

James A Robertson and Associates Effective Strategic Business Solutions



Why your ERP is NOT delivering and how to fix IT

4. The Missing Link – precision engineered strategic configuration

***The Real Issues in World
Class ERP and the Critical
Factors for ERP Investment
Success***

Dr James Robertson PrEng

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James@JamesARobertson.com**



Failures are increasing The threat and therefore the opportunity is huge



THE INDEPENDENT UK

 **STEVE RICHARDS**
Marriage and
the limitations
of government

£ rates
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Exclusive

Labour's computer blunders cost £26bn

Ministers blamed for 'stupendous incompetence' after taxpayers left with projects

By Michael Savage, Political Correspondent

Tuesday, 19 January 2010



One of the classic business problems of this age



We have spent a FORTUNE on this computer system and I.T. tell me it will take two years and another few million to get what I want BUT the transactions are being processed already



A classic example of IT value

Double turnover in 12 months



I am successful because I make the right recommendations more than 51% of the time



1. Simple manual models were computerized
2. Computed faster and therefore many more scenarios
3. Creative business concept
4. Better advice in less time to more clients
5. Doubled turnover in 12 months
6. In 1982

Precision content engineering

Key driver of successful implementations



1. Days spent with CFO designing the codes -- first year massive improvement in management information, one less clerk, financials signed off without qualifications six WEEKS after month end.
2. Ten days spent with a director of the company consulting with other directors and managers to design codes -- four clerks instead of 12, an extremely wide range of management information, captured 90% of the data instead of 10%.
3. Six days spent with CFO's of operating divisions and major subsidiaries to identify core economic drivers for a group of over 200 companies and develop the headlines of the group consolidation ledger -- dramatic improvement in management information.

The subject of this section is of critical importance -- it is the content that makes the difference

What is an ERP?



"Enterprise Resource Planning" = ERP Systems
? or ?

"Integrated Business Information Systems" = IBIS

= all the information "repositories"

= databases

= tables

= lists

= filing drawers / folders

real world items that require description and management

+ the numerical computations, workflow and other activities that are executed with the numbers (and text) stored in these repositories

ALL of which can be done by human beings -- including making a mess!



RECAP

Why invest in a new ERP / IBIS? Or any IBIS?



-
- | | |
|--|-----------|
| 1. Because everyone else has one? | ? X No |
| 2. Because the one we have does not work very well? | ? X No |
| 3. Because the one we have is more than five years old? | XXX NO!!! |
| 4. So that we can get better strategic (thrive) information? | Yes |
| 5. So that we can get better tactical (thrive) information? | Yes |
| 6. So that we can get better operational (thrive) information? | Yes |
| 7. So that we have more effective delegation and governance? | Spinoff |
| 8. So that we can become more efficient? | Spinoff |
| 9. Head count reduction and audit fee reduction? | Spinoff |

To support better decision making

How do you unlock IBIS value?



1. Value is unlocked through effective delivery of information that is intuitively fundamentally meaningful
2. Packaged in a way that the computer system APPEARS to be intelligent
3. Presented through:
 1. reports
 2. graphs
 3. dashboards
 4. advanced statistical techniques
 5. advanced economic analysis
 6. other advanced techniques of information presentation, analysis and interpretation
4. Resulting in MUCH BETTER strategic, tactical and operational decisions that manifest in improved organizational profitability, growth, impact, etc



High value business decisions

What is the core requirement for any IBIS?



I can get answers to any question for which I can reasonably expect there to be answers in the databases that I KNOW my organization has

Easily and quickly and without major effort on the part of any staff member or contractor

The RIGHT information at the RIGHT place at the RIGHT time in order to make the RIGHT decision

High value intelligent information



How is value created



Value is created by business actions that deliver on the essence of why the organization exists and how it thrives

Value manifests through increased profitability, growth, acquisitions, job satisfaction, fulfilment of the strategic vision

The consequence of intuitive, intelligent, informed leadership business decisions – thrive decisions

Such decisions are facilitated, accelerated and enhanced through access to more intelligent, meaningful and relevant information

Answers to the questions I have not yet thought to ask

Such "intelligent information" is assembled as a consequence of high level strategic and executive level input into the design of the data CONTENT – taxonomies designed to catalogue every conceivably relevant classification ahead of time

High value intelligent content design

Precision strategic content engineering



The definition of information content

- in a way that is structurally (taxonomically) fundamentally meaningful to human beings who understand the business
- and the translation of this content into structured codes which faithfully and accurately reflect human understanding of the REAL WORLD in a way that the computer can manipulate
- with minimal human intervention
- so that the computer system **appears to be intelligent**

Taxonomy defined



1. Logical word (semantic structure)
2. Precision vocabulary of preferred terms
3. Conveys understanding between humans with relevant knowledge and experience
4. Once linked to a precision code scheme the most important communication mechanism between computers and people
5. An art and a science
6. Once it is right it is OBVIOUS 😊

```
EXPENDITURE
DIRECT OPERATIONAL EXPENDITURE
ASSET OPERATING COSTS
DEPRECIATION ASSET OWNED-OpCost
DEPRECIATION ASSETS LEASED-OpCost
LEASE FINANCE CHARGES-OpCost
RENTAL OF ASSETS-OpCost
OPERATING LEASE COSTS ASSETS-OpCost
REPAIR AND MAINTENANCE ASSETS-OpCost
PROPERTY (NON-PLANT, NON-OFFICE)
LEASEHOLD IMPROVEMENTS
INDUSTRIAL BUILDINGS AND WAREHOUSES
OFFICE BUILDINGS
PRODUCTION LINES
FIXED MACHINES AND EQUIPMENT-AssOwn
TOOLS AND PORTABLE MACHINES-AssOwn
VEHICLES MOBILE PLANT LOCOMOTIVES ETC
Engine
Transmission
Chassis
Wheels, Tyres And Brakes
Cab / Manufacturers Body
Electrical
Electronic
Freezer And Cooling Units
Hydraulics And Pneumatics
Load Carrying Body
Specialized Mechanical Components
```

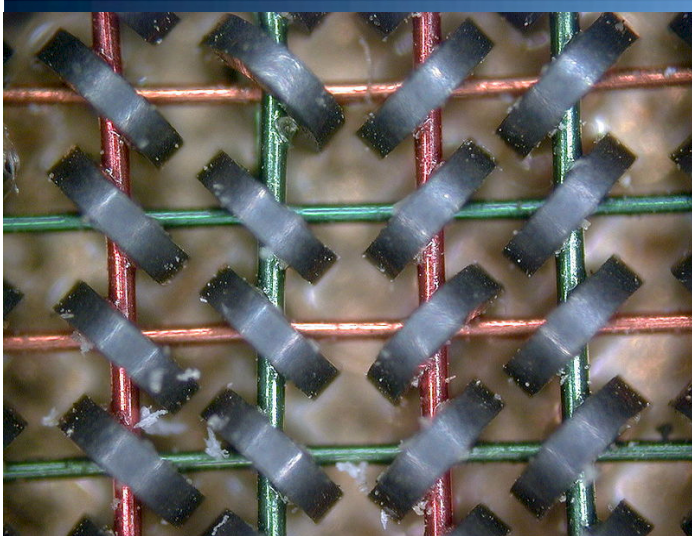
Taxonomy relevance



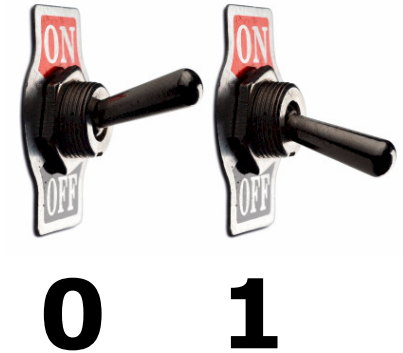
1. Essential to effective operational and strategic use of business software
2. Nearly ALL validation lists (drop down lists), chart of accounts, etc
3. Large body of expertise – Botany, Zoology, military filing, Library Science, Information Management, etc
4. Unknown to many (most?) IT professionals and business people

C.	ORDER CANCELLED	
CC	Order Cancelled Credit Control	
CS	Order Cancelled by Consumer	
CT	Order Cancelled by Customer	
D.	DAMAGED OR DEFECTIVE	
DF	Defective Product	
DM	Damaged Product	
DP	Damaged Packaging	
DT	Consumer Complaint	
P.	PRICE ERRORS OR DISCONTINUED	
PD	Discontinued	
PI	Incorrect Price	
S.	SUPPLY ISSUES	
SD	Order Duplication	
SF	Customer Non-Franchise Holder	
SI	Incorrectly Supplied	
SK	Overstock	
SL	Late Delivery	
SO	Oversupplied	
SV	Not in Customer Inventory Master	
T.	USED AS TESTER	
TT	Used as Tester	
Z.	OTHER	
ZN	Not Known	
ZO	Other	

A computer is An adding machine / calculator



0
1
 $1+1=10$
 $1+1+1=11$
 $1+1+1+1=100$

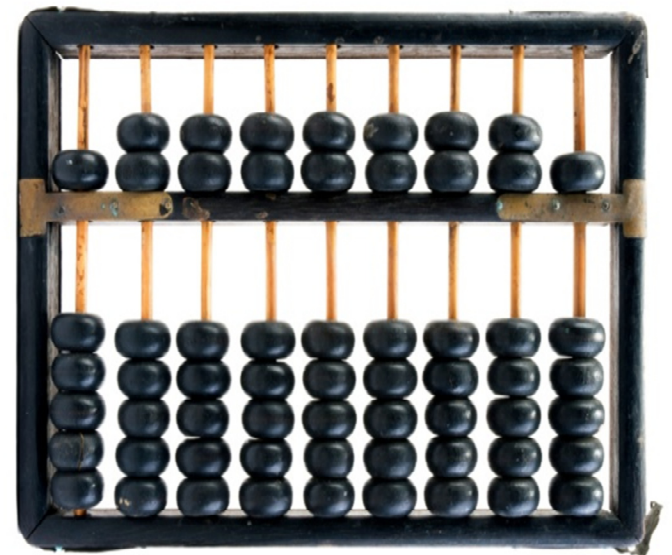


Called a "bit"

8 bits make a byte

2 bytes make an
ASCII character

A= "41" hex



Coding taxonomies



1. Computers only understand binary
2. The code is a unique binary pattern that corresponds to the structured English taxonomy
3. The only way the computer will appear to be intelligent
4. Results in “intelligent data”
5. Standard conventions
 1. Indents and trailing periods
 2. Capitalization
 3. Other standards and conventions

```
EXPENDITURE
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RENTAL OF ASSETS-OpCost
OPERATING LEASE COSTS ASSETS-OpCost
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PROPERTY (NON-PLANT, NON-OFFICE)
LEASEHOLD IMPROVEMENTS
INDUSTRIAL BUILDINGS AND WAREHOUSES
OFFICE BUILDINGS
PRODUCTION LINES
FIXED MACHINES AND EQUIPMENT-AssOwn
TOOLS AND PORTABLE MACHINES-AssOwn
VEHICLES MOBILE PLANT LOCOMOTIVES E
Engine
Transmission
Chassis
Wheels, Tyres And Brakes
Cab / Manufacturers Body
Electrical
Electronic
Hydraulics And Pneumatics
Load Carrying Body
```


