

“Auro” Case Study

IST345 Spring 2024

“**Auro Inc**” has signed a deal with PepsiCo Inc for producing about 100,000 units of various soda cans. Auro’s **ERP system (SAP)** is aging and is soon going out of support. Also, it has experienced many bugs and issues during the past 6 months. This new order from PepsiCo Inc is important for Auro to cement its position in the industry and its plan for expansion.

To cope up with the challenges involved in manufacturing such high volume, Auro leadership has decided to upgrade its ERP system to latest version. This will enable Auro to smoothly process all the orders in the agreed-upon timeframe. Auro’s leadership has appointed its IT team to work on this project. The Project Team has been given a timeline of 4 months following Charter approval to complete the upgrade.

The Project Team must consider the compatibility of existing hardware with new ERP version and collaborate with the **hardware partner, HP**. HP has been a trusted vendor for Auro for many years. Required hardware upgrades are estimated to cost \$12,978 and will need to be included in the project expenses. If there are any prerequisite system upgrades, project team must include those upgrades in the WBS.

Auro works with 5 companies (also called vendors) which supply the raw materials to produce soda cans. All vendors use the ERP platform to record supplied materials, inventory, and invoicing. Any change to Auro's ERP system must be communicated to, and coordinated with, these vendors.

Quality Assurance is at core for any project at Auro. Any neglect in testing will cost Auro both reputation and future business.

The Project is planned to start **April 1, 2024**. Technical support from SAP and HP is made available to the project team.

The Finance team has been aligned and they have approved a reasonable use of financial resources as a budget for this project.

New SAP license needs to be purchased which will be billed every month. SAP charges \$2,760/month including all taxes.

All the members from the project team are dedicatedly made available for this project.

Approval is required from the System Architect after the upgrade of each non-productive environment. Go/No-go meeting will be conducted before the planned Go-Live date for production implementation.

The Project Team will be tasked with providing knowledge transfer (training) to the IT Operations team before the end of the project.

The Project Team will meet at regular intervals (recurring meetings) for discussing ongoing tasks and project status. Also, the Project Manager must regularly update Auro Leadership (Matt James - VP for IT, Katherine Walter - Governance Head, Jason Frank - Delivery Manager) on the project progress every week.

After the ERP upgrade is in production, project team will be responsible for supporting hyper care for 15 days.

The Project Team must submit all handover documents including lessons learned before close out.

IT Project Team consists of following members and their wages –

John Steward – Senior Technical ERP Consultant - \$48/hour

Melissa Ebbs – Junior Security ERP Consultant - \$28/hour

Paul Abraham – System Architect - \$48/hour

Joshua Wright – Database Administrator - \$35/hour

Katrina Walsh – Infrastructure Consultant - \$48/hour

Garry Law – Quality Assurance Specialist - \$35/hour

Sandy Hopper – SAP Inc Analyst - \$60/hour

George Water – HP Support executive - \$60/hour

You – Project Manager - \$52/hour

Deliverables of this project are as below –

- Perform ERP system upgrade
- Conduct thorough testing of the upgraded system including testing with vendors
- Create training documents for the IT Operations Team
- Produce final report to management

Vendor Contract Fees and Dates:

- Initial payment to SAP due on signing of charter - \$30,000
- After Integration, Configuration and Testing of SAP system - \$35,000
- After User Acceptance Testing - \$20,000
- After successful go live of Production system- \$ 35,000
- On signing of statement of completion - \$ 55,000

Estimated total effort hours for a few of the phases of the project (list is not exhaustive, you will need to add additional steps and estimates for each):

- Upgrade and configure new SAP system = 75 effort hours
- Test and bug fixes of new SAP system = 100 effort hours
- Integration with existing systems or vendor systems = 80 effort hours
- Preparation of Training Materials and Knowledge Transfer = 60 effort hours

You are the IT Project Manager and Team at Auro Inc and it is your role to oversee this SAP upgrade and make sure that everything works. The first step is for you to develop a Project Charter and outline a WBS with a resource sheet and associated costs.

Suggested High Level WBS Tasks:

The following list is a general guide for how such a project might flow overall. It is up to you to create and sequence detailed tasks for these general stages efficiently based on what you know about the case, and you must also add the project management tasks as needed to produce the product and process deliverables at the appropriate stages along the way.

- Project Commencement Activities
- Project Initiation
- Project Planning and Design
- Management Approval Checkpoint(s) as Appropriate
- Project Implementation
- Monitoring and Control
- Quality Testing
- User Acceptance Testing
- Final Issue Resolution
- User Training
- Production Implementation (cutover/go-live)
- Project Close out