

# Contract Management

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## INFORMATION TECHNOLOGY

# Knowing Where Your Project and Costs Are: Relevant Business System's Enterprise Resource Planning Software

*This product was reviewed in October 2004.*

Having a solid grasp on your projects and costs in today's complex organizations is a challenging task. There are many available tools (e.g., work breakdown structure and earned value) to enable the knowledgeable leader to understand the organization's situation and know its projects' status. However, these tools need to be integrated to permit their meaningful use.

Relevant Business Systems is a leading provider of Enterprise Resource Planning (ERP) software to the aerospace and defense, engineer-to-order (ETO), contract manufacturing, maintenance repair and overhaul (MRO), and project-oriented manufacturing markets. This software has work breakdown structure (WBS), earned value (EV), multiplant, and multicurrency capabilities that enable it to be valuable to organizations of many sizes. The software is

built to meet the needs of make-to-stock, make-to-order, and engineer-to-order manufacturers for whom aggressive project management is the key to profitability.

### Inside Knowledge

This software rigorously implements the WBS and EV techniques. The WBS displays and defines the product to be developed or produced by hardware, software, support and/or service element, and relates the work scope elements to each other and to the end product(s). Its framework, developed during the proposal, defines all contractual authorized work. EV management technique relates resource planning to schedules and to technical cost and schedule requirements. All work is planned, budgeted, and scheduled in time-phased "planned value" increments constituting a cost and schedule measurement baseline. There are two major objectives of an earned value system: (1) to encourage contractors to use effective internal cost and schedule management control systems, and (2) to permit the customer to be able to rely on timely data produced by those systems for determining product-oriented contract status.

This ERP software gives you thorough insight into your daily transactions from "cradle to grave." For example, the software allows you to generate and update proposals (including all cost elements) through the entire proposal, negotiation, award, and performance process. By connecting

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the proposals to the organization's financial system, the program manager and contracting staff are able to access the most current cost information, no matter where the project is in its life cycle (e.g., proposed amounts or contract performance actual cost data).

As materials are received and used in production, labor hours are incurred, or overhead or labor wage rates change, the project staff has immediate visibility and can act on the latest information. This system gives the organization the assurance that it follows the excellent management practice of "enter once at the point of responsibility and reuse many times." Since all of the data is connected, the organization's systems, leaders, and project managers can see the immediate impact of actual events on the organization's financial situation.

The software has user-friendly aspects, such as a browser-based view of a user's Microsoft Outlook e-mail, search capabilities, and access to the user's role in the organization's processes. The software also connects to wInsight, the earned value reporting tool addressed in the May 2004 *Contract Management* issue. This connection makes extracting and displaying earned value information a less complex, more meaningful process.

The software supports your organization's process integration, handles all your transactions, has a robust reporting capability, gives good intra- and inter-organizational linkages, and allows you to define and implement security appropriate to your situation (such as firewalls and data access).

Relevant Business Systems has the capability to partner with your organization to enable you to succeed in any change process you require to gain full and effective system implementation. They use a logical "Plan, Learn, and Operate" process, which allows you to ensure that you are extracting the full value from this software implementation.

In summary, if you are in the market for a project-focused ERP solution based on WBS and EV techniques, then reviewing this ERP solution is worth your time. **CM**

*Further information on this product can be found at [www.relevant.com](http://www.relevant.com).*

#### About the Reviewer

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