Software and data text -> hexadecimal -> binary All for US ☺



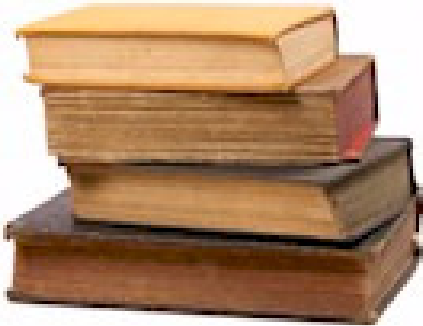
Binary Viewer : C:\Data\2\2M\2M-C-SEM\2009\01_Exec B

File Search View Help

Address (Hex)	Hex	Text (ASCII)
00000150	30 20 63 65 6C 6C 50 61 64 64 69 6E 67 30	cellPadding=10
00000160	20 77 69 64 74 68 3D 36 32 30 20 0D 0A 6	width=620 ..bgC
00000170	6F 6C 6F 72 3D 23 30 32 30 31 38 30 20 6	olor=#020180 ali
00000180	67 6E 3D 63 65 6E 74 65 72 3E 0D 0A 20 2	gn=center>.. <T
00000190	42 4F 44 59 3E 0D 0A 20 20 3C 54 52 20 7	BODY>.. <TR vAl
000001A0	69 67 6E 3D 74 6F 70 20 61 6C 69 67 6E 3	ign=top align=le
000001B0	66 74 20 62 67 43 6F 6C 6F 72 3D 77 68 6	ft bgColor=white
000001C0	3E 0D 0A 20 20 20 20 3C 54 44 20 63 6F 6	>.. <TD colSp
000001D0	61 6E 3D 32 3E 0D 0A 20 20 20 20 20 20 3	an=2>.. <CE
000001E0	4E 54 45 52 3E 0D 0A 20 20 20 20 20 20 3	NTER>.. <H2
000001F0	3E 3C 46 4F 4E 54 20 66 61 63 65 3D 56 6	><FONT face=Verd
00000200	61 6E 61 2C 41 72 69 61 6C 2C 48 65 6C 7	ana,Arial,Helvet
00000210	69 63 61 2C 73 61 6E 73 2D 73 65 72 69 6	ica,sans-serif><
00000220	49 4D 47 20 62 6F 72 64 65 72 3D 30 20 6	IMG border=0 hsp
00000230	61 63 65 3D 30 20 0D 0A 20 20 20 20 20 20 2	ace=0 .. al
00000240	74 3D 22 22 20 61 6C 69 67 6E 3D 72 69 6	t="" align=right
00000250	20 0D 0A 20 20 20 20 20 20 73 72 63 3D 2	.. src="C:
00000260	5C 44 61 74 61 5C 32 5C 32 4D 5C 32 4D 2	\Data\2\2M\2M-C-
00000270	53 45 4D 5C 32 30 30 39 5C 30 31 5F 45 7	SEM\2009\01_Exec
00000280	75 74 69 76 65 20 42 72 69 65 66 69 6E 6	utive Briefing -
00000290	2D 20 57 68 79 20 79 6F 75 72 20 45 52 5	- Why your ERP i
000002A0	73 20 6E 6F 74 20 64 65 6C 69 76 65 72 6	s not delivering
000002B0	5C 30 32 5F 4D 61 69 6C 73 68 6F 74 20 4	\02_Mailshot Let
000002C0	74 65 72 5C 30 31 5F 46 69 72 73 74 20 4	ter\01_First Mai
000002D0	6C 73 68 6F 74 5C 4A 41 52 41 20 6C 6F 6	lshot\JARA logoJ
000002E0	50 45 47 20 54 68 72 69 76 65 20 6C 6F 7	PEG Thrive low r
000002F0	65 73 2E 6A 70 67 22 3E 57 68 79 20 0D 0	es.jpg">Why ..
00000300	20 20 20 20 79 6F 75 72 20 45 52 50 20 6	your ERP is
00000310	6E 6F 74 20 64 65 6C 69 76 65 72 69 6E 6	not delivering a
00000320	6E 64 20 68 6F 77 20 74 6F 20 66 69 78 2	nd how to fix it



What is a general ledger?



EXPENDITURE	
63	DIRECT OPERATIONAL EXPENDITURE
632	ASSET OPERATING COSTS
6321	DEPRECIATION ASSET OWNED-OpCost
6422	DEPRECIATION ASSETS LEASED-OpCost
6523	LEASE FINANCE CHARGES-OpCost
6624	RENTAL OF ASSETS-OpCost
6725	OPERATING LEASE COSTS ASSETS-OpCost
6826	REPAIR AND MAINTENANCE ASSETS-OpCost
68261	PROPERTY (NON-PLANT, NON-OFFICE)
68262	LEASEHOLD IMPROVEMENTS
68263	INDUSTRIAL BUILDINGS AND WAREHOUSES
68264	OFFICE BUILDINGS
68265	PRODUCTION LINES
68266	FIXED MACHINES AND EQUIPMENT-AssOwn
68267	TOOLS AND PORTABLE MACHINES-AssOwn
68268	VEHICLES MOBILE PLANT LOCOMOTIVES E
682681	Engine
682682	Transmission
682683	Chassis
682684	Wheels, Tyres And Brakes
682685	Cab / Manufacturers Body
682686	Electrical
682687	Electronic
682688	Hydraulics And Pneumatics
682689	Load Carrying Body

What is a general ledger for?

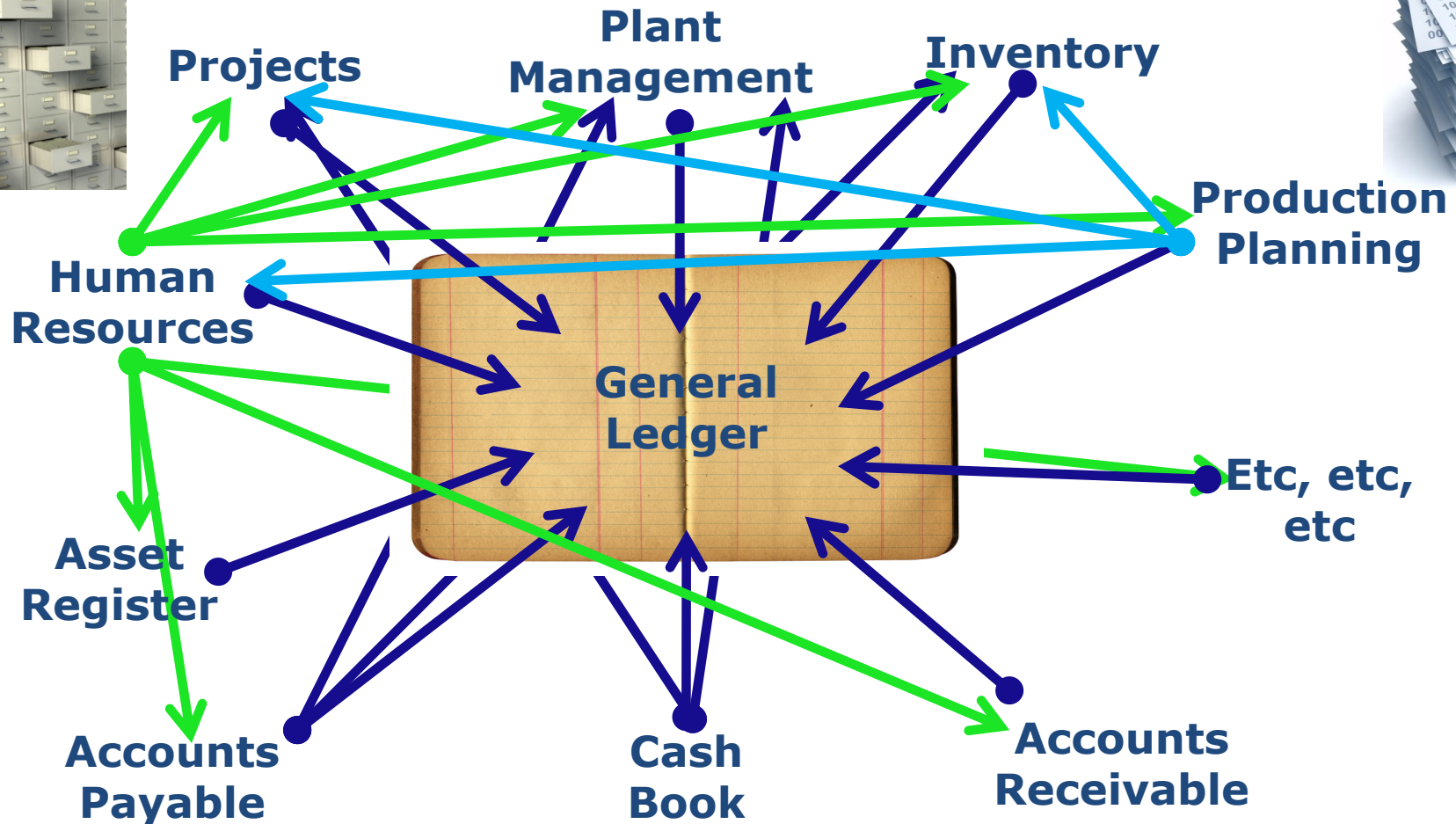


R / \$



Integrated system

(look-up and posting)



Financial accounts

People-related

Production-related

Precision fundamental strategic taxonomies – the missing link

Custom data entry screen with custom taxonomies



Inventory and A&P Maintenance System

Edit Stock Code

Barcode: [Load Stock Item](#)

SKU Description:

Brand Hierarchy (Product Class):

Item Masters

Product Status:

Target Gender:

Product Category:

Sales Category:

Qualifier Stockcode:

[Prev](#) [Next](#)

Inventory Take-On

- New Stock Item
- Barcode
- Temporary Barcode
- Edit Stock Item
- Replace Temp. Code
- New Reference No
- Generate EAN
- Reports
- Logout

A&P Applications

- Bonding Job Receipt
- Bonding Job Posting
- A&P Budget
- Job Closure
- Budget Roll-up

EDI Applications

- 1 s Prod. Info.

Admin Menu

- Brand Hierarchy

Custom code maintenance development for client specific taxonomy

Inventory Management System

Brand Hierarchy (Product Class)

Inventory Take-On

- New Stock Item
- Barcode
- Temporary Barcode
- Edit Stock Item
- Replace Temp. Code
- New Reference No
- Generate EAN
- Reports
- Logout

A&P Applications

- Bonding Job Receipt
- Bonding Job Posting
- A&P Budget
- Job Closure
- Budget Roll-up

EDI Applications

- Prod. Info.

