7 STEPS TO A SUCCESSFUL IMPLEMENTATION

Using our copyrighted *"7 Steps to a Successful Implementation"* implementation workbook, DeltaVision LLC, together with our business partners will work with your management and staff throughout all phases of the project. Depending on the implementation assistance alternatives that you choose, our involvement **CAN** include design of specifications, review of the detailed system design specifications, programming modifications to the package and implementation assistance of all proposed systems. The scope of our participation includes:

1.   **Information System Review**

An initial Information System Review (ISR) is performed. YOUR PARTICIPATION IS CRUCIAL TO THE SUCCESS OF THE REVIEW.

a.   **Needs Analysis:**

We will spend time at your office reviewing your operations. We first meet with management for a quick review of your goals and objectives - both short- and long-term, your view of the organization, problem areas that you perceive, strengths and weaknesses of the company, how competitors and customers perceive the company and other such information.

We then meet with supervisors and key personnel throughout the organization to determine exactly what you need to manage your business. Key personnel are the people who perform the tasks in various departments, i.e., an accounts payable clerk, an order entry/customer service person. If job functions are duplicated, it is not necessary to interview everybody in the company. We will ask a lot of questions, and often challenge why they are doing a particular function the way they are doing it. We will try to determine where improvements can be made to increase efficiency, reduce manual processing requirements, reduce costs and provide better management information.

Have available an organization chart that defines functions and key people. We will review this chart and determine who must be interviewed. If you do not have an organization chart available, we will spend some time with you preparing one so that we can better understand your organization.

When the time comes, please alert your staff that we will be conducting an Information Systems Review. You should supply them with the "What is an Information System Review?" sheet (found at the end of this section), which clarifies what an ISR is and what they should do in preparation.

b.   Information System Review:

Once we have finished interviewing management and staff, we work at our office analyzing our findings in order to prepare a report of our findings and recommendations. We will review the report with you, and amend it as necessary until you feel the recommendations will work for your company.

Wherever possible, the packaged software should be used to satisfy your needs. Where the package doesn't completely fill a requirement, we will suggest the one of the following options:

- Changing your business to adapt.
- Obtaining add-on products to work around missing pieces.
- Interface with generic packages to supply the missing pieces, i.e., spreadsheet, word processor, etc.
- Have the package modified.

With any of these alternatives, it is important for management to understand what the system consists of and how it will operate within your organization. Therefore the Information System Review phase is considered to be the most critical part of the project. It must be thorough and complete, providing an extensive understanding by your management of what the package provides.

2.   Hardware/Software Installation

We will load all software on the hardware proposed and test to be certain the software functions properly on the hardware. The hardware and software will then be shipped to your office for installation.

If you chose to have us install the hardware, we will have an engineer at your office to set up the equipment.

3.   Implementation Meeting

Our procedures for conducting an implementation meeting are what differentiate us from our competition. We meet with your management and staff to determine what has to be done, by whom and when. We then prepare an implementation plan that outlines all the steps necessary to successfully implement the system. This plan becomes the guide for our project management. Your management and staff participation is critical to the success of the project.

4.   Implementation Assistance

During the implementation of the project, and the location roll-outs, we will assist you in preparing for the conversion to the in-house system, as follows:

a.   Data Loading and/or Conversion:

We will design the source sheets required for gathering information to be key-entered into master files. Actual loading of the information into the computer system and accuracy of the information is your company's responsibility. We can aid you in contracting data-entry personnel to enter your files.

If we are converting data for you as per your contract, we will analyze your current data and program the necessary mappings to move the data to the new database. Thorough testing of the data is required by both parties to ensure everything is moved correctly.

b.   Customizations:

If the contract or ISR calls for software customizations, we will complete all necessary work and install the new software. All customizations should be tested by both parties to be certain the software functions properly. We will assist you in setting all system parameters.

c.   Computer Forms and Supplies:

Costs for documents and forms will be borne by your company and ordered directly from your printer. The following forms and supplies will be needed:

- Stock paper
- Printer Cartridges and other supplies
- Custom pre-printed forms (1st order should not be for any longer than 6 months). Allow 8-10 weeks for delivery. Some forms that may be printed:
    - A/P checks
    - Bills of Lading
    - Invoices
- Backup storage tapes, etc.

5.   **Education**

>   We recommend that your management and key staff attend classroom education sessions, preferably at an isolated location within your office or out of your office entirely, in order to facilitate the implementation with minimum disruption. DeltaVision LLC will provide education assistance to management and staff as determined in the Implementation Meeting.

