



 Stephenson

Moving on from Sage 1000 MAKE THE MOST OF MIGRATION

Advice from someone who knows



LEARN FROM A PROCESS IMPROVEMENT SPECIALIST

Lucy Bilbrough is Director of Supply Chain and Continuous Improvement at Stephenson's Group, the Yorkshire-based cosmetics, skincare and surfactants manufacturer. She originally joined the business as a Financial Controller, but as a certified Six Sigma Master Black Belt with a passion for process improvement, data and analytics, she soon took ownership of Stephenson's Sage 1000 End-of-Life challenge.

Successfully defining a strategy with the promise of benefit to the business, presenting a credible business case to the leadership team, executing it (with a little help from Datel), and bedding it down with a busy workforce, has earned Lucy a place on the board— not just richly deserved, but testament to the importance of change management skills and digital transformation in modern management.

Stephenson's Group was in the classic predicament of knowing that change had to happen and could be beneficial, but that the next steps needed to be defined: "There was a clear lack of skill in the business to move the software migration forward, as well as a lack of understanding as to what was possible. The business knew that there was a gap, and ultimately they knew that the software was holding them back.

"Our CEO and owner was enthusiastic about finding a solution. He could see the benefits of evolving the platform. To meet the needs of a blue-chip client, we'd actually started to automate our production lines, so the ball was already rolling. We had senior sponsorship; we just needed to move forward."



Background research

Lucy had inherited a relationship with Datel, in that we already supported Sage 1000 across the business. Ultimately, she chose to continue the partnership with Datel and commit to the more modern Sage X3; but this was by no means a given.

As part of the due diligence on the project:

- She held a scoping session with her Directors, asking them to decide “what good looks like” – an idealised picture of how tech could support the business.
- She spoke to other ERP suppliers to vet the market.
- The business leveraged its network for advice. Says Lucy, “Thanks to a CEO-level connection, I managed to get a tour around Ocado’s first automated warehouse, which was out-of-this-world! And because we have advanced blue-chip clients who could help us spec some of the future-facing functionality, we had a good understanding of what was possible.”
- And above all, the business defined its “walk away criteria” – the functions which would be non-negotiable. “I needed my finance module integrated within the ERP software”, Lucy says. “We wanted quality control included, because we batch-manufacture and we need traceability. We needed to be able to interface barcoding and

Batch Control software on the shop floor. So we ran an in-depth research process before we even engaged Datel.

“But in reality, there wasn’t anything that fit our business better than Sage X3”, Lucy continues. “Because we’re fairly small, we don’t have a massive amount of in-house skill; so configurability was crucial. And scalability mattered: we’re never going to be a multinational, but we wanted to grow the business. We needed a grown-up solution for a comparatively small business.”

Whilst Sage X3 emerged as the obvious choice to replace Sage 1000, the Stephenson business rightly wanted to take the opportunity to build a better, future-ready operation, rather than just replicating existing processes with new software. Lucy’s background in continuous improvement meant that she was able to invest appropriate time and resources into locking down the scope for refinement.





Process-mapping exercise

Key to the project was an in-depth process-mapping exercise. Lucy says, “We’re an old business. Some processes were very valid – for example, dealing with issues specific to the chemicals industry. But others were out of date. So rather than get a system and make it fit our processes, it was worth questioning why some of our existing processes didn’t take advantage of what the new system could do.”

Lucy’s tips for effective process-mapping:

- 1. Start with desired outputs**, because that will dictate what the inputs – processes, software, resources and data – will need to be.
- 2. Identify waste**, and fix those problems separately, over time, as small improvement projects. They matter, but they need to be treated as separate to the software migration, or you will get bogged down in dependencies.
- 3. Involve users**. They are the ultimate arbiters of “what good looks like” in their daily workflows. At the least, they should have a chance to contribute to the specification. Ideally, you’ll engage with them enough that they become enthusiastic about the opportunity – which will make the path to change much smoother.
- 4. Fix your master data, once and for all**. “I can’t stress enough how important this is”, says Lucy. “We bought a piece of software from Datel that helped us to archive old codes so that we didn’t then move them into the new system; and then I fixed and standardised all the ones we did use. Previously, we were just using random fields for random things - they weren’t uniform... we had to make sure that what went into the new system was good. By doing all of that, we understood exactly what the system needed to do when we embarked on the discovery and scoping process with Datel. The biggest piece of advice I can offer for any ERP project is: sort your data out.”