Admin Menu

- Brand Hierarchy
- Expense Code Maint.
- Inv. Master Defaults

Support

Hierarchy

- ⊕ M... - MAURER & WIRTZ
- ⊕ N... - ANNICK GOUTAL
- ⊕ P... - PROCTER & GAMBLE
- ⊕ Q... - LALIQUE
- ⊕ R... - SELECTIVE BEAUTY
- ⊕ U... - PUIG
- ⊕ X... - ALEXANDER MCQUEEN
- ⊖ Y... - YSL
 - ⊕ YB.. - YSL BEAUTE
 - ⊖ YF.. - YSL FRAGRANCE
 - ⊕ YFF. - FEMININE - YSL FRAGRANCE
 - ⊖ YFM. - MASCULINE - YSL FRAGRANCE
 - YFM7 - YSL - M7
 - YFMB - YSL - Body Kouros
 - YFMH - YSL - L'Homme
 - YFMJ - YSL - Jazz
 - YFMK - YSL - Kouros**
 - YFMI - YSL - Live Jazz
 - YFMO - YSL - Opium pour Homme
 - YFMR - YSL - Rive Gauche pour Homm
 - YFMX - YSL Masculine - Ltd Eds
 - YFMY - YSL Masculine - Sumr Ed
- ⊕ Z... - ERMENEGILDO ZEGNA

Product Class:

Description:

Matching codes in unrelated module provide logical integration



Hierarchies for Job: CY002009

File Edit Options Job Query

Hierarchy

- [-] CY002009
 - [-] Y - YSL
 - [+] B - YSL BEAUTE
 - [-] F - YSL FRAGRANCE
 - [+] F - FEMININE - YSL FRAGRANCE
 - [-] M - MASCULINE - YSL FRAGRANCE
 - [+] 7 - YSL - M7
 - [+] B - YSL - Body Kouros
 - [+] H - YSL - L'Homme
 - [+] J - YSL - Jazz
 - [+] K - YSL - Kouros
 - zE. - MEDIA
 - zE1 - Advertising Space
 - zE2 - Mailers
 - zE3 - Billboards / Outdoor
 - zE4 - Production
 - zE5 - Television
 - zE6 - Promotional
 - zE8 - Other Media
 - zE9 - Rec Consult Fee -Distribn
 - zH. - LAUNCH COSTS
 - zH1 - Travel & Accomodation
 - zH3 - Venue Hire
 - zH5 - Catering
 - zH6 - Joint Launch Cost
 - zH7 - Materials
 - zH9 - Other Launch Costs
 - zI. - TRAINING
 - zI1 - Travel & Accomodation
 - zI3 - Venue Hire

Getting the software to do what it supposedly cannot do

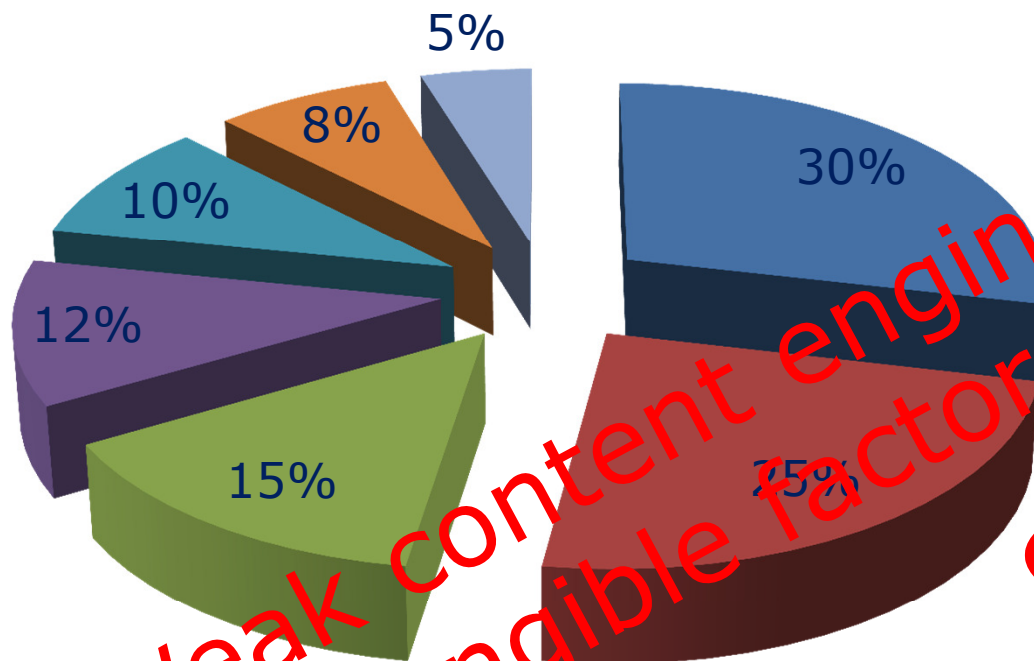
Example of faulty integration

"The &\$%^#@% system lost my data"



Heads/Sections				
Double-click to select				
Hierarchy	Description	WIP Control ledger	Tracking Cost Only	WIP Cost tracking ledger
Y /F /M /K /zE.	MEDIA		No	
Y /F /M /K /zE1	Advertising Space		Yes	10-337E1-11
Y /F /M /K /zE2	Mailers		Yes	10-337E2-11
Y /F /M /K /zE3	Billboards / Outdoor		No	
Y /F /M /K /zE4	Production		Yes	10-337E4-11
Y /F /M /K /zE5	Television		No	
Y /F /M /K /zE6	Promotional		Yes	10-337E6-11
Y /F /M /K /zE8	Other Media		Yes	10-337E8-11
Y /F /M /K /zE9	Rec Consult Fee -Distribn		Yes	10-337E9-11
Y /F /M /K /zH.	LAUNCH COSTS		No	
Y /F /M /K /zH1	Travel & Accomodation		Yes	10-337H1-11
Y /F /M /K /zH3	Venue Hire		Yes	10-337H3-11
Y /F /M /K /zH5	Catering		Yes	10-337H5-11
Y /F /M /K /zH6	Joint Launch Cost		No	
Y /F /M /K /zH7	Materials		Yes	10-337H7-11
Y /F /M /K /zH9	Other Launch Costs		Yes	10-337H9-11
Y /F /M /K /zI.	TRAINING		No	
Y /F /M /K /zI1	Travel & Accomodation		Yes	10-337I1-11
Y /F /M /K /zI3	Venue Hire		Yes	10-337I3-11
Y /F /M /K /zI5	Catering		Yes	10-337I5-11
Y /F /M /K /zI7	Materials		Yes	10-337I7-11
Y /F /M /K /zI8	Training Team		No	
Y /F /M /K /zI9	Other General Train Costs		Yes	10-337I9-11
Y /F /M /K /zL.	LOCAL POINT OF SALE MATERIAL		No	
Y /F /M /K /zL1	Local Transparences /Logos		Yes	10-337L1-11
Y /F /M /K /zL3	Local Materials		Yes	10-337L3-11
Y /F /M /K /zL5	Personalized Fixures / Counter		No	
Y /F /M /K /zL6	Product Sleeve (Instore)		No	
Y /F /M /K /zL7	Shelf Tools		No	
Y /F /M /K /zL9	Shelf Price Stickers		No	

Factors causing IT failure



- 1. IT Mythology -- 30%
- 2. Lack of executive custody -- 25%
- 3. Poor strategic alignment - 15%
- 4. Lack of an engineering approach -- 12%
- 5. Poor data engineering -- 10%
- 6. People issues -- 8%
- 7. Technology issues -- 5%

Weak content engineering is the most tangible factor causing failure

The Business Intelligence and ERP challenge



➤ Most businesses are NOT making better decisions than they did five years ago despite substantial BI investments -- Gartner 2006

➤ 19 out of 20 ERP implementations do not deliver what was promised" – Financial Mail 2003

