



RAINING VIRTUE
S O L U T I O N S

Transformation

PROJECT CASE STUDY



Raining Virtue Solutions partnered with Todd Pacific Shipyards in transforming its information technology group from a custom development shop to a state of the art, partner-centric, managed service organization. Who knew the results would serve as a foundation and model for growth and scalability? When Vigor Industrial acquired Todd Pacific Shipyards in February of 2011, that's exactly what happened.



The Vision

When Leonie Markgraf became the Director of Information Technology for Todd Pacific Shipyards in 2008, she had the opportunity to bring a long-held dream to life. Her vision was to build a dynamite IT team that provided a level of computing capabilities, system flexibility, infrastructure stability, and service that one would never expect to find in a 100 year old shipyard. And, more importantly, a solution that would provide the right IT tools to the business to help the company serve its customers for another 100 years.

The cornerstones of her vision were improved customer service and communication, consistent process improvement, and consolidated applications and architecture.

Markgraf mapped out the following strategic objectives for her organization:

- Support the business in an efficient and proactive manner.
- Consolidate finance, purchasing, distribution, project accounting, human resources, payroll and timekeeping functions into no more than two vendor software packages.
- Create strategic alignment with value add vendors and partners.
- Eliminate custom software application development.
- Reduce the number of software licenses, tools and utilities.
- Consistently and effectively support the requirements of Sarbanes-Oxley ("SOX"), the Defense Contract Audit Agency ("DCAA") and Government contractor audit requirements.
- Create an enterprise portal for business analytics across systems.

Markgraf understood that making her vision a reality was a gargantuan task and that her team of ten information technology professionals would require support and assistance during the transition.

Markgraf realized a trusted and experienced partner would be required to make her vision a reality. She needed to secure the services of an experienced consulting firm to help transform existing systems, support and inspire staff, and help lead Todd Pacific Shipyards into a new era of business and operational efficiency. In 2008, Markgraf selected Raining Virtue Solutions as that partner. Since then, Raining Virtue Solutions, serving as an extended member of the Information Technology team, has not only led the implementation and rollout of core business applications such as IFS and Kronos, they have helped create excitement for and helped foster adoption of the new systems.

The Business Challenge

Todd Pacific Shipyards' primary business was ship construction and repair. The completion of customer work had very little dependence on information technology. Most internal investment centered on supporting craft personnel on the deck plate of its customers' vessels.

Over the course of 15+ years, the Todd Pacific Shipyards business application environment proliferated into a mix of independent, disparate, and complex custom and packaged software applications. At the top of the list was an outdated human capital management application based n COBOL and a flat file database system. Throw in a variety of interfaces, software languages, and other utilities and standardization and alignment becomes quite the challenge.

A variety of reports were available and accessible from within existing applications, SQL Server Reporting Services and Microsoft Excel extracts. Project managers would often request unique content or additional calculations for "their" reports. Inconsistent development practices and loose standards resulted in report inconsistencies. Small enhancements made to "standard" reports in support of a project manager requests would create a higher degree of separation from standard. Over time, subtle changes introduced noticeable variances. This resulted in individual, departmental or project manager's interpretation of data and varying perspectives on the "information" the data conveyed. Inconsistent report content resulted in a significant amount of time being spent on report verification and reconciliation.

Add to all that the acquisition of Todd Pacific Shipyards by Vigor Industrial - a company of equal size and similar circumstances in February of 2011 - and the challenge becomes exponentially greater.



The Players

Vigor Industrial and Raining Virtue Solutions

Vigor Industrial, a privately owned group of companies, hails itself as the “largest, most capable provider of shipbuilding, repair and metal fabrication in the Pacific Northwest.” The company employs over 250 administrative employees and has a large union employee base, with upwards of 2,000 production employees. The production employees specialize in steel, welding, electrical, carpentry and other specialty trades. Vigor Industrial acquired Todd Pacific Shipyards in February 2011.

