

Implementation of an ERP System to Replace a Global Legacy System

Summary of WSRcg Opinions – Testified August 2015

\$20-30 Million Arbitration

Worked with Customer's Counsel

This dispute involved a world-class Defendant Developer/Integrator hired to provide leadership and project management in the customization, configuration, and implementation of a global ERP system starting with a first release in North America. Both parties understood Customer's limitations and lack of experience and understanding in the global ERP space. Despite continually asking Integrator for guidance, Plaintiff Customer did not receive effective advice, design guidance, knowledge transfer, and training pre-Go-Live. Customer suspended the agreement after a year and a half, claiming the Integrator was unable to resolve problems. Judgment Pending

Our Overall Opinion: Systems Integrator failed to deliver on its contractual obligations to Customer to plan, staff, manage the project and interim deliverables, oversee strong testing, deliver effective training, and lead as the experienced implementer on this project, built around their system. Integrator's conduct and shortcuts led directly to a failed Go-Live. It also forced the launch dates of planned future releases into the unknowable future.

- **Opinion: Integrator failed to meet its contractual obligations to provide personnel, expertise and the professional services necessary to implement the ERP System.** It abandoned its promised, world-class methodology, failed to deliver its promised tools, staffed the project with an inexperienced and untrained team, and failed to train Customer. Worse, Integrator abandoned its obligation to provide leadership and guidance to Customer.
- **Opinion: The Go-Live was a failure and NOT what Customer was promised, bargained for, and contracted for,** (i.e., a stable, maintainable, reliable, 'suitable ERP system' that met Customer's business, legal, industry, functional, non-functional & technical requirements).
- **Opinion: There were several cascading and cumulative failures on the Integrator's part that brought the launch to its predictable failure including:**
 - **Project planning: Integrator never developed and managed to an achievable work plan, work-breakdown structure and schedule.** Integrator did not know the real project status, and the additional effort/rework required deliver a suitable system.
 - **Knowledge and Experience: Integrator's assigned staff were not sufficiently knowledgeable, experienced, or up-to-speed on SAP best-practice design alternatives, SAP configuration trade-offs, Customer's industry, or Integrator's Solution.** Inexperienced Integrator staff provided bad advice and allowed wrong SAP design alternatives to be implemented.
 - **Integrator abandoned its best-practice Software Development Lifecycle (SDLC) Methodology developed especially for SAP Industry Solution Customers,** which included special Integrator extensions, accelerators, functionality & methodology learned and tested on similar implementations.

- **Lack of formal, organized, well-led, professional testing to bring the system to readiness for Go-Live.** Integrator promised, but failed to properly oversee, perform and/or approve/pass many of the required tests. Integrator did not properly advise, approve or quality review the number, breadth and depth of the testing scenarios, cases and scope of testing, resulting in too few negative tests and scenarios to catch many of the data, workflow and process errors/issues that crippled the Go-Live and production for more than a year.
 - **Integrator’s training materials were wrong or incomplete to properly operate/use the system.** End-user training was too little, too fast, too late – with poor hands-on practice sandbox available.
 - **Integrator’s progress & status reports were non-standard, misleading, inactionable and/or “rosier than actual.”** Integrator failed to honestly provide advice to Customer that the system was not ready to Go-Live.
- **Opinion: Based on Integrator’s failure to adhere to best practices, processes and tools, with inexperienced consultants, significant problems at Go-Live were foreseeable and predictable.** The quality of the system was poor and lacked “-ilities”: (maintainability, upgradeability, scalability, reliability, securability, performance, etc.) Very significant start-up problems at all sites requiring extensive onsite SWAT teams, help desk support, and unplanned manual workarounds, customer shutdowns and lost customers with significant revenue impact. The Customer received negative press.
 - **Opinion: The Integrator team treated the contract as a “contract for resources” rather than a “contract for results”.**