisions to the plan. (Reference Scorecard).

d. Define and Document Planning and Control Methods

Project planning methods that will be used to monitor the project must be defined. In addition, expectations must be set for status reporting, as well as establishing the frequency, format, and required attendees of meetings. A significant 'tool' for the Steering Committee is the 'Metrics' and the 'Scorecard', summarizing the status and progress of the activities.

e. Introduce the Initial Client 'Task/Issue Database'.

The Task/Issue List is the first of the COMPASS 'tools' being introduced to the client. Friedman Corporation will provide a general format for the list during the initial meetings. We strongly recommended that the Project Team identify all the issues and concerns that they have identified during the software demonstration(s) and the initial project planning activities. It is important that these Issues be recorded and become part of the official, recorded Issue List that will be added to during the project. Whereas the initial issues will be loaded by the lead consultant, once the maintenance process has been started, it is the client Project Manager's responsibility to add new issues and maintain the status of the information. (Reported on Scorecard.)

f. Introduce the initial 'Business Activity List'.

The Business Activity List is the second COMPASS tool and an integral part of the Friedman implementation process introduced to the client. Friedman Corporation will provide a general format (Excel) for the list during the initial meetings. The Business Activity List is a list of all daily, weekly, and monthly tasks performed by people in the organization. The list should represent the total 'Universe' of all the processes that may be affected by the project. The list will be used as the basis for the Business Simulation stage as well as for the Conference Room Pilot.

The processes can be many, and the list must be rather detailed such as:

- Place a purchase order for raw materials
- Place a purchase order for hardware
- Place a purchase order for tooling.
- Place a blanket purchase order for office supplies.
- Place a purchase order for outside processing such as chrome plating, etc.

For most clients the Business Activity List could be 700 to 800 items long, depending on the all the modules and applications involved in the implementation. If a client's list is much less than this, it is doubtful that the departments and Project Team have done a thorough job in accounting for all their business processes. During the initial meeting(s) the lead consultant will provide a pre-loaded spreadsheet (Excel) with business activities normally encountered at clients. It is important that the project team works through the list and add their activities NOT on the list.

g. Introduce the initial 'Output List'.

The Output List is the third COMPASS tool and an integral part of the Friedman implementation process introduced to the client. Friedman Corporation will provide a general format (Excel) for the list during the initial meetings. The Output List is a list of all daily, weekly, and monthly reports and documents that will be needed by the organization, either to replace existing documents or to be available in the new Frontier environment. The list should represent the total 'Universe' of all the reports, documents and labels that may be affected by the project. The list will be used as the basis for the Business Simulation stage as well as for the Conference Room Pilot. During the initial meeting(s) the lead consultant will provide a pre-loaded spreadsheet (Excel) with documents and reports normally encountered at clients.

2. Conduct a General Kick-Off Meeting With the Project Team

The preparatory planning and organization should culminate in a general kick-off meeting for the Project Team, Key Users, and Steering Committee. The following areas should be addressed:

- The COMPASS' methodology will be introduced
- Project goals should be stated.
- Project Team roles should be defined.
- Education and training schedule should be communicated.
- Implementation milestones should be reviewed.
- The 'Task/Issue List' should be introduced
- The 'Business Activity List/Universe' should be introduced
- The 'Output List/Universe' should be introduced

3. Progress Assessment Documents

Following the Kick-Off meeting, Friedman Corporation will provide the initial Progress Assessment Document (PAD) to the Steering Committee. This first Progress Assessment Document (PAD# 1) – Kickoff: is a statement that the top executive, the Steering Committee, Project Manager and Project Team have been advised of the COMPASS methodology and their responsibilities as a client. This document will state that the project organization, plans, and initial steps have been started in accordance with the COMPASS methodology and best project management practices. The letter should certify to the Steering Committee that Project Team members have been instructed in their responsibilities, a realistic project schedule exists, goals and objectives are clear, the Team has started recording current business processes (Business Activity List), a joint Issues/Task list has been started and communication are in place. The letter is normally issued by Friedman Corporation and is signed by the top executive, preferably the President. If the initial activities in Stage 2, Data Gathering' is performed as an extension of the Kick Off, the PAD will also include the results of the 'Business Whiteboard'.

