



Harvey Building Products Retires Its Legacy Systems to Gain a 360-Degree View of Its Business

Caption: Harvey Building Products' top executive team: (L to R) Alan Marlow, Jim Barreira, Tom Bigony, and Erik Jamryd

Harvey Building Products

Headquarters: Waltham, Massachusetts

Industry: Building materials

Employees: 1,350

Company details:

- Privately held wholesale distributor of building products and manufacturer of custom-made windows and doors, serving general contractors, remodelers, builders, and architects
- Operates 33 distribution branches and 2 high-volume manufacturing plants
- Produces approximately 1 million units per year
- Founded in 1961
- Website: www.HarveyBP.com

SAP solutions:

- SAP ERP (Phase One: Core functionality for financials)
- SAP ERP (Phase Two: Functionality for manufacturing)

For some companies, legacy systems are sufficient to keep the business moving forward. A warning light is blinking, but it's more of an annoyance than anything. For others, emergency lights are flashing. In these cases, legacy systems are unable to shed enough light for the company to truly see where the business stands, to manage performance across the enterprise, or to increase efficiency and productivity.

Harvey Building Products provides an example of the latter case; the company realized that it was time to decommission its legacy systems and adopt a more flexible ERP platform to keep up

with its focus on growth, innovation, and superior customer service. As a growth-oriented wholesale distributor of building products and manufacturer of custom-made windows and doors, Harvey Building Products serves general contractors, remodelers, builders, and architects throughout the Northeast region of the US.

To continue providing its customers with optimal service levels, its employees with enterprise-wide data transparency, and the business with a scalable technology backbone, the company opted to deploy SAP ERP 6.0.

Desiring Transparency and Other Business Benefits

“We realized as a company that our legacy systems weren’t providing us with the transparency we needed to run the company as effectively and efficiently as we wanted,” says Jeff Ribeiro, Vice President of IT for Harvey Building Products. According to Ribeiro, the company implemented SAP ERP to provide a number of business benefits:

- Replace siloed legacy systems with a single, monolithic system of record
- Tightly connect executive, strategic decision making with real-time data — through improved KPIs and dashboards, for example
- Create more efficient links between the manufacturing, sales, and service departments and the company’s back-end financial and accounting functions
- Improve returns on inventory while simultaneously improving customer service
- Enable the business side to take greater ownership of and get more out of its software assets, thereby freeing IT to more strategically support value creation for the business
- Increase the IT department’s profile in the company so C-level leaders consider the group an important value generator
- Provide greater IT governance and better project management
- Create a scalable and flexible platform for future growth

“We wanted a system that could provide the performance indicators our executive team needed to better manage the business at all levels and that could provide a 360-degree view of how the company is doing,” Ribeiro says. “If something peaks their interest, executives should be able to drill down to the detailed information necessary to make good business decisions. SAP is going to do that for us.”



Jeff Ribeiro, Vice President, IT, Harvey Building Products

Mapping Out a Strategic Direction

Although Harvey Building Products has experienced solid growth over the past 5 to 10 years, its reliance on 24-year-old, siloed legacy systems for its back-end and manufacturing functions presented some challenges — not the least of which was effective support of projected future growth.

“While our legacy systems served us well, they couldn’t keep pace,” says Ribeiro. “We had one system for distribution that also ran our finance processes, and we had a custom system for manufacturing. This created issues because we essentially had two systems of record.”

As the business mapped out its future strategic direction, it became obvious to Ribeiro and other executives that success required a software update. They quickly concluded that the company needed a unified ERP and manufacturing package that would be scalable and could manage future growth as well as allow for the integration of future functionality as its back-end and manufacturing needs evolved.



Selecting a Platform Appropriate for a Midsize Company

Harvey Building Products realized immediately that only a tier-one ERP software provider could handle its required degree of interoperability and scalability. “We knew that if we were going to do this, we needed somebody who knows our industry and offers its particular best practices baked right into the solution,” says Ribeiro. “What impressed us about SAP was the size of its ecosystem — more than 86,000 customers — and the fact that all of the best practices we needed were built into the software.”

Initially, Ribeiro admits he was concerned that a midsize company like Harvey Building Products would get lost among much larger SAP clients. However, discussions with peer companies at technology-related trade shows soon changed that perception and dispelled the myth that SAP is only focused on big companies. “I was amazed to see how many midsize businesses — companies the same size as Harvey — actually use SAP software,” says Ribeiro. “The SAP executives who we met with were well-informed. They knew who we were and what we were looking for.”

The company decided to implement SAP ERP, and to implement it in two phases. In phase one, the business would roll out software for financials — including functionality for the general ledger, accounts payable, accounts receivable, credit, treasury, fixed assets, sales and distribution, materials management, and production planning. Phase two covers integrating the functionality for manufacturing.

“Our legacy systems weren’t providing the transparency we needed to run the company as effectively and efficiently as possible. We wanted a system that could provide a 360-degree view

of the business.”

Jeff Ribeiro, VP of IT, Harvey Building Products

Previewing the Benefits to Come

To ensure that the SAP system would fully map to how Harvey Building Products operates and exactly what its goals for the new software were, the company decided to bring on a systems integrator (SI) that could handle this level of research. After gaining a thorough understanding of the best practices that meet the business needs and expectations, the SI created business process templates to follow.

