

THE BOTTOM LINE

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Traverse Case Study

By MICHAEL BURNS

Situation: Ice River Springs is the second-largest water bottling company in Canada. It is a family owned, environmentally conscious company, bottling certified natural spring waters and specializing in both private label and brand name products.

The company employs between 150 to 200 people (depending on the season) out of Feversham, Ontario and Cranbrook, British Columbia. It has about 60 products that are sold in Canada and the United States.

In 2001, when finance vice-president Michael Rowe joined the company, he realized the old system would need to be replaced to allow the company to grow more rapidly. The old system's database was also not stable and caused errors from time to time.

By the summer of 2002, Ice River Springs had completed its analysis of the mid-market ERP systems and chose TRAVERSE to be implemented by Sysacc Software Inc., a value added reseller from Brampton, about 100 kilometres away.

The main reason for selecting TRAVERSE was the system's customization capabilities. Ice River Springs had very specific requirements that it was thought would not be met by any off-the-shelf system. TRAVERSE customers automatically receive

source code and are encouraged to customize the system to meet their business processes rather than change their business processes to adapt to the system. Customizations are written using Microsoft Access tools

Solution: TRAVERSE was developed by Open Systems Inc. (*osas.com*), and is targeted to small to medium-sized companies with revenues of ranging from \$5 million to \$250 million.

There are about 10,000 TRAVERSE installations worldwide—200 in Canada. TRAVERSE offers financial, distribution and manufacturing functionality, and also specializes in a number of specific industries including not for profit and service.

All TRAVERSE Enterprise Edition customers use Microsoft SQL server as their database.

Ice River Springs is running TRAVERSE Enterprise Edition version 10.0 and has implemented accounts payable, accounts receivable, general ledger, bank reconciliation, inventory, project costing, purchase order, sales order—and the full suite of manufacturing modules including bill of materials, routing and resources, production, and MRP. There are currently 20 concurrent users of the TRAVERSE system at Ice River Springs.

Challenges and resolutions: The biggest challenge was meeting the schedule of having the system up and running at the start of Ice River Spring's fiscal year—January 1, 2003.

The company did not have time to thoroughly test the system before going live and needed to use parallel testing for a few months for the more demanding applications. As you can imagine, it was a stressful time for the employees. The reason for the tight deadline was mostly concern over the reliability of the old system.

Implementation of a new system can be a difficult process because people are sometimes reluctant to change. Not only did the business processes improve, there was also a change in company culture during the TRAVERSE implementation. And, as with most implementations, there were problems that needed to be resolved.

Time and perseverance paid off and by the summer of 2003, the system was running smoothly. According to Rowe, the system was quite good throughout 2004.

One of the Ice River Spring's specific requirements related to linking sales orders to purchase orders. Every order is shipped by the truckload using an independent carrier.

Ice River Springs needed to

link a specific customer order to a purchase order for the independent carrier. This and many other customizations have been made to the TRAVERSE system, with the modifications made within source code.

When Ice River Springs updates to the current version planned for this year, some customizations will be redone on a time and material basis. However, many of the customizations done in TRAVERSE Version 10.0 will not have to be redone in the current version, as they have been incorporated into the core product functionality by Open Systems.

One of the challenges in the past was providing management with the tools needed to make decisions. As often happens, spreadsheets were used to compensate for the lack of information in the old system.

TRAVERSE automatically generates Pivot tables in Excel, which allows management to slice and dice operations by multiple dimensions to get the information required.

Costs and benefits: The current cost of a TRAVERSE software license for a 10-concurrent-user system (for the modules in use at Ice River Springs, for example) is about \$28,000, according to Open Systems.

Rowe said he spent about the

same amount on software services, including training and setup, as was spent on the license. However customizations were over and above this amount. The biggest benefit of the new system is that the numbers are now trusted. Rowe believes the system has already paid for itself.

Bottom line: TRAVERSE seems to be a good alternative for mid-market companies looking for a system that can be adapted to meet the exact needs of a company. The usual concern with customization is in regards to what will happen when the system is upgraded to the new version.

Many companies hold back from updating their systems out of concern over the risk and costs of re-doing the customizations in the new system.

However, Rowe has confidence in Sysacc Software and TRAVERSE, and anticipates a smooth upgrade to the new version this year.

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