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2: Discovery, Data Priming & Prototyping

Part of this stage can be an extension of first stage, conducted during the same week, or it can be conducted as a series of separate events. The stage normally contains the following activities:

1. Business 'Whiteboard Session'
2. Product Configurator Overview Session.
3. Data Priming
4. Prototyping

5. PCM 'Whiteboard Session'
6. PCM data gathering and validation
7. Development of first model for proof of concept
8. PCM Proof of Concept

1. Business Whiteboard (BWB) Session:

Following the Kick-Off meetings, the Client Services Director, Lead Business Consultant, and/or Configuration Development Director will conduct a business systems/architecture session with key client personnel. The purpose is to validate and expand the IPA findings or, if no IPA was performed, to develop an overall understanding of the client's business and the scope of Frontier features and functions to be implemented to meet the client's objectives. The agenda for the BWB covers the areas and business processes such as multiple location activities, order processing, inventory management, shop floor planning and control points, work order utilization, and so on. The BWB is normally conducted by the Led Consultant based on a general 'template/list' compiled from other clients in he same general business environment. The BWB must be attended by the Process Owners to make sure they fully understand the impact of the Frontier system being implemented and replacing their current systems.

2. Product Configurator Overview Session.

The second activity required of the Process Owners and the Steering Committee is to participate in the PCM Overview. This mandatory activity provides the decision makers within the client organization with the knowledge of how the Frontier Configurator will impact its business. It also provides the Process Owners and Steering Committee with an understanding of how to measure progress within the model-building life cycle. Since the configurator impacts nearly all functional areas within the business flow of an organization, it is imperative that the Process Owners and Steering Committee understand enough of the model building milestones to enable them to provide timely and firm decisions. The negative impact of poor or tardy decision-making is also presented.

3. Data Priming

This activity consists of series of sessions where the Lead Consultant spends time with key users and project team members and loads samples of client data to the Education Environment of Frontier, preparing the environment for meaningful data to be used during the initial education and simulation. The data is normally the information required for the master files such as:

- Parts Master
- Vendor Master
- Customer Master
- General Ledger Account Master
- Etc.

In addition to loading sample data to those master files, necessary changes to the validation tables, calendars and data areas will be made to tailor the environment to the client' business environment.

Issues arising from part number formats, Vendor and Customer ID's will be discussed and resolved during these sessions as they relate to the best solution for the client within the framework of the Frontier software architecture.

5: Prototyping

These activities consists of sessions with the project team members and key people, prototyping the simple, most frequent activity, from quoting to cash collection if it is a total conversion to Frontier or limited to the business processes within the phase being implemented. The sessions are focused on resolving any issues within the main processes to assure that those processes are

understood by both the client and Friedman Corporation, and that satisfactory processes and options are available to support the client's business.

Whereas many of the prototyping can be done easily and early in the project, it is to be noted that prototyping of the configurator architecture requires both initial education sessions and development and therefore most often is scheduled and tracked as an activity by itself. The configurator prototyping is covered below:

6. Product Configurator Management White boarding Session (PCMWB).

The session normally lasts 5 days and is conducted by a Lead Configuration Consultant. The session consists of a review of business objectives and defining resolution to the architecture of the configurator, identifying and detailing the specific business requirements for configured work orders for subassemblies, configured purchase orders, overall configurator functions, and supportable transaction volumes. It is extremely important to ensure that the configurator is developed to meet the business environment of the client before any major effort is expended on the development.

The PCMWB session identifies and documents the number of models that must be developed, both for logic models and potential order entry models. The models will be documented in an Excel spreadsheet 'Model Universe' used for tracking of the development progress. The session also identifies and documents the overall product features and functions offered, pricing complexity, bill of material complexity, routing and work order methodology, as well as cost accounting functions to be covered by the configurator function. In addition expanded functions such as configured purchase orders, multi-level configured work orders, assembly schedule integration, and optimizing functions are identified.