➤ 50% of ERP projects fail – Gartner

➤ Precision strategic content engineering

→ THE MISSING LINK

➤ A HUGE OPPORTUNITY



Business Intelligence the ideal

**Better
DECISIONS**



Business intelligence solutions

ERP

**Precision fundamental strategic taxonomy
The foundation of decision support**

The business

Business Intelligence
current reality **Throwing**
Money away



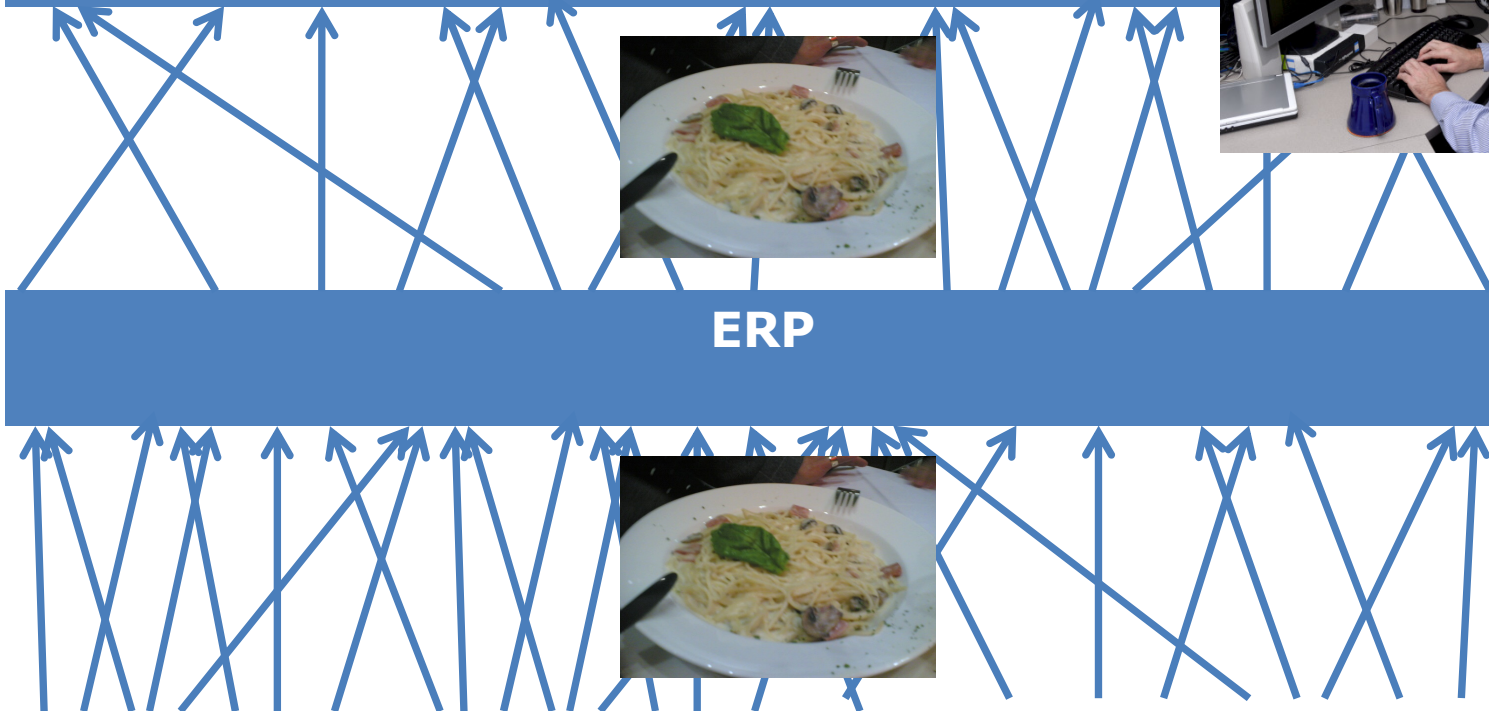
Business intelligence solutions



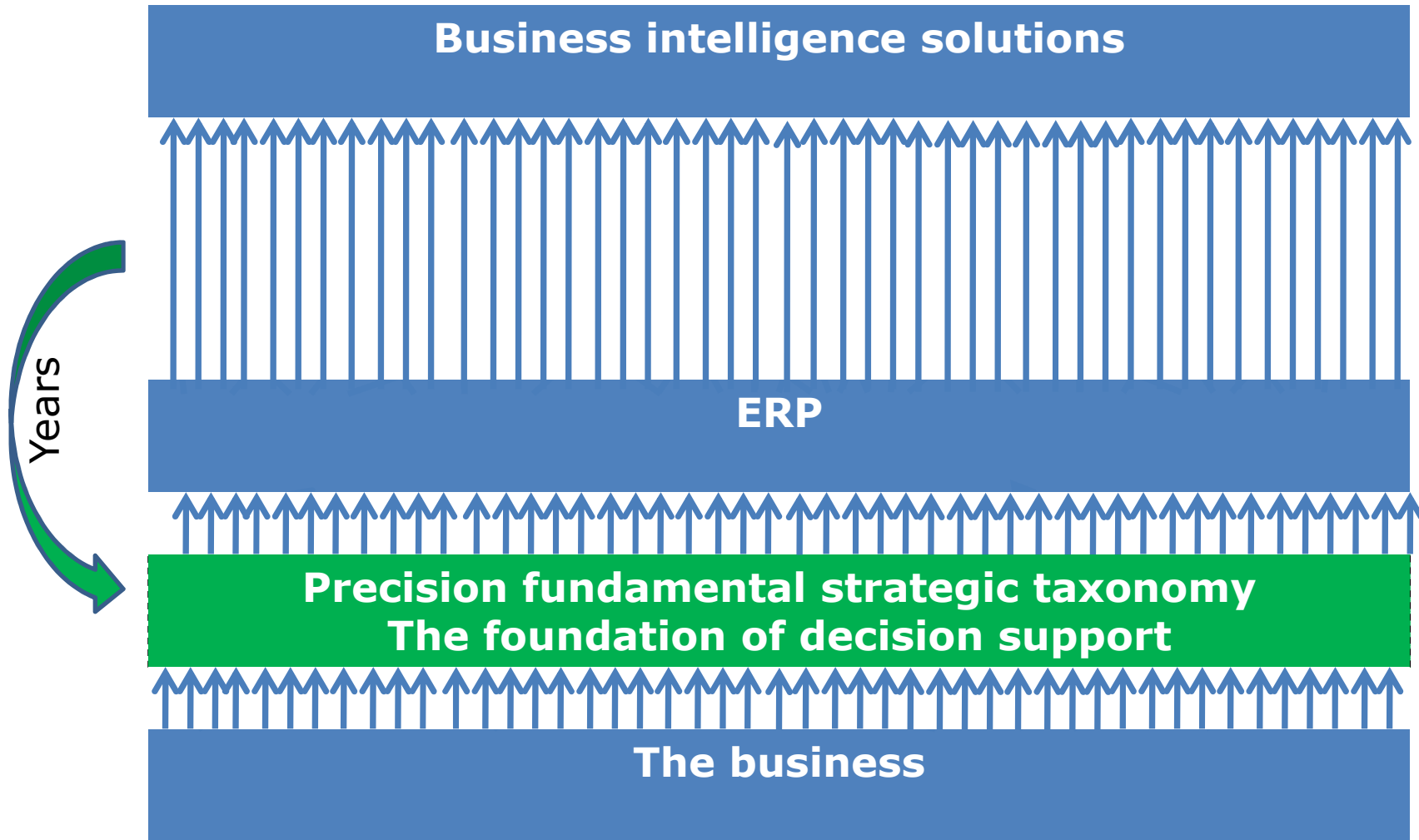
ERP



The business

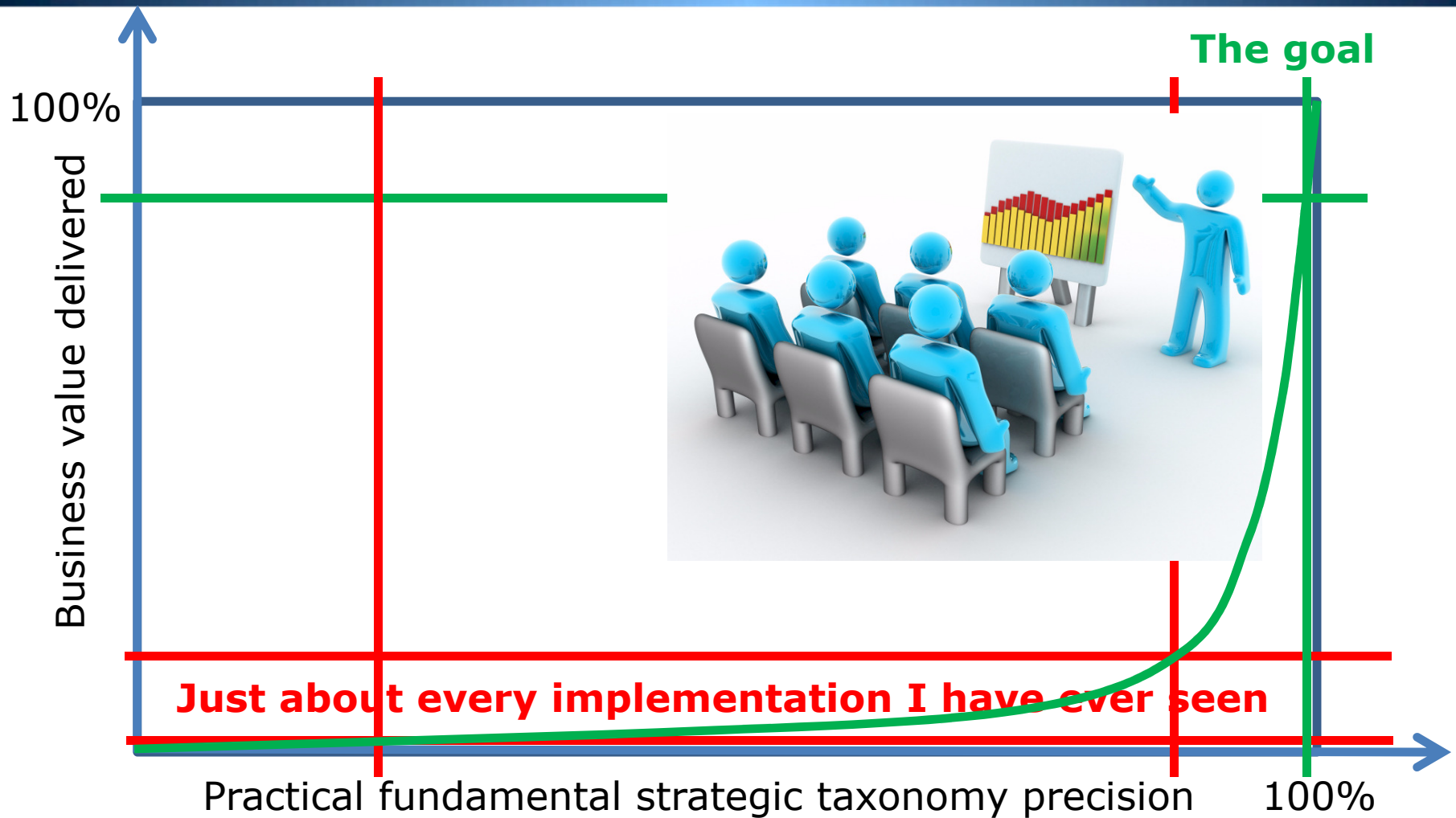


Business Intelligence the opportunity high value highly successful outcomes

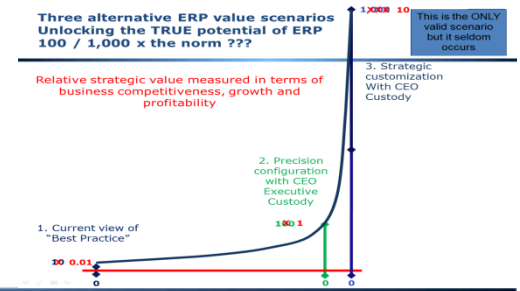


Value versus precision

A critical consideration

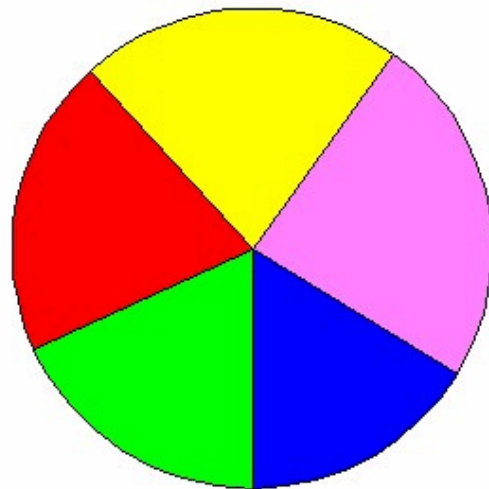


Key principles of executive level strategic decision making

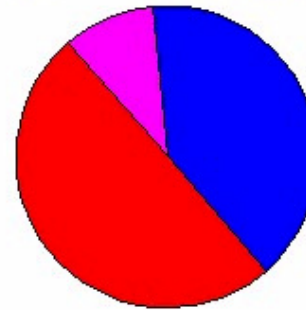


1. 85% of the basis of executive decision making is soft and tacit information
2. Skim – headlines
3. Maximum focus at the start of a report – the first page
4. 80:20 – Pareto – the Critical / Key issues
5. Fast
6. Decisive
7. Right more than wrong
8. High value
9. Intuitive

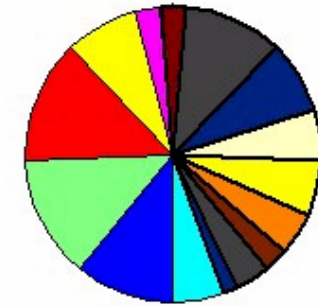
Critical principle – constraint and opportunity -- cognitive span



