Implementing ERP at Cisco Systems, Inc.

BCEG Consulting
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Overview

About the case:
- Rapid corporate growth
- Legacy system falling behind
- System overhaul required

Provided information:
- Financials / breakdowns
- Project milestones / team structure
- Business processes / prototypes

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Events Timeline

1993
Legacy Systems become outdated

Jan 1994
Cisco's Legacy environment fails completely

Feb. 1994
Oracle & KPMG Selected

Jun 1994
Project Approval by CEO and Board of Directors
+
Project Kickoff

Jul 22. 1994
Prototype Setup Complete

Aug 1. 1994
Implementation & Team Training

Oct 15. 1994
Hardware Benchmark & Capital Planning validated

Dec 16. 1994
Procedure & End User Documentation Complete

Jan 30. 1995
ERP System Goes Live

Feb2. 1995
Scalability & ERP Adaptability issues arise

JUN   JUL   AUG   SEP   OCT   NOV   DEC   JAN   FEB   MAR

late **1993**   **1994**   **1995**

Issues

**Current system unable to catch up to organizational growth**

- Timeframe constraints / minimal disruptions
- Selecting the right partners
- Selecting the right vendor
- Firm-wide response
- **Cost of ERP Implementation**

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Stakeholders

Who are the stakeholders? What are the key factors that affect the case?

- **Pete Solvik**: Cisco CIO January 1993
- **Randy Pond**: Cisco Director in manufacturing Turned co-leader of ERP project
- **KPMG**: Systems Integration partner
- **Oracle**: Chosen as the overall ERP solution
- **John Morgridge**: CEO of Cisco
- **Hardware Vendor**: Not Named
- **Top-Performing Employees:** selected to work and represent in functional 'Tracks'
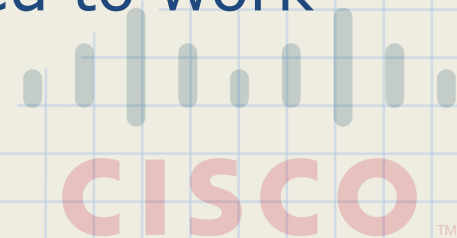
Cisco ERP Implementation Team Structure

Executive Steering Committee

VP of Manufacturing
VP of Customer Advocacy
Corporate Controller
Pete Solvik
Oracle's Senior of VP Applications
Head of West Coast KPMG

Program Management Office

| Order Entry Track | Manufacturing Track | Finance Track | Sales/Reporting Track | Technology Track |

Each Functional 'Track' comprised of the following as applicable:
Business IT Lead, IT Lead, Business Consultants, IT Consultants, Users

IT Management

What project management concepts, techniques, and frameworks can be used to analyze or solve the project? Implementing Oracle:

- **Project Planning Framework**
- **Project Scope Verification & Control**
- **Project Time Management & Project Schedule**
- **Rapid Iterative Prototyping**
  - **Conference Room Pilots**
    - **CRP0**
    - **CRP1**
    - **CRP2**
    - **CRP3**

Suggestions

Delay project end date
- scope creep - more features need to be developed and tested
- insufficient testing caused downtime and major issues after going live

More coordination between vendors
- insufficient hardware capacity due to inefficient Oracle software

Going Forward - Lessons

- **C**onverting systems requires harmonic team work and meticulous planning & contingency planning

- **I**nevitably, change requires great economic cost

- **S**ystems performance in a small scale doesn't mean it will be stable in a larger scale

- **C**alculate to Ensure hardware meets software specifications

- **O**verall, having a clear initial objective and being flexible during the process is critical to project completeness and success

This concludes our presentation.

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