The PCMWB initial session provides the education and tools for the client to Whiteboard their remaining models to ensure continuity and efficiency across all models. Upon conclusion of the initial session, the client is assigned the task of White boarding its next model. At that time a review session is scheduled for the Lead Configuration Consultant to evaluate the progress of the client configuration team. If the White boarding is completed satisfactorily, then the process moves on. If major rework or further education must take place, then the Lead Configuration Consultant will work with the client to complete the White boarding of the second model. This iterative process continues until the client is self-sufficient in White boarding.

Based on the PCMWB session, Friedman consultants will develop a detailed plan with milestones and manpower plans for the development of the first, second, third model, and so on using the 'Model Universe' list. In addition Friedman Corporation will introduce the development tools and management control tools for the configurator development process to assure there is continued visibility to this project activity and progress at the Steering Committee level.

7. PCM data gathering and validation

This activity consists the gathering of information for number of products, number of features and options such as species, finishes, dimensional constraints, work centers and process steps required. At this time the information is generally managed in Excel spreadsheets.

8. Develop first model for proof of concept

This activity consists of a joint development of a model and a review of the initial model in Frontier, lead by a Friedman consultant. This review focuses on simple errors and potential problems in execution of the concepts as well as more complex features as well as overall efficiency for order entry, pricing, work order formats, cost calculations, and general maintenance.

9. PCM Proof of Concept

Perform a 'Proof of Concept' using the first model to simulate the new Frontier based business processes. This activity is an extremely important control point. The Proof of Concept will cover the simulation of business processes from creating a quote, taking a sales order, processing purchase orders and work orders, generating schedules, processing inventory transactions, shipping products, generation of invoices and accounting for the cost of goods sold. With this being the first realistic simulation of the changing business environment, the Proof of Concept must be attended and overseen by the Process Owners as well as the full Project Team to assure that the configurator will be developed to achieve the goal.

- Based on the model developed for the Proof of Concept, education and simulation in all business areas that require a configured product can now start, using the Proof of Concept as the prototype model.

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Stage 3: Education & Initial Simulation

Although Friedman Corporation can provide conventional education classes in a classroom setting for larger groups of client employees the normal education and training process consists of short interval sessions, alternated with hands on simulation of the primary and different business processes identified as being relevant in the 'Business Activity List'. The education and simulation is using the master file data loaded during stage 2.

The client's project team members and key people will review with the consultant the business process and the options, and later simulate the different processes while documenting them in 'scripts'. Using this process it is possible to provide initial education and have several elements of the business being simulated by different groups during the same week, such as Purchasing, Inventory Control, Receiving and Accounts Payable rather than one class per week. The scripts are brief documents, one script per item on the Business Activity List, - describing the tasks, the screens to use, the significant data to be entered, and marked up 'screen pictures' of the different screens and the data.

The scripts serve several purposes:

- Document the process with the client's data and selected sub-set of options available in Frontier,
- Improve the learning process: (If you can document it, you have learned it).
- Provides a method for the management team to audit that the organization has mastered the new business processes.
- Provides a documentation and tool for continuity in case of personnel turnover after the project.

It is to be noted that in some areas it is not possible to perform simulation until the prototype/configured model has been developed.

One exception in the Education & Initial Simulation is the Configurator Education. In this area the initial education encompasses actual education classes for the configurator development team, followed by development of configurator models of increasing complexities. The education process is normally as follows:

- Education: Product Configurator Management, Specialist Classes (PCM 1 and 2), and Pricing. These classes cover the screens, functions, and basic tools available for development of the Friedman configurator.

- Development of a second, more complex model.

- Review of second model by a Friedman consultant. This review includes a critique of the model architecture for maintainability for price changes, new product introduction, and process changes.

At this time the client should be able to complete their product lines with minimal support from the Friedman consultant(s). The support generally falls in the areas of:

- 'Refresher' education of more complex configurator techniques that have been taught during the class sessions but somewhat forgotten until they are being required later in more complex products.

