

Supply chain management specialist converts to Euro in record time with IFS Applications™

What happens when major changes occur in society or when legislation changes the rules of the game to such an extent that you are forced to make considerable changes at the very heart of your business processes? The decision by the European Union (EU) to introduce a single currency, the Euro, is one such change. As a result, organizations and enterprises in Europe face the potentially costly process of converting accounting currency and price lists to the Euro. Modus Media International (MMI) completed this process over a single weekend. They converted hundreds of thousand of items with millions of rows of data using the IFS Euro Conversion Toolbox™, an integral part of the component-based IFS Applications™ business software.

Modus Media International is a global supply chain management services provider with operations in 12 countries. Its operation in Kildare, Ireland, is a 135,000-sq. ft. facility located approximately one hour from Dublin, Ireland. The MMI Kildare Solution Center provides customized supply chain management solutions for high technology clients in the European, Middle Eastern, Asian and African markets. The facility features world-class operational and logistical capabilities, a proven supply base, extensive business management and supply chain experience.

Companies such as AT&T, Dell, Intuit, Microsoft, Network Associates, Palm, Sony and Sun Microsystems outsource their supply chain management processes to MMI, including customer care services, content and materials management, software manufacturing, product assembly and fulfillment. MMI's eFulfillment line of business creates total e-commerce solutions "from demand to delivery" including web storefront development and order processing to back-end financial



management, product delivery, post-sale customer support and reporting. Annually, the MMI Kildare Solution Center is capable of building 22 million hardware/software units and sources 45 million CDs.

The Challenge

On January 1, 1999, the Euro became legal tender in the EU. Exchange rates were fixed, and a plan was

introduced for participating countries to replace national currencies with the Euro. During a transition period of 3½ years, both national currencies and the Euro would be used, with the Euro being mainly a bank and credit card currency. This change affected all aspects of business life, from market issues through purchasing and cash management to reporting and accounting. Order lists, price lists, payroll systems, etc. would need updating. Some companies shut down operations for as much as a week to convert data, while others invested hundreds of man-days in the process. Obviously, conversion costs and loss of revenue due to disrupted operations were major concerns. MMI, with eight locations across Europe, was no exception.

The solution

Since the company already installed and was using IFS Applications, it chose the IFS Euro Conversion Toolbox to handle the conversion process at the first site in Kildare. The Kildare site, with more than 400 employees, has 250 named users, 120–150 of whom are concurrent users.

The conversion process

Since MMI required a tight conversion schedule in order to minimize costs and disruptions, the process was planned in detail several months beforehand. In August 2000, MMI representatives tested the toolkit, using an MMI database as a test model to determine the volumes involved. An on-site test run followed in October 2000, three months before the live run in January 2001.

The facility in Kildare handles over 200,000 inventory parts dispersed among 50 different sites in the database. More than 35 million rows of data needed to be converted. MMI provided IFS with

two databases as benchmarks, one of which was changed and the other of which was unaltered. This enabled MMI to compare the databases before and after conversion. The comparison took only a couple of days.

When the tests were completed, the actual conversion was scheduled to occur over a weekend, thereby guaranteeing zero disruption of operations. The challenge was to ensure that users logging onto the system on Monday would be able to conduct their activities in the new currency. Conversion of the millions of rows of data commenced on Friday at 6:00 p.m. By Sunday at 3:00 p.m. the conversion was finalized and ready to be tested by MMI staff. There were no glitches, despite the fact that this was IFS' largest currency conversion project to date.

Benefits

MMI Kildare personnel arriving on Monday simply logged on and continued where they had left off the previous Friday. Production continued uninterrupted, and the only evidence that a currency conversion has taken place was that "Euro" now appeared instead of the previous currency. The company had undergone a major IT-infrastructure change in an incredibly short time space and with cost-efficient use of resources. For example, only two IFS consultants were needed on site, and for fewer than 10 days, to assist with the testing. Again, during the actual conversion, two consultants sufficed to implement the change. IFS Applications, with its totally integrated Euro Conversion Tool Box, has once more shown that major changes—even involuntary ones—do not necessarily entail huge costs and loss of production.

Software

IFS Euro Conversion Tool Box