6.   **Testing Procedures**

Your company must establish suitable test data, which will test for all possible conditions and for the detection of all possible errors. Our recommended testing procedures includes:

a.   Obtain data for a comprehensive, controlled test run. You should re-create a day's work, or a good sampling of one. You must account for as many different combinations as possible. Include two of each different condition. At least twelve to twenty-five test cases should suffice. Obtain three different sets of test transactions.

>   Using a columnar pad, record the day's transaction totals to be used to verify totals.

b.   Enter test master data onto the system to establish a starting point. Dollar amounts will not be entered, as they will be tested below.

c.   Enter test transactions and post against opening balances. Verify the results to pre-determined expected results. The daily, monthly and year-to-date totals should all be the same.

>   Be certain to process all types of transactions, i.e., with accounts payable process invoices, credits, adjustments, checks, etc. Test month-end and year-end cycles also.

d.   Enter second set of transactions and post against results from above. Verify the results. The daily total should be for one day. The monthly and year-to-date totals should equal two days totals.

e.   Process month-end closing cycles. Review reports to ascertain that they agree with above (d).

f.   Enter third set of transactions and post against results from above. Verify the results. The daily and monthly totals should be for this one-day. The year-to-date totals should equal three days totals.

g.   Process year-end closing cycles. Review reports to ascertain that they agree with the year-to-date totals that you have been generating.

h.   Enter the second set of transactions again and post against results from above (c). Verify the results. The daily, monthly and year-to-date totals should equal this one day.

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i.   If results "prove" to be what was expected, the software satisfies the acceptance criteria.

Once the testing procedures have been satisfied, the system is deemed accepted and you can begin parallel processing.

This testing procedure would allow you to get your system up and running in the shortest time possible, while maintaining system integrity and guaranteeing adequate results.

Parallel Run:

Your old system should continue to be run for a sufficient period of time after implementation of the new system, to give your management a basis of comparison to verify results and assure integrity of the new system. Should any problems arise, DeltaVision LLC will work with your management and staff to resolve these problems.

The following are recommended procedures to process parallel runs:

1)   Load or convert database as of a given date. Be certain that you have figures to "prove to" as of that date (either computer generated report or manual record).

2).   Process transactions using the old and new systems.

3).   Compare the results of both systems. **DO NOT** stop processing on the old system until you have processed at least three cycles of transactions and that you are certain that month-end and year-end cycles work. You can process the entire parallel cycle at one time, i.e., assume you are ready to process on Wednesday, and you have your balances loaded as of Monday A.M.:

...   Process Monday's work. Verify daily, monthly and YTD totals.
...   Process Tuesday's work. Verify per above.
...   Process Wednesday, on both the old and new system. Compare the results. If the old and new agree, the system should be considered working and the second acceptance criteria has been met.

4).   Be certain that the executive in charge of the project has reviewed all reports, screens and response times and has accepted the same.

7.   **Process Live**

Once you are satisfied that parallel runs agree, you are ready to go "live." If a true parallel run was not performed, you may need to arrange for another conversion (if applicable) and:

1).   Re-enter dollar and unit balances as of a given date.
2).   Update dates in file.
3).   Update year-to-date and other period-to-date figures.
4).   Update starting form numbers (i.e. invoice#, check#, etc.).

Process "live", which means eliminate the old system and use the new system.

Structured On-Going Support (S.O.S.):

DeltaVisionLLC provides a warranty that the software will run error free in accordance with the approved design specifications. Structured On-Going Support is available and can be tailored to your particular needs. Options include:

...   Information System Review
...   On-site advanced training
...   24 hour per day, 365 days a year telephone support

YOUR PARTICIPATION AND RESPONSIBILITIES (Your 7 Steps):

1. **Identify Management and Staff:**

   To be successful, your system implementation must include **MANAGEMENT INVOLVEMENT** as well as staff involvement, duties and responsibility to include:

   a. **Executive Level Manager:**
   The executive chosen as manager of your information system should be familiar with the company's principles and practices. The executive should be respected in the company, able to enforce the disciplines required by, and know what to expect from, the computer. The goal is to pick an individual who can get the computer to work for the company and not vice versa. Typical candidates for this position include the Chief Financial Officer, Vice President of Operations and possibly a retired family member executive who may be called in to oversee this new function.

   Time Requirements. During the implementation of the system, the executive should expect to spend 15 to 40 percent of his/her time involved in computer system management. After the first six months to a year, this time should gradually decrease to roughly ten percent. Changes to the system will, of course, require extra time.

   Management Requirements. The executive level manager must be able to communicate effectively, understand the nature and interrelationships of the system, enforce the discipline on the user's system, supervise the implementation and use of control procedures, ensure smooth and predictable data flow and ensure that proper security procedures are enforced. The executive level manager is responsible for making decisions regarding costs or changes to the initial system.