- Advisory consultation for 'best practices' in using the techniques available within the Frontier configurator

- Advisory role for configurator technique issue resolution

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Stage 4: Business Simulation

After stage 3 activities, the Project Team must begin simulation and process business transactions on their own using Frontier in a simulation environment. The purpose of the simulation is to firm up all relevant business processes using Frontier. The simulation must be based on the Business Activity List initiated during the project organization phase in order to be effective and bring the exercise beyond just 'playing' with the new system.

During the Business Simulation, the Project Team will continue to learn how Frontier can be used to accomplish necessary business activities. The team will be required to formalize this knowledge by continually writing Scripts for each of the business activities in the Business Activity List, identifying the new processes, screens, and reports to replace the current ones. The Scripts and the Business activity list will form the basis of the Conference Room Pilot. It is recommended that preceding this activity, the Lead Business Consultant review the simulation process and how to write the Scripts with the client in order to assure optimal utilization of the client's effort and assure good, consistent results.

Prior to the start of the simulation, the Friedman Consultant(s) will review the Business Activity Lists to assure there is a clear understanding of the processes that will have to be covered by the education sessions.

If the project requires significant configurator development, the development of the first model and the simulation using the development and resulting product model must take place ahead of most of the other simulation activities.

During the simulation, Friedman Consultants will be available to advise the client's key personnel in developing adequate scripts as well as alert the project manager and steering committee if the simulation an the script documents are not meeting the required standards. Any additional actions or issues identified will be added to the client's Issue Database.

It is recommended that after all the simulations have been completed and the bulk of the scripts have been written that the project team performs a review of the Business Activity List to insure that all areas have been addressed. Specifically this review should include reviewing each task on the Business Activity List and "walk through" the process so that the project team can see how each function in the company is affected. This will provide the project team with a better understanding of how the data will flow within the organization as well as where there may be areas that were not previously noted.

At the end of the Education & Simulation stage, the Lead Business Consultant will perform an audit that will conclude with a Progress Assessment Document (PAD# 2) – stating our opinion as to the preparedness as well as the organizational involvement and execution of responsibilities in preparation for the Integrated Business simulation.

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Stage 5: Conversion/Implementation Preparation

Stage 5 consists of loading and converting data files, writing system interfaces, modifying standard Friedman document formats to the client formats, creating program modifications and special reports, and modifying standard Friedman programs to better fit the client.

The stage includes:

- Converting data files.
- Loading files manually using Frontier screens or loading from Excel spreadsheets
- Complete development of the Configurator models.
- Writing interfaces to other modules.
- Developing Report Writer reports or queries
- Modifying reports.
- Modifying program logic, if absolutely necessary.
- Modifying documents, such as acknowledgments, invoices, and purchases orders.
- Modifying or creating product labels, carton labels, mailing labels, etc.
- Acquiring and testing new hardware (such as printers)
- Installing wiring to new terminals.
- Defining systems security.
- Finalizing revisions to policies and procedures and develop user-training manuals/materials. Friedman strongly believes that the client key people should write these procedures, since this ensures that they gain intimate knowledge of screens, field definitions, reports, and document flow. All policies and procedures relating to the software implementation need to be fully defined and documented.

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6: Integrated Business Simulation

As “model families” have been developed by the configurator development team, the project team can start to perform ‘Integrated Business Simulations’. These simulations consists in the beginning of processing a sample of orders from quote, to orders, to released schedules in the shop, through labor and production reporting shipping, invoicing and cash application. To process a group of orders all the way through the system normally will take a week. It is important that the organization performs these integrated tests until they become routines with no one having to hand carry the documents and nobody having to look up how to process standard transactions.

In addition to ‘drilling’ the process, sample orders should be entered and checked for editing and pricing. Work orders and purchase orders should be released and received to check for component quantities, routings, costing and variances. Labor should be reported, sales orders shipped, and month end processes completed to insure that the model family is correct and complete.