These templates enabled a number of advantages as the implementation unfolded, but key among them was the ability to quickly create a conference room pilot, which acted as a flight simulator for employees and vendors to get an initial glimpse at the SAP software using a subset of actual data to simulate key processes.

“For example, our finance people saw a few important business processes on the accounting side, and a few of our vendors got to see how an invoice would be entered and paid,” says Ribeiro. “For both, they quickly saw how the software and the processes would work.”



Taking the Standard Route

Implementing SAP ERP meant more than just bringing in a new system of record for the company. It represented a complete transformation of most — if not all — of its business processes, and a systemic change in the way it does business by moving to a more efficient system based on relevant industry best practices.

Additionally, Harvey Building Products did not try to contort the software to its processes. Rather, the company believed it was important to conform to the processes held within the software. Ribeiro says that much of his early research into the difference between successful and unsuccessful implementations showed that the best option is not to customize the software.

“We kept hearing a common theme: Failed implementations — those that were over-budget and that missed deadlines — were those in which the company spent a lot of extra time and money changing the software to meet its needs,” says Ribeiro. “We decided to stick to SAP Best Practices and change our company to follow them — because if it works for 86,000 other companies across the world, it will work for us.”



7 Keys to a Successful Implementation

According to Ribeiro, Harvey Building Products took something of a multipronged approach to ensuring a successful implementation, which incorporated a thorough change management strategy. The key elements of the company’s approach include:

1. Strong executive support and buy-in: The implementation team enjoyed the strong and continuous support of the company’s C-level executives, which included an executive-

level sponsor working with the project. “Our CEO, COO, and other executives were 100% behind this project and knew this is something we had to do,” Ribeiro says.

2. A cross-functional core implementation team: Ribeiro and the company’s executives decided early on that this would not be an IT project; it would be a company project. “We wanted to make sure that everyone bought into this and felt ownership and accountability for ensuring the software was successful in their area,” he says. “So we put together a cross-functional core team of the best and brightest the company has to offer and had them work full-time on the project.”
3. Employee communication: The company spent a lot of time communicating to employees and developing strategies, such as a competition to name the system (“NAV 360”), to increase their involvement. “We explained to them what we were doing and why we were doing it,” says Ribeiro. “Our systems had carried us this far, but as we continue to grow, we needed to make this change.”
4. Vendor and customer communication: Knowing that its vendors and customers are critical to the company’s success, Harvey Building Products initiated a program to communicate to them what changes were happening, what timeframe they were happening in, and how the implementation would improve their existing relationship.
5. A thorough go-live strategy: The team developed a comprehensive plan for how the project would unfold from start to finish, which included a detailed go-live strategy. “During the last two weeks, we started training our end users,” says Ribeiro. As go-live neared, the plan narrowed down to what should be happening day-by-day and then hour-by-hour so each person and department knew what to do and what was expected of them.
6. SAP Value Academy: Getting the most out of its relationship with SAP included having Harvey Building Products’ cross-functional team attend SAP Value Academy. “This is a great offering that SAP has for a company such as ours,” says Ribeiro. “We supply the SAP Value Academy with financial measures and information as well as vendor and inventory data, and we receive back a report detailing how we compare to peer companies. Then, they review the results with us and help us find ways to do better and how the software could support these efforts.”
7. Tiered support: As part of the go-live plan, the company set up a user support structure similar to a tiered customer support system. The first piece of the user support was to train branch managers on the SAP system so that issues could be resolved locally after go-live. Issues that couldn’t be resolved at this level were escalated to a help desk, which was established to provide the next level of support, discern common issues, and communicate how to resolve these issues at the branch level rather than the help desk. Technicians called “floaters” could be deployed to the various branches to fix issues quickly and then report to the help desk what they had learned.

Moving Forward

According to Ribeiro, Harvey Building Products is looking at its relationship with SAP as more of a long-term strategic partnership than a one-off IT project. Currently, this means focusing on the second phase of the ERP project — but after that, he sees the company looking at a wide array of needs, such as customer relationship management, payroll, and human resources.

“Right now, we are putting the core SAP applications in the company as the foundation,” says Ribeiro. “With our manufacturing, then payroll and human resources implementations, we have some major projects to still undertake. And as we move forward, SAP will be a key player in continuing to build on what we have done and keeping the good things we have going.”

Lessons Learned

- Talk to other companies in SAP’s diverse ecosystem about their experiences.
- Partnering with a strong systems integrator is a crucial piece of a successful implementation.
- Provide ample opportunities for users to experience the system before go-live and use real data and processes whenever possible.
- Create a strong change management program based on the experience of experts.
- Strong executive buy-in and support is important for facilitating a successful integration.
- Communicate with customers and vendors so they understand the changes being made, the timeframe, and how the project will benefit them.
- Conform your processes to best practices baked into software rather than spending time and money to customize the software to fit your needs.
- Take advantage of SAP resources, such as the SAP Value Academy, and the company’s rich partnerships to gain the most from its software.
- Create a comprehensive go-live strategy with tiered user support as well as methods to share learning across the business.

James Buchanan has authored a number of books that explore cutting-edge business concepts and technology, including an MIT Press book on Internet governance issues. James is currently writing a book about the surviving members of the Abraham Lincoln Brigade. You can email him at editor@insiderPROFILES.wispubs.com.