   In addition, the executive should confer regularly with the company's computer advisors, hardware and software vendors and report to company management on the progress of the implementation. In short, management at the executive level is responsible for overall control of the computer system.

b. **Operations Manager:**
The operations manager is responsible for the day-to-day operations and control of the computer system. This position requires computer skills such as general PC knowledge, directory and file management, and understanding of database tools. Advanced skills such as network management, printing, internet, etc. can enhance the productivity of this person, but are not necessary. In addition to computer skills, this position requires logical, orderly work habits.

Time Requirements. During the implementation of the system, the operations level manager should expect to spend 50 to 75 percent of his/her time involved in computer system management. After the first six months to a year, this time should gradually decrease to roughly twenty-five percent. Changes to the system will, of course, require extra time.

Management Requirements. The operations manager must be able to communicate effectively, supervise daily and routine operations of the system, i.e., daily backup, scheduling work, coordinating resources, managing the sequence and distribution of reports, answer questions about daily operations, consult with the executive manager about operational or mechanical malfunctions and maintain inventory of computer supplies. Along with the executive level manager, the operations manager is responsible for controlling daily functions of the system.

2. **Staffing and Discipline:**

The successful implementation of a computerized information processing system requires discipline within your organization. Turnover of staff prior to, and during the implementation, will cause the transition period from the old to the new system to be more difficult and costly. It could also result in additional fees, should it become necessary for members of our firm to familiarize the new individuals with the system.

As a result, your company should make every effort to guarantee a smooth and continuous implementation by assigning qualified staff to the project who are knowledgeable in the in the operations of your business, and who will be involved throughout the scope of the project.

3.   **Extra Work Load and Overtime:**

The implementation of a new system requires that the old system be run parallel with the new system, until such time that your management is satisfied with the accuracy of the new system. The period during which parallel runs take place creates an extra workload on your staff and could result in overtime and extra staff costs.

It may pay to hire a temporary employee to process some of the functions, i.e., loading master files. Your staff should understand the process necessary to create master files, but there will not be any learning experience after they have loaded some of the information.

4.   **Internal Controls:**

It is your company's responsibility to exercise all the internal control procedures required in a computer environment. Internal control procedures must be exercised over such areas as computer input and output, segregation of duties, approval, etc. Internal controls do not totally eliminate the possibility of fraud or embezzlement.

5.   **Physical Planning:**

a.   **Office:**

1).   Room layout
2).   Electricity and cabling
3).   Air conditioning
4).   Desks, cabinets and work areas
5).   Planned installation date

b.   **Location Rollout Schedule (**if there are multiple office locations**):**

Location	Planned Date	Resp. Mgr	Assn. To	Rev. Date
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

6.   **Education:**

Your company assumes responsibility that your management and staff attend training sessions as outlined in this workbook. Those attending the training sessions will be responsible for:

a.   Control of all input/output transactions to the system.

b.   Enforce all manual and operational procedures and disciplines required to operate each module.

c.   Scheduling of all work for the computer system.

d.   Supervision of data input clerks and operators.

e.   Daily backup of the computer.

f.   Follow appropriate recovery procedures should problems arise relating to the system.

g.   Verify the accuracy of all calculations, data and reports.

7.   **System Operation:**

Once the new systems are operational, it will be your company's responsibility to operate the system in accordance with your established schedules and to assure that all reports and data are correct. This includes verifying all calculations and the accuracy of reports as well as following all internal control and other control procedures required in the automated systems environment.

What is an INFORMATION SYSTEM REVIEW?

Attention Staff:

An Information System Review (ISR) is scheduled for your company on _____.
Please read the following carefully, since your participation is crucial to the success of the review.

The purpose of an ISR is to determine where improvements can be made in your company's current operations and procedures to increase efficiency, reduce manual processing requirements, reduce costs and provide better management information for your company.

To accomplish this, we will meet with supervisors and key personnel throughout the organization. If you are chosen to participate, we will review all of the procedures you follow to complete your job function, including all computerized and manual procedures. We will ask a lot of questions, and often challenge why you are doing a particular function the way you are doing it.

Please prepare samples of all reports, forms and procedures that you use before we meet, so that we can make the most of everyone's time. If there is a certain procedure that you do one day a week, month, etc., try and save a sample to show us. We will need to take these samples with us, so produce copies if necessary.

You should also compile a list of anything that would make your job function easier and more efficient. For instance, would a summary report or screen inquiry of certain information make one of your procedures much easier to complete? Is there information you need that is now hard or impossible to find? Is there a manual procedure that should obviously be automated?

We thank you in advance for your time and effort spent, and look forward to working with you.

DELTAVISIONLLC