<5 = too few



> 10 = too many



5 TO 10 SLICES OPTIMUM

ABSTRACT THINKING / MANAGEMENT

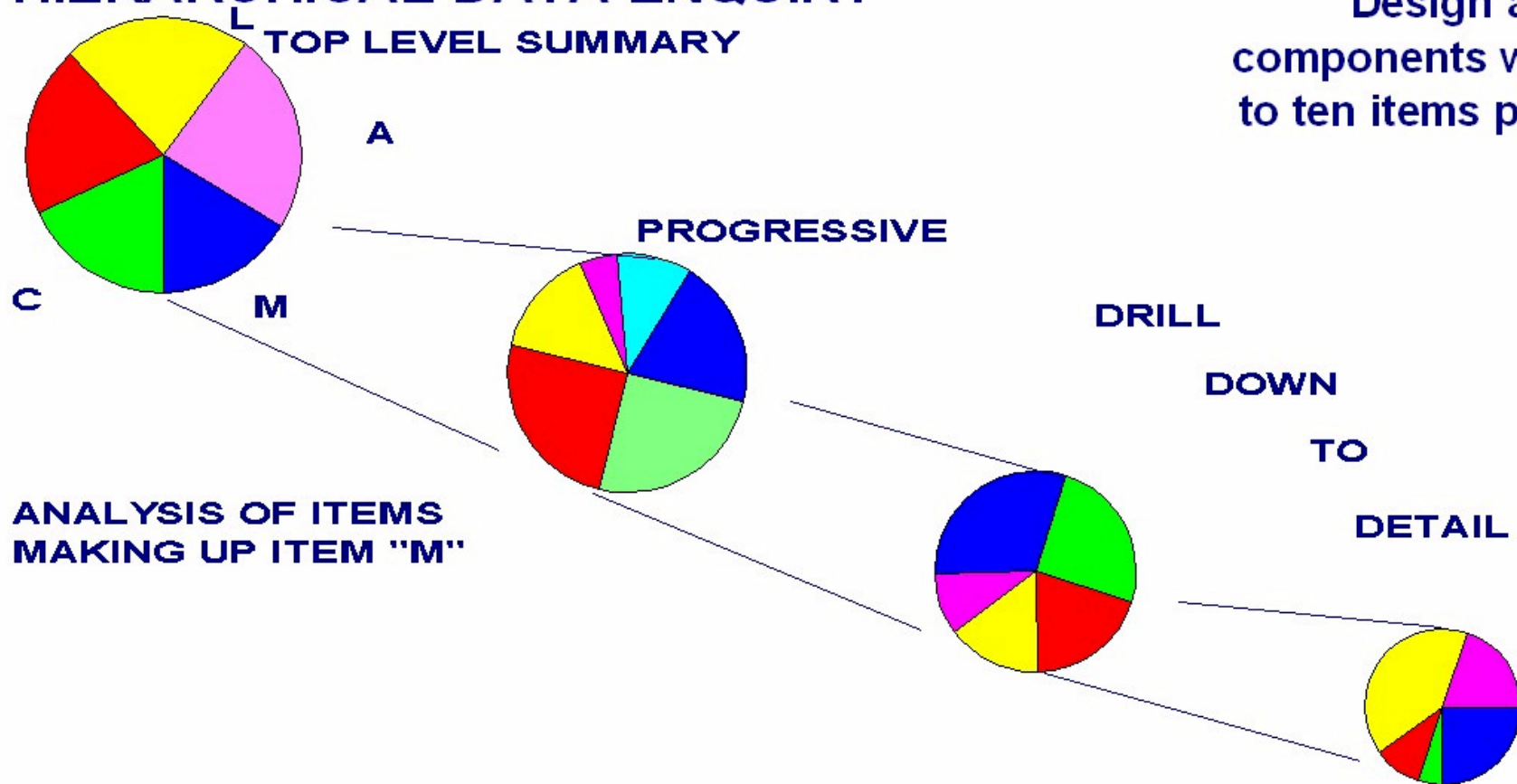
The average person can manage 7 plus or minus 2 distinct areas or concepts

Design the information structure accordingly at every level

Drill down A function of the content

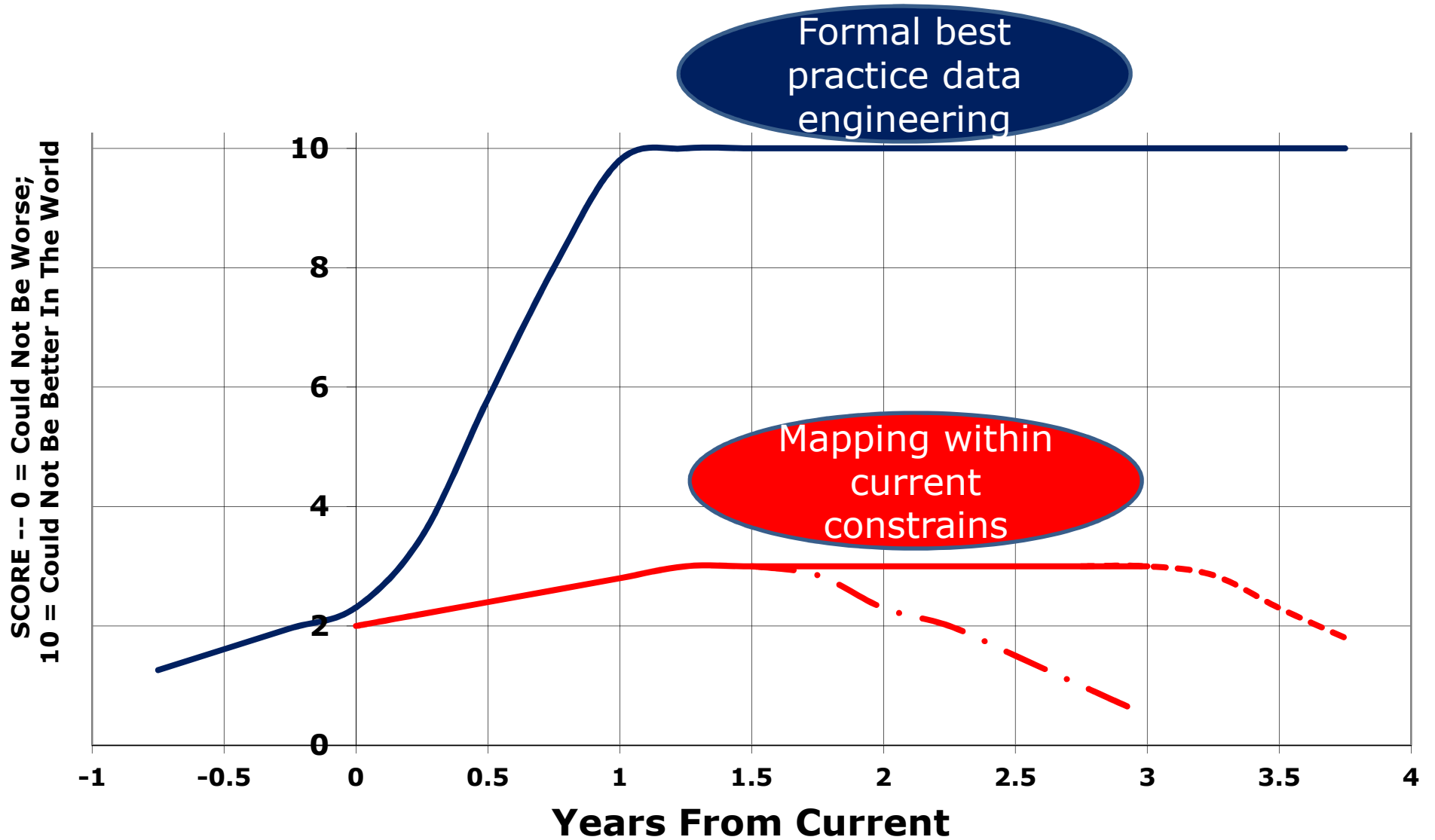


HIERARCHICAL DATA ENQUIRY



Design all components with five to ten items per level

Longevity of the scenarios



Cubic business model

A logical taxonomic construct



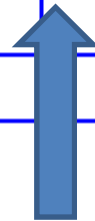
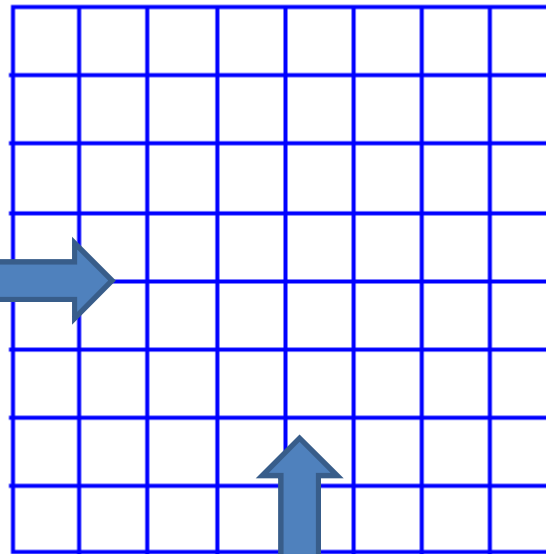
- Every organization has a location logical dimension - where we do what we do
- and a functional logical dimension – what we do
- These can be plotted on a matrix of function versus location
- This is fundamental to the design of a chart of accounts and all other logical components that define the business
- There are multiple further dimensions including income, expenditure, personnel, machines, products, etc
- Each of these should be described by a fundamental precision strategic taxonomy
- This model in the general ledger provides a critical element of integration