Key Personnel:

Leonie Markgraf, Director of Information Technology, Vigor Industrial

Raining Virtue Solutions is a full service consulting firm offering consulting, integration, and managed services. Raining Virtue Solutions’ focus is on helping clients align business needs with technology solutions in support of strategic business objectives. Their team of business and technology consultants integrate into businesses as extended members of mission critical project teams to help organizations achieve new heights.

Key Personnel:

Troy Anderson and Paul Ausserer, Principals, Raining Virtue Solutions



The Opportunity

“Past Practice” was a term used to describe ‘undocumented’ or ‘accepted’ business practices. If it’s been done a specific way for a number of years that’s the way it is, effectively becoming part of the Collective Bargaining Agreement. Many business rules were left to interpretation, which varied from business unit to business unit, craft to craft, and location to location. How do you interpret unwritten or accepted business practices? How do you clearly define business rules in support of business applications, interfaces, reports and queries? How can what’s right and true ever be determined? How can you bring consistency to any system?

A team effort would be required. Vigor Industrial’s Information Technology group, Raining Virtue Solutions and the business and production community would be that team. Markgraf herself performed extensive research and worked closely with the business community to determine Todd Pacific Shipyards business processes, systems and information requirements. Her research consisted of a thorough review of the collective bargaining agreement, conversations with subject matter experts, review of internal and external audit documentation, and shadowing craft management and employees.

Focused on making the craft business and operational environment as productive, efficient and user friendly as possible, Markgraf and the Vigor and Raining Virtue Solutions team asked questions around process, information and the everyday challenges of craft employees. The results of the research were eye opening.

From craft staff, the message was simple, loud, and clear - “I want to go to work and use tools that work.” In the area of time keeping, the challenges were:

- Markgraf herself shadowed multiple Production Supervisors over a series of days to better understand how the current, home grown timekeeping system was being used and what was and wasn’t working for the production staff.
 - The hand-held devices being utilized by the aging craft work force with aging eyesight displayed information in small, 10 point Arial font.
 - Too many options were available for selection on the handheld devices and the number of time entry errors was significant.
 - The rainy climate of the Pacific Northwest interfered with employees’ ability to read the small handheld screens.

The message was also loud and clear from craft management. Clear and concise project and craft information was priority number one.

- An incomplete understanding of the timing challenges between daily labor entry and its integration with the job cost system suggested inaccurate data when in reality the data was simply not yet loaded. Labor was only updated once a day in the job cost system and it didn’t come across at all on Monday nights.
- Inconsistent application of business rules and calculations in business systems, interfaces, reports, queries and spreadsheets led to a lack of trust in the applications and the data contained in them.

Markgraf documented her findings in a detailed report and made a case for change to company management. Because she had involved craft management and staff in the process, she had the buy in she needed to begin transforming Vigor’s human capital management business applications.

The Solution

Raining Virtue Solutions, in coordination with the Vigor Industrial Information Technology team, helped transform and align human resources, payroll, workforce timekeeping, and leave and attendance functions through the implementation of an enterprise wide resource planning system and human capital management system. They also implemented a centralized business intelligence reporting system.

The Implementation

Troy Anderson, a Principal at Raining Virtue Solutions, was an integral player in the original implementation of Todd Pacific Shipyards' Enterprise Resource Planning ("ERP") system back in 2000.

He led the project effort, including a comprehensive business process re-engineering effort, which laid the foundation for a textbook enterprise resource planning implementation. Because of the successful implementation of Industrial Financial Systems (IFS) enterprise resource planning system, Todd Pacific Shipyards again looked to Raining Virtue Solutions to lead the implementation of a human capital management system in 2008. Raining Virtue Solutions worked with the business community to define requirements and followed through with the software vendor to ensure the software was configured in accordance with those requirements. Raining Virtue Solutions also managed all facets of conversion, systems integration, training, and "Go Live" activities.

