

# Failed Implementation Assessment




VIP SOLUTIONS CASE STUDY

VIP



## BACKGROUND

Our client transitioned from three disparate ERP systems to a single Sage X3 ERP system of record for all operations and locations. There were issues with the conversion to the Sage system. We helped them implement processes to correct failed module implementations.

## OBJECTIVES

-  Assess recurring losses from production jobs and cycle count variances
-  Implement process to correct material issuance deficiencies creating variance
-  Update BOMs to properly consume materials in ERP

## SOLUTIONS

-  Assessed get-right plan for improved system capabilities
-  Implemented transaction process changes and analysis to inform accurate, timely, & control financial performance

## PROJECT DOCUMENTATION

Consolidate TB	2020 Total	2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	2021 Total	Grand Total
40100 - Gross Sales	(701,299,075)	(56,332,520)	(60,720,514)	(81,214,585)	(50,773,856)	(59,881,844)	(58,900,602)	(58,666,507)	(66,502,956)	(66,081,371)	(61,475,840)	(822,550,595)	(1,323,849,670)	
40201 - Revenue Clearing						(87,732)	2,116,398	1,299,169	(1,054,136)	657,998	262,768	(3,862,023)	(627,561)	(627,561)
40200 - Other Sales	(1,174,207)	(331,694)	(260,823)	(894,439)	19,483	(25,405)	(659,109)	(618,055)	(580,467)	(375,942)	(40,610)	(3,567,061)	(6,741,267)	
41100 - InterCo - Gross Sales		0	(0)		(6,292,773)	(7,052,198)	(7,251,533)	(9,211,791)	(8,361,329)	(8,465,539)	(9,818,568)	(56,451,711)	(56,451,711)	
44100 - Terms Discounts	3,513,659	321,450	345,045	456,544	280,068	277,170	436,909	411,938	449,339	581,777	490,172	4,050,412	7,564,071	
44200 - Customer Fines & Fees	309,723	18,458	37,842	32,207	1,293	646	4,655	264,954	347,072	132,926	130,567	970,620	1,280,343	
44300 - Returns & Adjustments	287,684	6,867	5,671	(22,262)	(934)		75					(10,583)	277,101	
44400 - Damages	1,140,443	84,930	107,308	106,309	22,924	20,128	9,565	5,107	13,869	17,696	90,735	478,491	1,618,934	
44500 - Over & Short	183,993	12,087	38,031	4,339	390	(25,961)	16,090	10,180	12,303	4,458	1,434	73,395	257,388	
44600 - Promotions - Off Invoice	(66,893)												(66,893)	
50000 - Cost of Sales - Materials	611,502,847	51,240,870	51,160,807	72,433,206	37,734,574	320,810,464	65,167,819	55,337,805	60,108,389	57,214,642	59,776,542	833,005,159	1,444,508,006	
50100 - Cost of Sales - Labor	51,562,989	4,428,666	4,699,759	5,634,320	2,005,633							16,768,379	68,331,368	
50200 - Cost of Sales - Overhead	24,101,145	2,202,634	2,437,590	2,807,688	3,388,297							10,843,958	34,945,103	
50300 - Cost of Sales - Freight					295,337		857,209	761,288	356,212	655,682	649,865	369,232	3,894,824	
51000 - InterCo - Materials	(77,113,710)	(8,467,167)	(7,246,939)	(9,250,134)	5,704,794	6,065,958	5,898,708	7,451,830	6,659,826	6,910,212	7,950,440	21,668,528	(55,445,182)	
51100 - InterCo - Labor	677,004	6,361	7,033	9,824	9,251							32,469	709,473	
51200 - InterCo - Overhead	870,767	7,647	9,427	14,110								11,185	901,951	
52000 - PPV - Purchase Price	(20,527,197)	(1,278,760)	(1,685,962)	(1,691,452)	1,509,427	(975,495)	(842,952)	353,963	(337,477)	(299,908,697)	(912,535)	(305,771,142)	(326,708,339)	
52010 - PPV - Terms Discount	(1,061,722)	(40,837)	(58,473)	(103,760)	(28,737)	(39,631)	(33,592)	(26,921)	(41,300)	(32,318)	(40,413)	(446,983)	(1,508,704)	
52030 - PPV - Purchase Rebate	(141,579)		(60)									(60)	(141,625)	
52040 - PPV - Material Freight	5,248,078	454,039	502,081	693,818	765,544	1,101,108	1,002,600	1,488,398	1,245,145	1,160,267	1,581,854	10,000,652	15,248,730	
52050 - PPV - Demurrage	628,663	59,672	55,979	41,562	48,043	107,303	154,100	87,041	141,874	88,469	99,410	883,454	1,512,117	
52100 - Inventory Cost Adjustments	279,275	(792,017)	(848,364)	(8,060)	15,240,254	(116,382,279)	106,483,253	4,215,937	456,560	(701,812)	(935,235)	6,728,258	7,007,533	
52200 - Mtg Variance - Materials	(1,392,596)	99,173	(738,638)	(365,322)	(910,913,856)	(34,064,817)	11,009,308	(7,813,798)	630,015	(803,544,602)	2,185,897	(836,147,302)	(837,559,898)	
52210 - Mtg - Scrap	6,600,462	187,091	350,909	(45,371)	50,616	12,119	187,057	144,962	211,061	632,395	1,361,066	3,811,187	6,431,649	
52220 - Inventory Count Adjustments	7,962,740	407,302	979,825	870,956	901,558,655	22,876,340	12,652,579	11,575,395	1,391,984	2,229,396	4,820,707	959,543,176	967,305,916	
52400 - R&D - Trial Materials					(118,076)								(118,076)	
53000 - Applied Labor	(24,026,224)	(2,356,771)	(2,333,605)	(2,666,531)	(2,964,980)	(11,881,600,113)	(4,420,981)	(2,992,585)	(3,279,451)	(3,124,069)	(3,337,736)	(1,299,076,822)	(1,233,103,046)	
53100 - Applied Overhead	(25,353,326)	(2,607,273)	(2,681,563)	(3,254,239)	(4,060,468)	(23,513,430,040)	(6,601,963)	(4,754,473)	(4,971,455)	(5,943,206)	(5,997,672)	(23,566,298,353)	(2,581,651,679)	
54000 - Mtg Variance - Labor	(926,967)	(177,503)	(253,560)	(817,653)	(2,642,098)	1,248,655,179	(2,047,540)	691,192	428,596	632,295	1,361,066	1,145,970,084	1,145,043,117	
54100 - Mtg Variance - Overhead	(25,272,041)	(2,083,203)	(1,882,436)	(2,562,162)	(25,978,449)	2,174,967,643	(22,844,654)	249,145	40,669	584,023	(53,396)	2,130,417,211	2,095,165,171	

Manufacturing  
INDUSTRY

1,200  
EMPLOYEES

\$875M  
ANNUAL  
REVENUE

Assessed failed implementation and identified  
**LACK OF CONFIDENCE AND VISIBILITY**  
to financial & operational performance