Cubic business model concept GL or costing module



FUNCTIONAL AXIS
What We Do

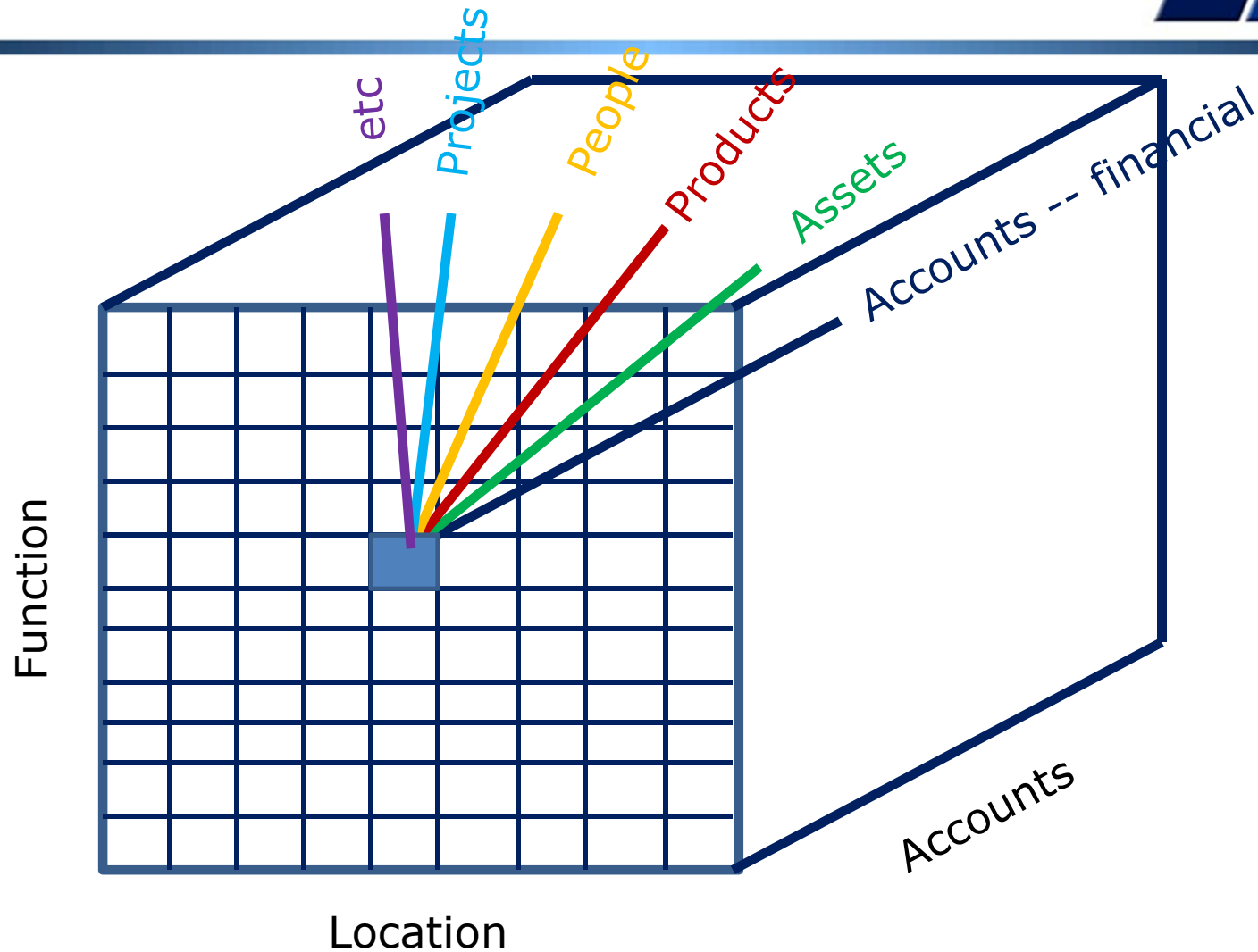


LOCATION AXIS
Where We Do What We Do

Financial cube

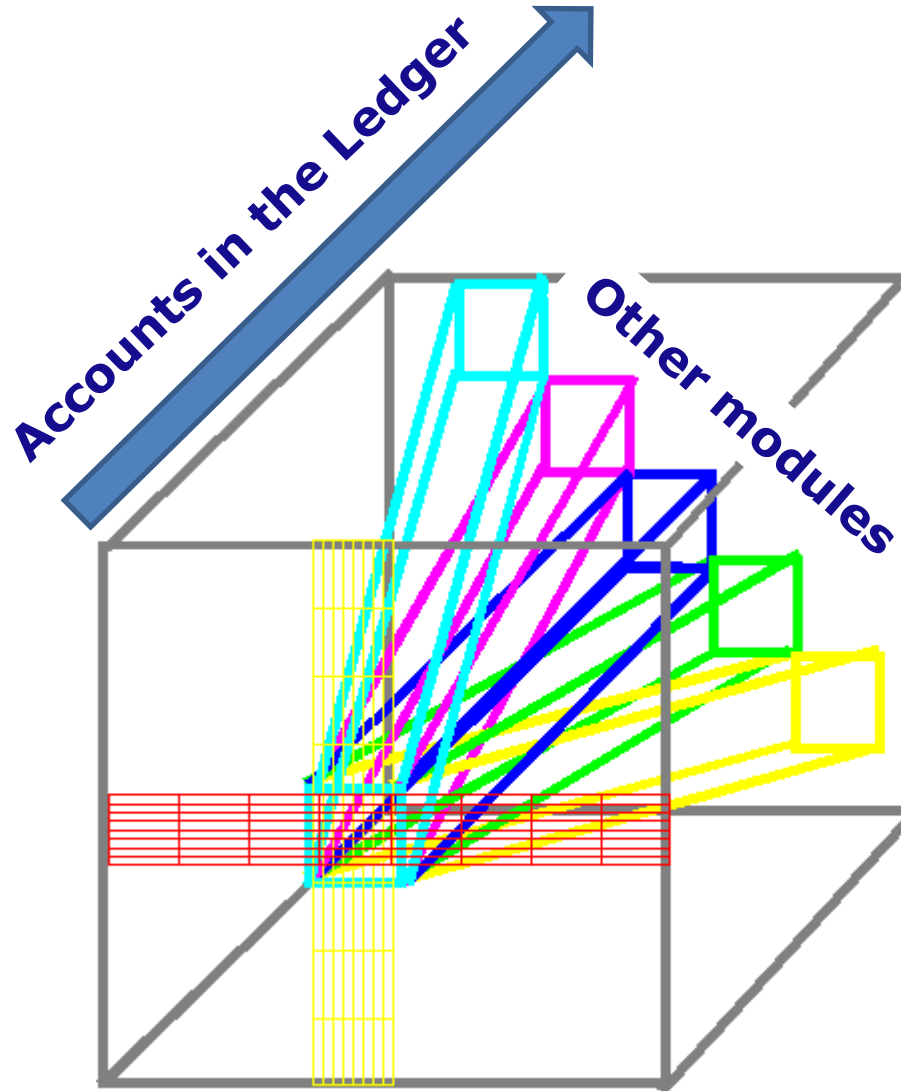
Essence of integration

Well over 1,000 hours R&D

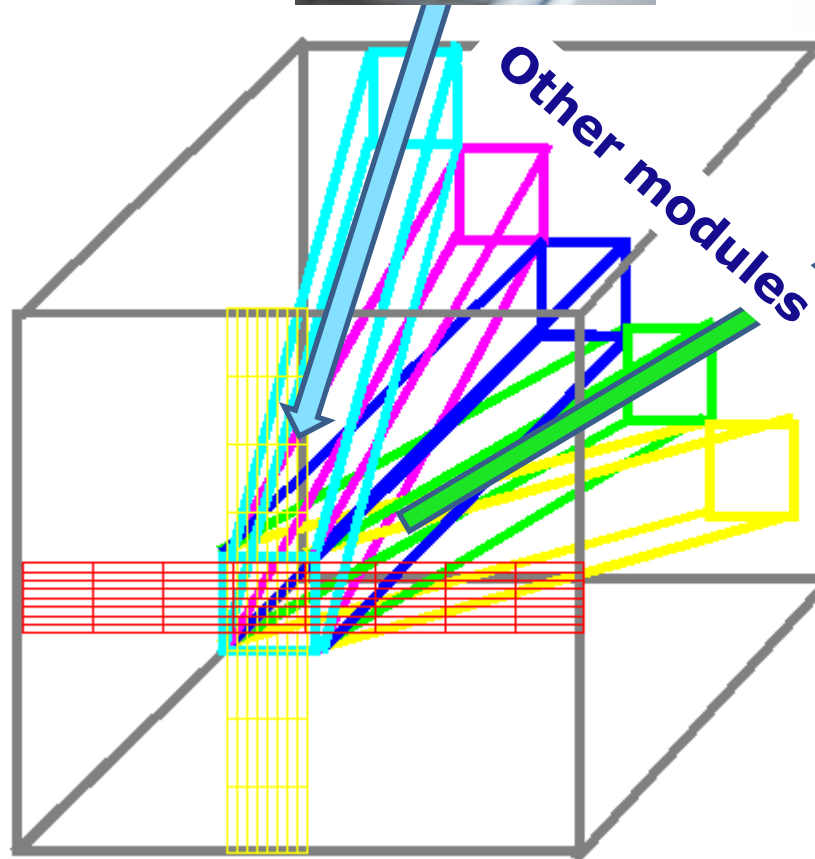
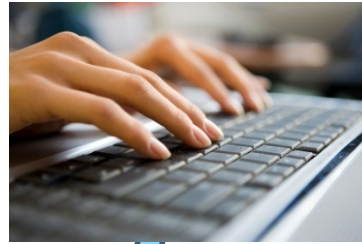


Cubic business model

Locus of integration -- taxonomies



How integration works around the GL



Example of "cubic business model" In General Ledger



General Ledger Structure Definition

Structure options

G/L structure required Edit structure

Number of sections required: 3

Analysis options

Section analysis required
 Budget analysis required
 Purchase commitment required

Structure definition

Section	Description	Position	Length	Characters allowed	Separator required	Separator	G/L code section	
1	Branch	1	02	Any	<input checked="" type="checkbox"/>	-	<input type="radio"/>	Maintain...
2	Ledger Code	4	05	Any	<input checked="" type="checkbox"/>	-	<input checked="" type="radio"/>	Maintain...
3	Department	10	02	Any	<input checked="" type="checkbox"/>		<input type="radio"/>	Maintain...
4			00	Any	<input type="checkbox"/>		<input type="radio"/>	Maintain...
5			00	Any	<input type="checkbox"/>		<input type="radio"/>	Maintain...
6			00	Any	<input type="checkbox"/>		<input type="radio"/>	Maintain...
7			00	Any	<input type="checkbox"/>		<input type="radio"/>	Maintain...
8			00	Any	<input type="checkbox"/>		<input type="radio"/>	Maintain...
9			00	Any	<input type="checkbox"/>		<input type="radio"/>	Maintain...

Relationships... Access... Rebuild Analysis... Save Close

Example of "cubic business model"



The image displays three overlapping software windows, each showing a hierarchical list of items. The windows are titled "Branch", "Ledger Code", and "Department". Each window has a "Section" header and a table with columns for ID, Description, and Ledger Code. The "Branch" window shows a list of branches, the "Ledger Code" window shows a list of ledger codes, and the "Department" window shows a list of departments. Each window also has buttons for "Add...", "Change...", and "Delete", and a "Create Sections..." button at the bottom.