At relevant intervals during the Integrated Simulation, the Steering Committee will be provided with Progress Assessment Documents from the Friedman lead consultant, providing updates of how the project team is progressing with regards to issues resolution, business activity list development, script development, modification completion, model development, report/form and label development. The assessments will provide objective ‘metrics’ and ‘score cards’ for the Steering Committee to make their decisions on.

It is our experience that most clients will need 2 – 4 total successful integrated business simulations before they are ready for the final test, the Conference Room Pilot.

At the end of the Integrated Business Simulation stage, the Lead Business Consultant will perform an audit that will conclude with a Progress Assessment Document (PAD# 3) issued by the Client Services Director – stating our opinion as to the preparedness as well as the organizational involvement and execution of responsibilities in preparation for the CRP. The Lead Business Consultant or Client Service Director will normally issue the document. It is important to understand that if Friedman Corporation believes that there is a significant probability that the CRP will be a failure due to the organization not being prepared and the processes or not being simulated satisfactorily, our recommends will be that the CRP should be delayed. In this situation it is required that the top executive sign off on the document.

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Stage 7: Conference Room Pilot (CRP)

The major objective of the Conference Room Pilot is to thoroughly simulate the client processes using the Frontier software, and to assure the required procedures, screens reports, interfaces, and modifications are in place and functioning. During the course of the CRP, individual departments as needed may test single or multiple (related) modules. The CRP will be concluded with a joint, simultaneous five day test with transaction volumes resembling three to four days of transactions in order to assure the organization and systems integration is fully tested and that all control reports and procedures are in place.

Completion of the CRP is the last step of the COMPASS methodology prior to bringing the Frontier system or process live. It is therefore critical that the scripts fully test the system to ensure that the expected output and results match the actual output and results; only then will the new system and procedures have been fully tested.

The CRP consists of the following steps:

1. Develop CRP & Conversion Methodology
The Lead Business Consultant will support the client in developing the methodology for the CRP. How many days of average volume and mix should be simulated? How do we compress three or four days of business transactions into a simultaneous test? It is to be remembered that the CRP must include all functions such as order processing, inventory, purchasing, production reporting, labor reporting, shipping, invoicing and financial reporting, including a simulated 'month-end' financial closing.

The Lead Business Consultant will also help develop a final conversion and go-live process that matches the CRP tested activities and minimizes the risks for interruption to business and customer service

2. Develop Test Data
This data could include three or four days of typical sales orders to be processed through the department(s), based on random selection, and augmented with special transactions not necessarily encountered every day.

3. Audit/Validate Scripts
Before authorizing the CRP the Steering Committee must review and sign off on the Issue List, the Business Activity List, the Output list/universe, the Model Universe and sample some of the scripts. Script review is one of the only ways the Steering Committee can truly evaluate whether the company is ready for the conversion.

4. Conference Room Pilot Execution
The CRP is the crucial time when all departments process three or four days of orders and associated transactions at the same time. The goal is to achieve the necessary rate of processing to support a switch to Frontier.

5. CRP Result Analysis
After the CRP, the Project Team must recommend whether to declare the testing a success and move ahead with the implementation, or go back, fix the problems, and try another CRP. It is important to realize that one of the vital processes to 'test' during the CRP is the simulated monthly financial closing of the books based on the CRP transactions.

NOTE: Friedman Corporation recommends that consultants be present during the CRP to help evaluate the results and to provide recommendations for the Go/No-Go decision.

7. Go/No-Go Decision
Ultimately, the Steering Committee must decide if the company is ready to switch to Frontier. Based on their feelings of risk, recovery plans must be put in place in case the conversion is aborted within the first week of the start-up. If the CRP is done properly and the process is adhered to diligently, there is generally a low risk of failure and exposure to customer dissatisfaction.

This CRP concludes with a Friedman Corporation Progress Assessment Document (PAD# 4) issued by the Client Services director – that states that the CRP has been completed satisfactorily or non-satisfactorily. In simple terms, the main factor for recommending that the client may choose to Go-Live is whether the CRP validated that the client can transact business as needed. The document should certify that based on our participation and evaluation, the execution of the test data and the organizational knowledge of the processes and the system have been found satisfactory for the client to proceed with the final conversion to go live with minimal business risk.

