

Owens Corning Prelude
Tuesday, February 12, 2008

Your thoughts on the case
Lessons learned

Questions for the Case Setting

- Why is our record so bad with ERP implementations?
- Can you get the ERP benefits without integrating your processes across functions?
- Why would Regional managers reject the first ERP rollout?

ERP Setting

- ERP efforts floundering, why?
- Can you get the ERP benefits without integrating your processes across functions?
- Why would Regional managers reject the ERP rollout?
- In this case, should we reject process standardization?

ERP Setting

- No because too much to get
 - Standardized Order fulfillment across company
 - Customers submit one order, get one invoice and pay one bill
 - Owens Corning saved \$Millions in logistics and shipping costs
 - 50% Increase in Inventory Turns
 - 20% decrease in administrative costs
 - Consolidate expensive and redundant systems

These Costs do NOT Cover ...

- ... **management time** selecting, designing and managing implementation;
- ... a **modification** of the business processes (business process improvement/reengineering);
- ... staff time **informally learning** to use the system;
- ... staff time **informally working** on a change of the business processes.

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Learning Objectives

- IT as an oft essential in Organizational Restructuring
- Marks of Successful Enterprise Rollouts
 - *Good Enough Reengineering*
 - *Good Project Estimation Tips*
 - *Good Software Project Mgt Tips for non-software PMs*

Background of Owens Corning

- Type of Organization?
- Principal Products?
- Turnaround History?

What kind of company was Owens-Corning?



The CEO

“I want somebody to stand side-by-side with me and help accelerate change.”

- Glenn H. Hiner, CEO, Owens Corning

What are some critical success factors?

Hint: What are some critical issues?

Critical Issues for Owens Corning



Can they do this without reengineering IT?

How hard is this?

Thought Question:

Why were gains seen with ERPs implemented in huge terrible companies?

ERP Setting

- Is it attainable?
- Can Owens Corning reach their Goals?
- State some Pros and Cons

Aggressive Reengineering Pros vs. Cons

Good Enough Reengineering

- Sense of Urgency
- Examine Realities
- Influence, Influence, Influence
- Ensure a finish mentality
- Generate short-term wins
- Consolidating Gains and Producing more Change
- *Overestimate* the required training effort

What would you do about the bonuses at the end?