Branch

Branch	Description	Ledger c...
1.	CORPORATE ITEMS	
10	Corporate Only Items	
15	Department Only Items	
2.	SANDTON	
21	Offices	
3.	CAPE TOWN	
31	Offices	
4.	DURBAN	

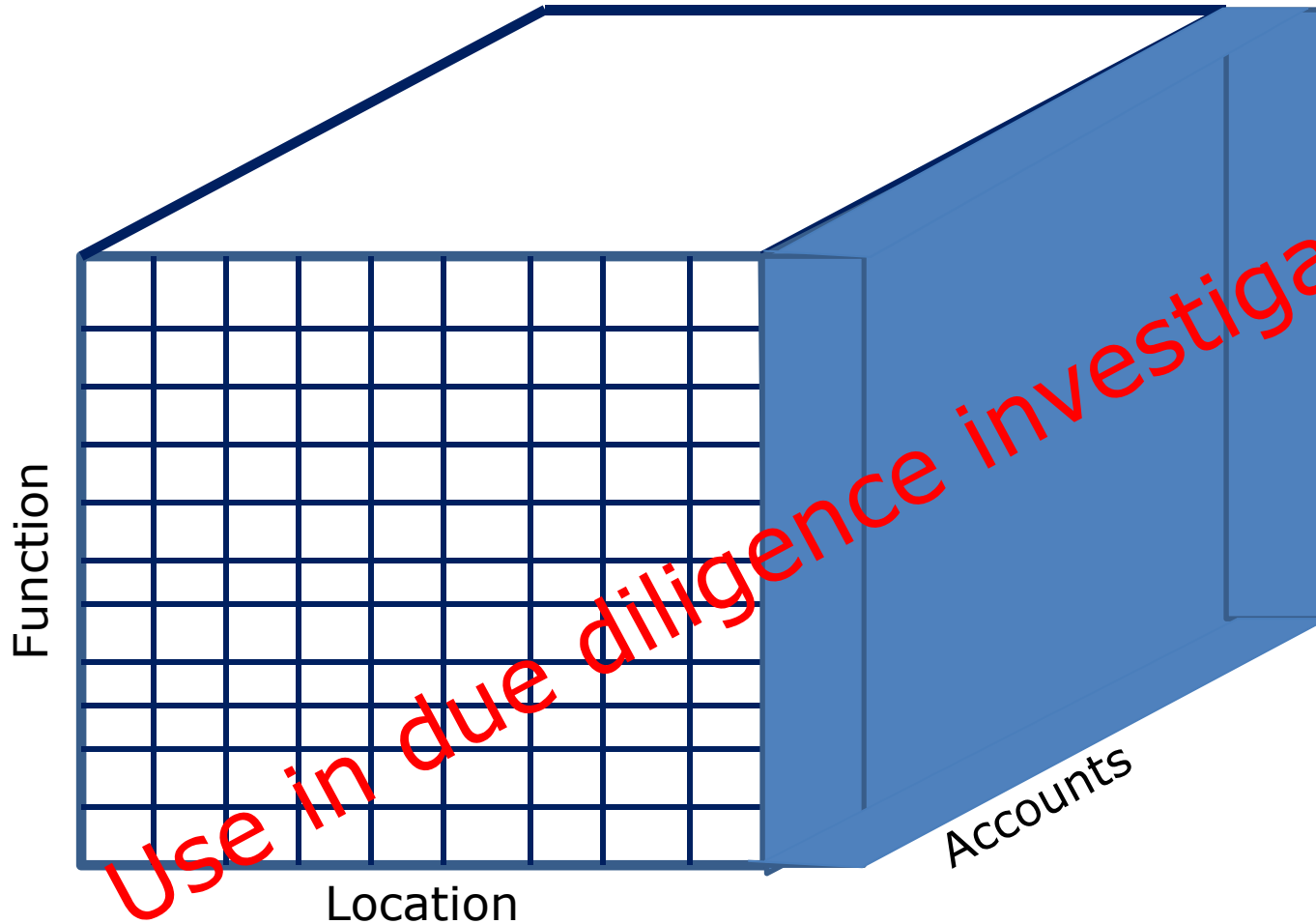
Ledger Code

Ledger C...	Description	
1....	INCOME	
11...	SALES	
111..	SALES	
1111.	SALES	
11111	Sales Fragrance	
11112	Sale Return Fra	
11113	Discount frag -	
11115	Sales Fashion	
11116	Sale Return Fas	
11117	Year end sale -	

Department

Departm...	Description	Ledger c...
1.	STRATEGIC MANAGEMENT	
11	Corporate Operations	
12	Corporate Management	
13	Sales	
14	Display	
15	Branch Management	
2.	ACTIVITIES REL TO LOCT'N FAC'S	
21	Facilities M & A-Fragrance	
25	Select Brands	
3.	CORE BUS OPS - FRAGRANCE	

Use in acquisitions



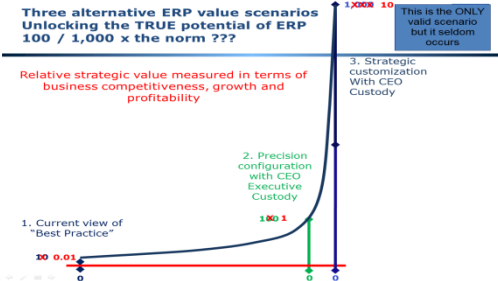
- Map existing data of newly acquired company onto existing precision strategic taxonomies

- Run all available reports against new acquisition within days

- Integrate and optimize the new business quickly and efficiently

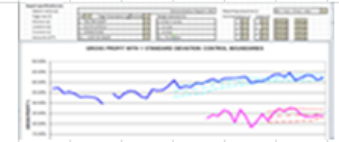
Precision fundamental strategic taxonomies

Financial Analysis Suite



6 Graphical Analysis Tool

Flexible graphical analysis and presentation with full knowledge of the hierarchies and Cubic Business Model™ giving drill down, slice and dice, etc coupled to time series, regressions, moving averages, extrapolation and, in time, links to market analysis and modelling tools



5 Tabular Financial Reporter

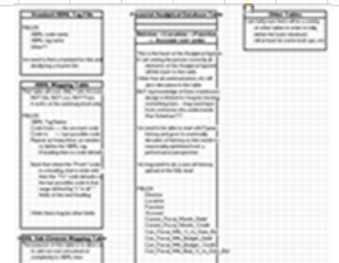
Portfolio of standard table based Financial Statements with a very easy to use interface to allow users to generate their own reports. Includes mapping of new structure hierarchies onto report logic using XBRL tags.

Includes full understanding of the Cubic Business Model, hierarchies and code structure rules

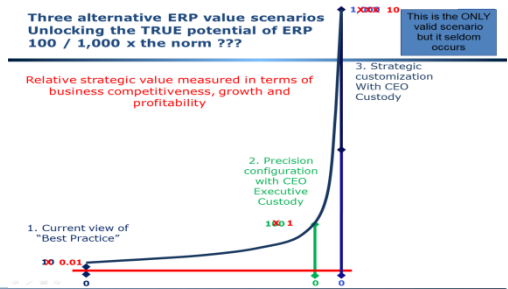


4 Analytical Database

Highly structured Data Warehouse designed based on the fundamentals of the code design and Cubic Model™ with pre-calculation of all routine financial totals to level of EBITDA together with XBRL tags used to map standard financial measures. Roll-up of the hierarchies also pre-calculated together with key permutations of Division --> Location --> Function --> Account likely to be required for analysis purposes



Financial Analysis Suite



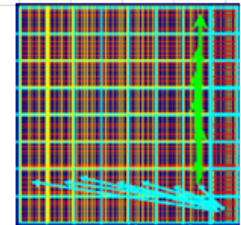
9 Planning and Budgeting Module

Use the logic and understanding derived from the underlying layers to easily and quickly build multi-scenario forecasts and budgets which can be fed back into the operational ERP General Ledger against the old codes



8 Overhead and Revenue Attribution

Using the logic of the hierarchies and the Cubic Business Model™ and the structured groupings on the Locations and Functions to progressively attribute overheads and revenue to production business units giving a dynamic and powerful function (activity) based costing model

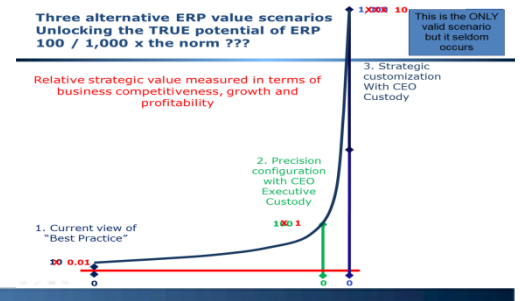


7 Matrix Viewing Tool

Examine organizational performance by using the matrix of the Cubic Business Model™ to display any of the available measures and data including comparative measures with traffic lighting on measures like budget versus actual percent, etc

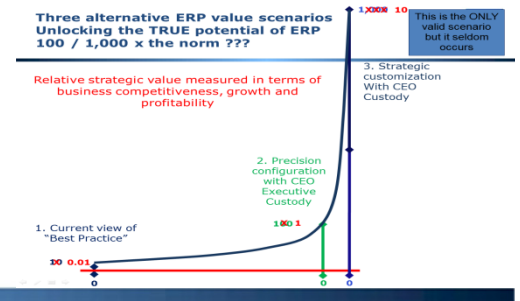


Financial Analysis Suite



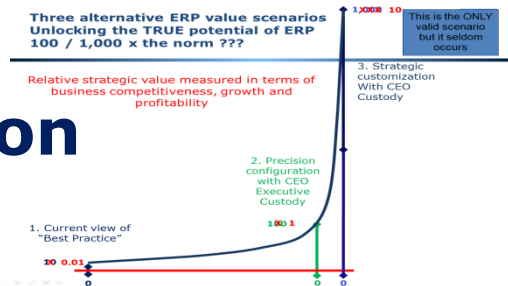
1. Broad concept been known to me for over twenty years
2. I have done some elements semi-manually
3. For years I thought everyone could understand this and do it
4. Never seen anything like it
5. Extremely powerful tool

The true value



1. Exceptionally high quality financial data
2. Extremely easy to access and analyze
3. Facilitate greatly improved high value executive level strategic decision making – the decisions to thrive
4. Properly used WILL lead to greatly improved competitiveness and profitability
5. This will enhance profitable growth
6. Every organization needs this
7. The current ERP market is estimated at US\$56 billion
8. We can easily capture at least 1% of this over the next ten years – this is THE way of the future