The Value

The implementation of Kronos, much like IFS' enterprise resource planning system years earlier, brought a single accurate system to reliably track human resource, payroll, and timekeeping information.

- The Kronos implementation will save the company hundreds of thousands of dollars over a 5 year period.
 - 2 FTE's were transitioned to more value-added work.
- All human resources, payroll, timekeeping, leave, and attendance functions are now supported through one vendor's software suite of applications, Kronos. Built in integration, expert support and a consistent and compliant upgrade path will save the company hundreds of thousands of dollars in application management, administration, and maintenance over a ten year period.
- Standard business rules and processes were aligned with, and configured into, the Kronos software.
 - A good audit trail of who entered and changed records now brings enforcement and accountability.
 - Attendance events are now effectively monitored and reported on and employees are no longer overpaid when they arrive late because the attendance system is tied to the timekeeping system.
- Accurate and consistent information is readily available via an organized and powerful business intelligence portal. The organization moved from a "data" strategy to an "information" strategy. Instead of using independent spreadsheets and "one off" reports, supervisors can easily track what's happening in one place. Dashboards, graphical displays and alerts and automated distribution have and will continue to replace the marshaling and storing of independent data.

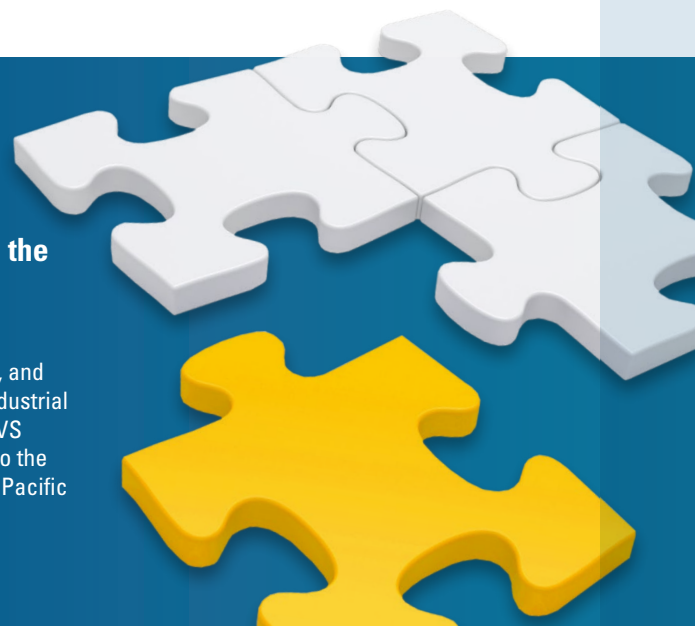
The foundation for accurate information, corporate growth and scalability is in place.


Partnership

The Key to Success

According to both Leonie Markgraf and Troy Anderson, the key to the success of the project was partnership.

RVS was committed to working with the business, not just for it. Massive change was needed at Todd Pacific Shipyards \ Vigor Industrial in an incredibly short amount of time, and collaboration was essential. The partnership between Todd Pacific Shipyards \ Vigor Industrial and RVS was so seamless, that many Todd Pacific Shipyards employees did not know RVS consultants were not Todd Pacific Shipyards employees. RVS integrated themselves into the culture of the company. Successful partnerships are built on mutual trust, and the Todd Pacific Shipyards/RVS team had this in spades.





...Raining Virtue Solutions is unique in that they are highly competent technically, and amazingly good with people. They are able to get buy-in from our employees at Vigor to take on Herculean tasks with enthusiasm. They integrate themselves into our company and really understand our DNA - this enables them to work seamlessly and efficiently with our staff."

Leonie Markgraf, Director of Information Technology
Vigor Industrial

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Raining Virtue Solutions' mission is to combine progressive business intelligence strategies with innovative technology solutions to keep smart businesses one-step ahead.

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