

EMERSON ELECTRIC

The global manufacturer came up with a low-cost, out-of-the-box solution for deploying a standard ERP system in smaller, remote plants with no local IT support.

BY DIANE HIMES

Like a lot of manufacturers, Emerson Electric, a global, \$20 billion-plus diversified maker of electrical and power products and systems, continues to expand both its locations and product scope. As it does so, the company has found it-

Emerson Electric

Revenue: \$20.1 billion (fiscal 2006)

Location: St. Louis

Industry: Electrical equipment

Project name: Oracle-in-a-Box

Project leader: Jim Southwick, program manager

Core technologies: RapidSOLUTIONS software configuration tools; Oracle applications

ROI/Business benefit: Reduced ERP implementation costs and deployment time by 70%; automated more than 80% of manual processes; reduced financial close time by 20%



JIM SOUTHWICK
Program Manager

self increasingly reliant on the functionality and process standardization offered by a large-scale ERP package. The need to standardize on a common ERP platform is particularly acute in smaller or remote locations that typically rely on manual processes or PC-based applications, which Emerson has found can introduce control issues and inhibit revenue growth.

Late in 2005, the company launched an initiative intended to create a repeatable, low-cost model for deploying Oracle's E-Business Suite ERP system in pre-packaged, hosted applications designed specifically for smaller divisions with no local IT support. The goals for the project, dubbed Oracle-in-a-Box, included reductions in implementation costs, time to deploy, and support costs.

Emerson worked with RapidSOLUTIONS, a Thailand-based software and consulting firm, as well as IBM Global Services, to develop Oracle-in-a-Box. RapidSOLUTIONS software tools were used to automate the Oracle configuration process, while IBM provided the multi-lingual integrator skills and experience that the project required for rapid deployment of the applications, says project leader Jim Southwick.

"Working together over a period of nine months, the three parties created a repeatable model that was successfully piloted at the Shanghai [China] location of Emerson's Branson division," Southwick says. Once proven there, Oracle-in-a-Box was rapidly deployed over eight months to 11 other locations spanning two divisions and nine countries.

In addition to allowing for rapid im-

plementation, Oracle-in-a-Box permitted ERP deployments to be managed and supported centrally, allowing full functionality at a radically reduced cost. Oracle-in-a-Box ultimately led to a 70% reduction in implementation cost, deployment time, and support costs, Southwick says.

Since Emerson went live with Oracle-in-a-Box in June 2006, the company has also realized an estimated 18% reduction in yearly user support costs. Overall, the company has improved its visibility into business operations with an integrated system and a single source of data. Over 80% of existing manual processes have been automated. Meanwhile, financial close time has been reduced by 20%.

In addition, Southwick says, after implementing Oracle-in-a-Box at 29 small and midsized sites and using it as the foundation for a plant within one of Emerson's largest divisions — with more than \$3 billion in revenue — the company now considers the model a viable option for all of its divisions, regardless of size.

Together, these factors led Emerson to win the High Achiever award in the Business Model Mastery category in *Managing Automation's* 2008 Progressive Manufacturing competition.

Bruce McKay, executive vice president at hydraulic systems manufacturer Livingston & Haven, and a member of the judging panel for this year's awards program, emphasizes the increase in speed and efficiency that Emerson achieved through the Oracle-in-a-Box project, while it simultaneously standardized the control and consistency of its ERP implementations worldwide.

"The RapidSOLUTIONS approach allowed them to provide a customizable solution to fit the needs of any particular location, but also greatly enhanced their ability to implement with tremendous efficiency," McKay says. "The speed at which they implemented this project and the resulting ROI were astounding."