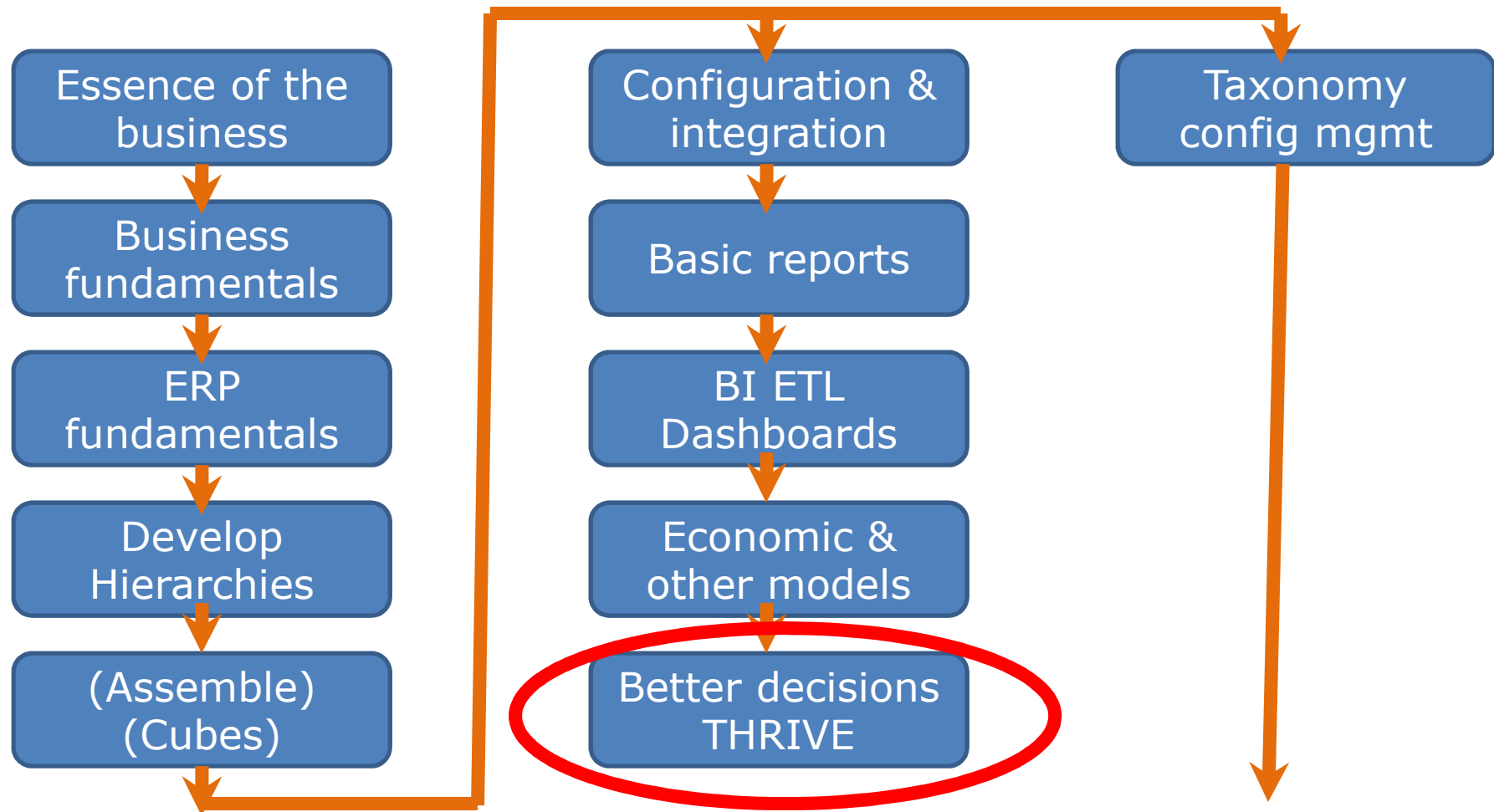
Components of Precision Configuration



1. Software settings
2. Cubic Business Model™ in the General Ledger
3. Asset classification
4. Product / Material / Item classification / catalogue
5. Classification of Personnel
6. Other specific classifications
7. Unique attributes on Products and other classification master data
8. General record level attribute settings
9. Other configuration settings



The precision configuration process



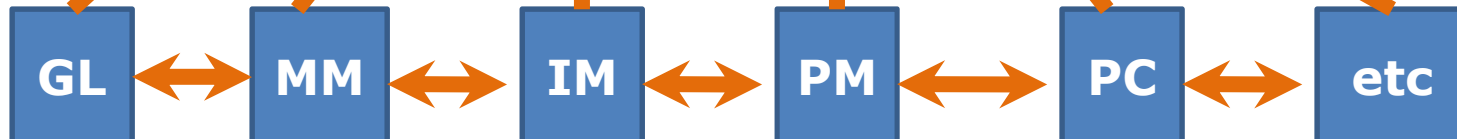
Strictly confidential – privileged information

Benefits of a comprehensive integrated intelligence model

If only I knew exactly what the relative cost of these two machines was I could compete more profitably



Comprehensive integrated economic and operational model with precision strategic taxonomies



Precision fundamental strategic taxonomies

Characteristics of precision strategic content engineering

Methods and standards



- Driven by executive (strategic) decision support requirements
- Fundamental first principles → Strategic
- Highly structured → Hierarchical
- Very specific coding and layout conventions for ease of use
- Disciplined code design and maintenance
- Massive improvement in management information and decision support
- Deliver the often promised but seldom delivered benefits of business ERP, CRM, ECM, BI, IT → business system investments
- An opportunity to gear your current investment



What is different about the JAR&A approach to precision strategic configuration – all proprietary



1. Taxonomy approach **immediately engages with executives** to specify high level configuration focused on the essence of the business – focus on better decision making NOT process – strategic executive level facilitation – excellent executive engagement and custody
2. **Fundamental focus on better strategic (thrive) decisions** at executive and operational level – put the essence (strategy) of the business in the face of staff at all levels constantly
3. Design geared to **answering the questions you have not yet thought to ask** – no need for lengthy business requirements workshops
4. **Orders of magnitude improvement in system strategic support value delivery** – basis for enabling executives and managers to make much better decisions IF they do the work to interpret and act on the information

What is different about the JAR&A approach to precision strategic configuration – all proprietary



5. Move away from expensive resources constantly maintaining simple reports to developing sophisticated modules that support high value understanding, analysis and decision making
6. Major improvements in quality of master data and ease of master data maintenance
7. Systems easier and more efficient to use at a transaction level frequently results in productivity gains and head count reductions, reduction in audit fees, etc
8. Do things the software vendor does not think are possible and that may create substantial strategic value opportunities
9. Establish a culture of data precision, in fact a whole culture relating to the way you run your systems

Essential elements of the JAR&A approach to precision strategic configuration – all proprietary



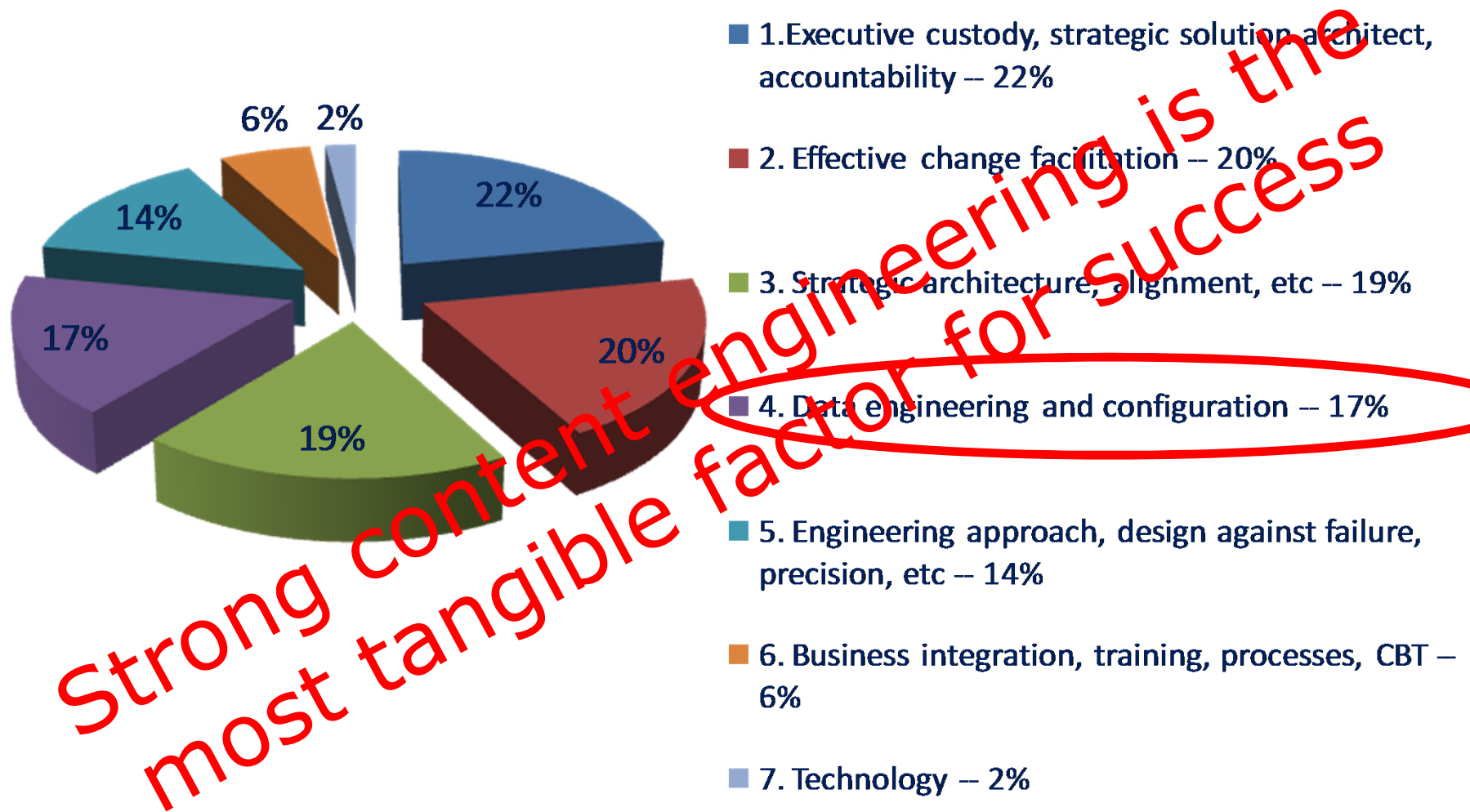
1. Strategic (thrive) decision support – **psychology of decision making** – strategic elements at top of list; comply with cognitive span equals seven plus or minus two items at any level of hierarchy
2. Every validation list; custom validation lists; fully describe entities **the way the business and executives think** about them
3. Fundamental **first principles strategic design** with finely granular, highly structured, hierarchically presented content
4. **Ease of reading and navigation** – trailing periods, indents, capitalization, precision language – semantic structure – JAR&A originated standards and conventions
5. **Ease of reporting** – range coding – ease of report maintenance – context for precision configuration – ease and quality of master data maintenance

Essential elements of the JAR&A approach to precision strategic configuration – all proprietary



6. Creative strategic use of unrelated modules to work together and limited scope creative strategic custom development – **the impossible achieved affordably**
7. Cubic business model – a powerful logical “activity based” management model in the General Ledger – powerful strategic decision support benefits with major **positive governance impacts** and reduced audit fees – JAR&A have custom developed software to assist with this
8. Lower long term system operating costs coupled with ORDERS OF MAGNITUDE IMPROVEMENT in effectiveness, efficiency and decision support – better thrive (profitable growth decisions) – where the REAL value lies – answer the questions we have not yet thought of

Factors for ERP reimplementation success



Summing up



1. Excellent high value decisions rely on logical strategically aligned information → the information to thrive
2. To get executive intelligence OUT you must **put executive intelligence IN – “intelligent content”**
3. Precision strategic content engineering IS **THE missing link in ERP and IBIS**
4. Requires a significant investment
5. An ART and a science
6. Do NOT scrap your current system until you have thoroughly evaluated this
7. An opportunity for dramatic gearing of your current investment



Questions?



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**Please remember to complete the
evaluation forms**

Finding the missing pieces of your I.T. and strategy puzzles