Inevitably, process mapping highlighted gaps where either Sage X3 could not immediately match the customisations which had been made over the years to Sage 1000, or where the migration process was giving the business good reason to demand new functionalities.

Being clever with customisation

Lucy says that this customisation is where costs (and delivery schedules) can run out of control if the specification is not carefully locked down. It is also where Datel was able to provide essential resource, because each gap in functionality can be best served by different degrees of investment in solutions:

- **Off-the-shelf third-party software:** as systems become ever easier to integrate, the amount of third-party software which will work fresh-out-of-the-box is increasing. Stephenson bought scheduling software, for example.
- **Advanced configuration:** Customisation of the Sage X3 environment. Datel's team engineered data sharing with Stephenson's existing systems for quality control, customer-specific labelling (e.g. hazardous materials labelling) and contract management.
- **Bespoke build:** For the most complex and high-value integrations, there may need to be some coding from scratch. Datel's in-house team designed the interface between Sage X3 and Stephenson's production software.

It's essential to find a technology partner capable of advising on and executing these customisations in the most cost-effective way, as without them, value from the project will dissipate.



Managing and maintaining momentum

“Running a migration project and four interfaces is hard”, says Lucy. “We didn’t buy everything from Datel, so I had to manage several different parties. Datel were fantastic. Whenever I had a problem, I had one point of contact; a superb project manager. But I also had other vendors to deal with, too.” ERP migration is inevitably a multi-stakeholder project, both in terms of vendors and in-house departments. Says Lucy, “I think I probably bit off more than I could chew sometimes, but it’s because ERP is so all embracing and touches every part of the business.”

Lucy’s tips for an effective project:

Lucy offers plenty of advice for businesses about to embark on the upgrade, which will maintain momentum and help keep the business on-side:

- **Change Management:** Communicate with your end users. Offer training and a support package tailored to their operational needs, so that they are less inconvenienced during the change and see value fast in their daily work.
- **Communicate with the leadership team:** Senior leaders will understand all the costs, but not necessarily appreciate “the art of the possible”, and therefore the benefits. Keep them apprised of the milestones, and celebrate achieving them!
- **Don’t do everything at once:** Says Lucy, “We automated a lot of warehouse processes at the same time. Because we were changing so much at once, we couldn’t test the automations properly, and that caused us some headaches. It can be more effective to split some projects up. I can’t put enough emphasis on testing.”





A catalyst for change

But it's all been worth the effort. Lucy says "This project has been a catalyst for so much change. It's not just that we were behind the times with our existing systems: having Sage X3 has allowed us to move many parts of the business forward. I now have a fantastic dataset, which means the possibilities are endless for management reporting and setting strategy."

"We used to be a business that managed by volume: the amount of product we shipped dictated the amount of work that needed to be done. Scaling up meant taking on more staff. Now, with the right technologies in place, we're managing by exceptions. It's only when things go wrong that there is an increase in workload, and that means that we can scale up far more efficiently."

"For example, one of our supply chain coordinators has just left the business, and I haven't had to replace him,

because we've driven so much new efficiency. Despite growing pressures on pricing, transport, labour costs, inflation and the rest, we've got the ability to grow without necessarily raising our costs; and in terms of remaining competitive, that's the biggest issue. In that respect, evolving our technology is proving to have been crucial to our business."

And as promised, Sage X3 is allowing the business to develop new efficiencies. "We have a new fleet of forklift trucks. The drivers will be equipped with tablets, scanner guns and label printers", says Lucy. "They'll be able to manage stock from the forklift cab, which is not just faster, there's a safety perspective, too."

"But there's not one big plan. With ERP, I am going around the business and looking for where tweaks can be made, either to eke out waste and inefficiencies, or to use data in innovative ways. Right now, for example, I'm investigating where we can link with our network of hauliers, to simplify the transport process and cut cost and complexity."

LETTING GO OF THE PAST AND UNLEASHING AN EXCITING FUTURE

The sunset of Sage 1000 has been signposted long enough now that it won't be a surprise. But we're only too conscious that, by definition, changing ERP means reassessing technology across the whole business. Our clients tell us that while Sage 1000 going end-of-life is a burning platform for change, it's a chance to eradicate waste, revisit processes for efficiency, and even reposition the business operationally – for new markets, for more efficient processes or to compete more effectively with the competition.

We would be delighted to help you, and the first step is for us to truly understand your business. We have the full range of Sage solutions at our disposal, but what's right for you will depend not on where you are today, but on your ambitions for tomorrow.

To get excited about life after Sage 1000, book a Discovery Meeting with one of our experts.

www.datel.info/sage-1000