



## CASE STUDY

# WHEN AN ERP PLATFORM ISN'T PRODUCING VALUE

A Targeted Remediation Plan Rights Costs and Results

OPTIMIZE

### THE BUSINESS CHALLENGE

Our client had invested (and continued to invest) heavily in a Tier 1 **ERP implementation that was failing** after its first 18 months. With no company process established for justifying and approving modifications, software modules had been excessively customized as the IT team labored to meet business unit demands. The result was an overly complex environment that **pleased none of the stakeholders, required dozens of third-party consultants to maintain and was fully understood by no one** in the organization. Our client needed an expert analysis of the modified platform's complexity and capabilities, as well as a targeted plan for a future state that would meet original goals and reduce growing costs.

### AGSI'S HIGH-LEVERAGE SOLUTION

AGSI performed a **module-by-module analysis**, identified over 1,000 custom components and 34 custom functions, and pinpointed the root problem as basic avoidance of transformation: business units were requiring that the new modules mirror their legacy systems. Aware that every dollar in customization typically costs companies another two dollars each year in support, we conducted a deeper dive with an AGSI specialist in each ERP discipline to develop a remediation plan. Our team determined that the fastest and least risky course was to redeploy the platform "out of the box"; this time, however, the client would have **an AGSI best practices roadmap**.

To speed delivery, we executed concurrent work streams focused on three key areas:

- **IT Strategic Readiness** – Improved capabilities to support business goal achievement, including establishment of strong governance, budgeting and a three-year view of required initiatives.
- **ERP & IT Best Practices** – Enhanced tactical abilities by developing appropriate best practices in service strategy, design, delivery and continuous improvement.
- **Elimination of Customizations** – Reviewed every custom function to determine how business requirements could be met utilizing core platform functionality, and allowed customization to go forward only where no other option existed.

### VALUE TO THE ENTERPRISE

Following redeployment under AGSI's plan, our client has a focused, manageable platform that has increased stakeholder satisfaction, **reduced total cost of ownership and increased return on investment. Modifications plummeted from 1,000 to 2** under the new justification structure, as did associated support costs. Over 30 contract consultants were off-boarded, **saving \$8.6M in ongoing annual costs**. Most important, our client now has clarity about their best use of technology, with the ability to deliver real business value today and **support the demands of the business for the long term**.

### IN BRIEF

#### CLIENT:

National Building Products  
Manufacturer

#### ENGAGEMENT:

ERP Implementation Analysis  
and Remediation

#### CHALLENGE:

Determine how to regain strategic focus and rein in costs of a new ERP platform that had been over-customized and wasn't meeting business needs

#### OUTCOME:

A detailed analysis and reimplementation plan reduced modifications from 1,000 to 2, reduced annual support costs by \$8.6M, and optimally aligned functionality with business objectives