If the letter is recommending that the CRP is not satisfactory and that a delay of conversion is recommended, it will provide an analysis by module as to the concerns and areas requiring additional effort. The Lead Business Consultant and/or CSD normally issue the PAD to the Steering Committee and the President. The PAD is required to be signed by the President, acknowledging his/here understanding of our recommendation and returned to Friedman Corporation's representative.

Friedman Corporation

Stage 8: Final Preparation & Go-Live

After the Steering Committee recommends acceptance of the CRP and made the decision to Go Live, the project team will train any end users who have not participated in the simulation activities. The goal of this training is to provide the expertise needed by the full staff to process transactions accurately and handle the expected daily transaction volume.

During Stage 7, all current data is converted/refreshed (manual or automated) to support processing in Frontier. Conversion programs (defined, coded, and tested during Conference Room Pilot) are executed. If required, some data may need to be maintained on both systems for a short time prior to going live.

During the Conference Room Pilot, the processes and procedures were developed assuming availability of terminals and printers to support the transaction flow. During the Start-Up Preparation phase of the project, the client must ensure that the terminals, printers, and other devices are in place, function properly, and are usable.

At this stage, the system security functions developed during the Preparation Stage will be invoked to insure that data is not unintentionally corrupted. At the same time, an internal help desk should be initiated to support questions and issues encountered during the first weeks after going live.

Friedman personnel can be on-site and heavily involved both during the conversion and the weeks following the conversion to field any problems that may occur. Please note, however, that if the Conference Room Pilot has been executed correctly, there should be no surprises at this time. In general, Friedman clients have experienced smooth conversions and start-up when they have followed the recommended implementation methodology.

Friedman Corporation

Stage 9: Post Implementation Support

During the initial post-conversion week the Project Team will be needed almost full time. During the second week, their involvement will decrease as normal operation and effort gradually resumes.

Special care and efforts should be made to perform frequent (weekly?) 'Pro-forma' financial closings in advance of the first scheduled monthly closing of the books. This will give early warnings if any systemic problems may be hidden, that may prevent the financial closing to go smoothly during the first start-up period. Non-financial data (i.e. sales history, booking history, purchase orders, work orders, inventory segments) should also be reviewed to insure the accuracy in order to avoid future errors.

If needed, Friedman Consultants can be requested to provide additional support during the initial week or days of this stage.
In general, Project Team members and Module Captains will be busy during this initial period. It may take several weeks before these key people will have time to implement many of the new and improved features and functions offered by the Frontier software.

Stage 10: Post Implementation Audit

After the Frontier implementation, it is important to continue to review the system to determine if there is additional functionality that provides additional return on investment and/or makes Frontier more responsive to your business needs. Friedman Corporation can continue to support your implementation with education, consulting, and technical skills as required. All the services available to the client during the implementation remain available after the implementation.

This stage is an optional service offered by Friedman Corporation. Stage 9 consists of a thorough review of the implementation goals and objectives documented during the initial project organization and planning stage, to ensure they are being met. This stage consists of the following steps:

- Interview users.
- Review data accuracy.
- Evaluate compliance with the new policies and procedures.
- Analyze system performance.

The output from this stage is a report that will be used to:

- Recommend improvements and corrective actions.
- Assess cross-training needs.
- Select added features and functions to be implemented.
- Conduct executive briefings.
- Determine education needs to broaden the knowledge base.

We must stress a continuing need for formal education as personnel turnover takes its toll on the initial organization over time.

- Course material needs to be developed by the client with the help of Friedman personnel to support the internal training process.
- The individuals selected to be internal educators need to be well trained in the client business practices and feels comfortable continuously training and educating fellow employees.
- The client should assign back-ups/alternates to be educated to ensure the value of the training is not lost if the primary person leaves the company or transfers.
- The client is strongly recommended to develop some criteria and method to confirm the continued effectiveness of the internal education program.