insiderPROFILES

This article appeared in the OCT ■ NOV ■ DEC 2011 issue of *insiderPROFILES* (http://insiderPROFILES.wispubs.com) and appears here with permission from WIS PUBLISHING.

WIS PUBLISHING

Stability and Mobility

PrimeSource Building Products Follows a Phased Approach to SAP Adoption

by **David Hannon**, Features Editor

Mobility is affecting and changing virtually every company in every industry. CIOs are feeling pressure from all sides to implement a mobility strategy quickly, even if their back-end IT systems aren't quite ready. But Mark Howell, CIO at building materials distributor PrimeSource Building Products, knows better.

While Howell understands the value and opportunities mobility will bring to his company and the distribution industry as a whole, he also understands that launching an enterprise mobility strategy without a solid IT platform underneath it is a recipe for disaster. And because the legacy system that PrimeSource was running at the time was outdated and becoming unstable, it would need to be replaced to support any mobility innovations.

This year, PrimeSource has developed a strategy to provide the business with both stability and mobility through a two-phased IT transformation project. The first phase is focused squarely on getting the company off its legacy system and onto SAP software — specifically, the SAP for Wholesale Distribution industry solution and SAP NetWeaver Business Warehouse (SAP NetWeaver BW). Once that foundation is solid, phase two begins: leveraging the Sybase Unwired Platform to build out the company's mobile strategy.

"We decided not to tackle mobility in phase one because our primary focus is to get the business up and running on a new platform with a new data warehouse and ensure it's solid," says Howell. "Our team read a lot about IT project missteps and found that a contributing factor to almost every failure is biting off more than you can chew. We'd rather tackle the project in phases than take a big-bang approach and risk failing simply because we have too much going on at once."

"OUR PRIMARY FOCUS IS TO GET THE BUSINESS UP AND RUNNING ON A NEW PLATFORM WITH A NEW DATA WAREHOUSE AND ENSURE IT'S SOLID."

— **MARK HOWELL**, CIO, PRIMESOURCE BUILDING PRODUCTS

Building a Foundation of Best Practices

Under its previous system, PrimeSource extracted its transactional data every night from the legacy system into a homegrown data warehouse so workers there could run reports. When the business found out that the solution provider would no longer support the legacy system, PrimeSource decided to replace it.

For Howell and his team, the internal sell for this project wasn't a challenge. PrimeSource executives understood the importance of moving off the legacy system as well as the need to partner with a stable vendor that would provide long-term support. PrimeSource evaluated the market with a particular eye toward systems that would accommodate a distributor's business model. Howell soon learned that SAP for Wholesale Distribution would both accommodate PrimeSource's model, and complement it with embedded distribution industry best practices.

SUBSCRIBE TODAY. VISIT INSIDERPROFILES.WISPUBS.COM.

Walking the Talk

CIO's operational expertise proves beneficial during IT projects

PrimeSource's CIO Mark Howell didn't start out working in the IT department. "I spent 17 years running distribution centers while learning about IT systems, but focused more on operations," he says.

Those years of operational experience have served him well and are now proving particularly helpful during the SAP for Wholesale Distribution implementation.

"It's been helpful in the configuration implementation process because I can speak in detail about the various aspects of warehouse management and how they relate to the new system," he says. "I understand those roles and how technology needs to support them because I've been there doing that job."

Howell's operational expertise has taught him the importance of getting an IT implementation right the first time, both from an operational and an internal buy-in perspective.

"I would much rather learn from other people's mistakes than jump in too soon just to be on the bleeding edge of something," he says.

At a Glance

PrimeSource Building Products

Headquarters: Irving, Texas

Industry: Building products

Company details:

- Distributes building products via more than 40 distribution centers in the U.S. and Canada
- Customers include lumber yards, concrete and construction supply yards, roofing wholesalers, and home improvement centers
- Owned by Japanese conglomerate ITOCHU
- Markets its own line of fasteners under the Grip-Rite and Pro-Twist brands

SAP solutions:

- SAP ERP 6.0 (including the industry solution for wholesale distribution)
- SAP NetWeaver BW
- Sybase Unwired Platform
- Sybase Mobile Sales application for SAP CRM
- SAP BusinessObjects solutions

"We encourage our distribution center managers to run their business as if it were their own — so we've developed a lot of our own best practices over time," says Howell. "And seeing as we operate more than 40 distribution centers, adding best business practices back into the equation would bring more consistency and efficiencies to the entire enterprise. That is what SAP for Wholesale Distribution brought to the table."

In addition to the new ERP solution, phase one also includes replacing PrimeSource's homegrown data warehouse with SAP NetWeaver BW. For reporting, the business plans to use SAP BusinessObjects functionality to replicate its legacy reports, pulling historical data and new SAP data at the same time.

"We plan to have all critical sales and financial reports completed and running in the SAP BusinessObjects environment by our go-live in April," Howell says.

Bringing Stability to Mobility

While PrimeSource is currently focused on implementing its solid back-end foundation, the IT team is already laying the groundwork for its enterprise mobility strategy. In fact, another reason PrimeSource selected SAP as its enterprise system provider was SAP's strength in mobility through the Sybase Unwired Platform. Just as it is doing on the ERP side, PrimeSource wants to build its mobile strategy on a stable, solid platform that will let it leverage its existing investment in SAP technology.

Where will PrimeSource implement mobile devices first in the business? As Howell points out, a distributor's success is in large part dependent on its salesforce's success out in the field. PrimeSource's sales organization uses both territory managers, who serve customers within a given territory, as well as specialty account managers, who sell the distributor's more specialized products. So it's not uncommon for two salespeople to routinely call the same account, even on the same day in some cases. And while the goal of those two sales calls is different, knowing some basic information about each other's calls would be helpful.

Using a tablet device, all PrimeSource salespeople will have mobile access to a collaboration solution that tells them when the last salesperson called on a particular customer, what was discussed, and what opportunities may exist. That one piece of functionality — offered by SAP partner itelligence — integrates with SAP ERP and will help the company present a uniform face to the customer, which is valuable in the relationship-driven distribution business.

"Salespeople will also be given SAP BusinessObjects solutions for reporting on tablet devices in phase two," says Howell. "That will put more information in the hands of our salespeople."

But even employees outside of the sales organization are clamoring for increased mobile access to enterprise IT systems, and each individual has a different mobile device he or she wants to add to the network. The diversity of requests is one of the reasons PrimeSource plans to use the Sybase Unwired Platform as the cornerstone of a stable mobility strategy.

"Mobility changes every day," he says. "After attending a number of mobility sessions at SAPPHIRE NOW last year, I realized there are a lot of options. And one thing I've learned is the value of patience, both internally and from our vendors. We have very patient and knowledgeable contacts at SAP who have walked us through the options and helped us develop a combined mobile and enterprise IT strategy that will work for us." ■

SUBSCRIBE TODAY. VISIT INSIDERPROFILES.WISPUBS.COM.