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# Overview

We need a new ERP system that will help us achieve the following goals on a global scale:

1. Maximum efficiency in resource, transport, and warehouse management
2. Maximum interconnectivity and coordination between interdepartmental functions (resource, transport, warehouse)
3. Maximum transparency between regional offices and satellite distribution centers

We believe this can be achieved through the development of an internal cloud-based ERP solution that contains all of the functionality and benefits of our current system(s) within a single solution that can be deployed and utilized in each of our locations and satellite offices worldwide.

# Current System(s) Overview

* Each regional office employs its own logistics management system.
* For reporting consistency, each system is built around a base ERP solution (ChERP).
* ChERP is designed for use in apparel companies, *not* general logistics services.
  + Each regional office has its own way of modeling data entities within ChERP to simulate a generic logistics tool, which is confusing to say the least, and renders reporting methodologies virtually meaningless.
  + Each ChERP server installation is combined with additional services for transport management, warehouse management, etc.
* Additional systems and/or packages transmit data to the ChERP server via the individual ChERP client installations.
  + Communicating systems must export their data to XML, which is then imported into the ChERP client through a scheduled import automation feature, which then transmits the data to the ChERP server in a nightly bulk FTP transmission.
  + The ChERP server is a local installation for each regional office, and these installations are NOT connected to any other ChERP server installations.
  + Each ChERP server has its own local database server, which is not connected to any other database servers.
* Since each regional office has been functioning as an independent entity in regards to ERP services, the extent to which the ChERP functionality is actually utilized in each system is unknown. It is probable that it is used merely as an aggregator for data collected from the other systems and/or packages used in each region.

## Estimated Annual Operating Cost Per Region/System

The following are the annual fixed system expenditures for each region:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Region | ChERP Server | ChERP Client | # of Clients | Client Total | ChERP Total |
| East Asia | $ 75,000.00 | $ 7,500.00 | 12 | $ 90,000.00 | $ 165,000.00 |
| West Asia | $ 75,000.00 | $ 7,500.00 | 12 | $ 90,000.00 | $ 165,000.00 |
| Middle East | $ 75,000.00 | $ 7,500.00 | 10 | $ 75,000.00 | $ 150,000.00 |
| Northern Europe / Scandinavia | $ 75,000.00 | $ 7,500.00 | 16 | $ 120,000.00 | $ 195,000.00 |
| Central / Southern Europe | $ 75,000.00 | $ 7,500.00 | 16 | $ 120,000.00 | $ 195,000.00 |
| USA / Corporate | $ 75,000.00 | $ 7,500.00 | 22 | $ 165,000.00 | $ 240,000.00 |
| TOTALS | **$ 450,000.00** |  |  | **$ 660,000.00** | **$ 1,110,000.00** |

The above table shows only the known *fixed* costs for the ChERP installations. Each region also has individual supplementary systems as well. The exact costs for these systems are not currently known. They have been requested and should be included in the regional system reports.

# Proposed System Requirements

The new system should include the following:

* Cloud-based – no local installation of any software
* Web interface
* Secure user access requiring dual-authentication methods
* Role-based security
* Single data repository
  + All data displayed in a manner consistent with the region
* All standard ERP functions, including but not limited to:
  + Multi-channel planning
  + Financial management
  + Purchasing and receiving
  + Production and import management
  + Predictive cost management
  + Predictive vs actual cost comparison
* Reporting features and business intelligence tools relevant to A++ Logistics methodologies
* Simple charting and graphing tools
* TMS and PTMS functionality specific to A++ Logistics methodologies
* Barcode and RFID scanning for all parcel services
* GPS tracking for all internal resources
* Scalability for potential future scanning and tracking systems
* Integrated WMS

# Constraints

* Target time to deployment should be less than 18 months.
* Estimated cost to deploy should be 25% less than the aggregate *fixed* costs of all current regional systems over a period of 60 months.

# Proposed Actions

The feasibility of the system must be determined, and the cost to deploy estimated and compared against the fixed costs of the current systems according to the constraints listed. To determine the feasibility of the proposed system, we require the following:

* Complete system audit of each region’s ERP system.

# Deliverables

* General Audit Report containing findings regarding:
  + System Architecture
    - What is working? What isn’t working? What’s good about the existing system(s)? What’s bad?
  + Performance Assumptions
    - Are there areas of the current architecture that are or may be hindering overall system performance? What inefficiencies are there and can they be remedied?
  + Existing Technologies
    - What are they? Are they all necessary? Do we need to keep them in a new system?
  + System Capability
    - What can the current system do for us in the future (if we keep it) that we’re not doing now? Should we be doing more with it?
  + Risks and limitations
    - What are the risks and limitations of keeping the current system?
    - What risks and limitations are associated with creating the new system?
  + Proposed Solution
    - General preliminary details documenting a vision for the proposed system
    - Architecture Requirements Specification for the proposed system

# Approvals

|  |  |  |  |
| --- | --- | --- | --- |
| Name | Position | Signature | Date |
| Kahlil Jardine | President / CEO |  | 23 September 2019 |
| Evan J. Potter | CTO |  | 19 September 2019 |
| Michelle P. Canelli | CFO |  | 23 September 2019 |
| M. Kelly O’Roarke | VP, IT Services |  | 23 September 2019 |