



MEETING MINUTES

State of Louisiana ERP Project

Blueprint Workshop/Material Master Records-Owner/Creators/Maintainers

Session: LOG-MD-002

08/27/2008, 8:30 to 4:30

Location: DOTD East Wing, 2nd Floor – LaGov War Room

Attendees:

N o.	Name	Agency	Invited?	Attended?	Comments
1.	Adams, Beth	DOA/LaGov	Y	N	
2.	Anderson, Shannon	DPS	Y	N	
3.	Boyd, David	DOA/LaGov	Y	N	
4.	Cali, Dom	DOA/LaGov	Y	N	
5.	Cutrer, Cathy	DOA/LaGov	Y	Y	
6.	DeFoe, Llewellyn	DOA/LaGov	Y	Y	
7.	Denham, Brad	DOA/LaGov	Y	Y	
8.	Deshmukh, Sudhir	DOA/LaGov	Y	Y	
9.	Dutt, Dev	DOA/LaGov	Y	Y	
10.	Elliott, Sterrie	DOA/LaGov	Y	Y	
11.	Garrison, Charlotte	DOTD	N	Y	
12.	Gerhart, Steve	DOA/LaGov	Y	N	
13.	Harris, James	DOA/LaGov	Y	N	
14.	Hebert, Sharon	DOA/LaGov	Y	Y	
15.	Holliday, Donna	DOA/LaGov	Y	N	
16.	Kemp, Bonnie	DOA/OSP	Y	Y	
17.	Ladhur, Jack	DOA/LaGo	Y	Y	
18.	LaTour, Adam	DOA/LaGov	Y	Y	
19.	Lea, Denise	DOA/OSP	Y	N	
20.	Lipscomb, Kenya	DOA/LaGov	Y	Y	
21.	Nedd, Cherrilyn	DOA/LaGov	Y	Y	
22.	Oglesby, John	DOA/LaGov	Y	Y	
23.	Parent, Carla	DOTD	Y	Y	
24.	Petro, Paul	DOA/LaGov	Y	N	
25.	Pierce, Karen	DOA/LaGov	Y	Y	
26.	Pulliam, Sonya	DHH	Y	Y	

27.	Roberts, Ginger	DOA/LAGov	N	Y	
28.	Rogers, Belinda	DOA/LaGov	Y	Y	
29.	Schexnayder, Sharon	DOA/LaGov	Y	Y	
30.	Seal, Theresa	DOA/LaGov	Y	Y	
31.	Sharp, Suzanne	DOC	Y	N	
32.	Sides, Ryan	DOA/LaGov	Y	Y	
33.	Taylor, Danny	DPS	Y	Y	
34.	Trivedi, Mandar	DOA/LaGov	Y	Y	
35.	Vaught, Sylvia	DOA/LaGov	Y	N	
36.	Wright, Mark	DOA/LaGov	Y	Y	
37.	Constant, Kenneth	DOA/LaGov	N	Y	
38.	Roubique, Margaret	DOC	N	Y	

	<i>Agenda Item and Notes</i>	<i>Owner(s)</i>	<i>Action Items & Assignments</i>	<i>Comments / Follow-up</i>
1.	Logistics, Ground Rules, & Introductions	Belinda Rogers	<ul style="list-style-type: none"> None 	
2.	Workshop Objectives	Belinda Rogers	<ul style="list-style-type: none"> None 	
3.	Project Overview/Timeline	Belinda Rogers	<ul style="list-style-type: none"> None 	
4.	Business Process Review "As Is" Processes	Sterrie Elliott/DOTD Karen Pierce/DPS Adam LaTour Brad Denham	<ul style="list-style-type: none"> None 	Hard copies were provided of Powerpoint slides.
5.	Action Items		<ul style="list-style-type: none"> Kenya will investigate control agency having the ability to change material master basic data (MM02) Core Team will take sample & develop a draft for Agency/Warehouse review and we need input from IM & MRP Also discussion of mechanics of form submission. Prior to warehouse session, core team will meet with DOTD offline to 	

discuss.

- Research how financial is affected as you pre-encumber by line. Impact will need to be discussed with financial team. This process will be discussed further in the Requisition blueprint.
- Brad will research how the State of Pennsylvania setup their security and if it's centralized or decentralized by contacting the person that assisted with the SAP implementation.
- Kenya will research and get with IBM to discuss control agency being able to change basic data on MM02.
<MMRM>

6. Organizational Impacts

- Creation of MMRM will impact DOA
- Creation of centralized MMRM and global material request form impacts all agencies. (Training, etc.)

7. FRICE-W

- Interface (possible) with material master entry form and SAP (low priority)
- Develop an electronic form for the state to use to submit a request to a control group to add new item on MM01.
- Develop possible interface so that values from a material creation form pre-fill values on MM01.

8. Parking Lot

- Meet with IM guy regarding changing unit of measure conversion and adding new UOM's.
 - Will MMRM enter full record or only enter global information/record?
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9. Key Decisions

- Material Master Creation/Extension will be centralized MM01 and Deletion (MM06).
- Basic data changes will be decentralized pending results of action item.
- A Global Form will be utilized to request a material master.
- MMRM Group will reside at DOA.
- Centralize creation of material master using MM01. <If data error found out after item blocked, central agency will need to delete item and re-add>. And use MM06 for deletion/inactivation
- MMRM <M&M> Group will reside in the DOA. Bonnie agreed that State Purchasing should be chosen as this group. This group will also be the final resting place for the official material request form.
- Basic data changes will be decentralized pending results of action item.
- Decentralized changes to materials using MM02 + Plant/Purchasing. Only agency will be able to use MM02>. Pending results of Kenya's research
- Changes to existing UOMs at MM02 need to be discussed.

10. Discussion

Ginger Roberts will be checking on DOTD not being able to open narratives due to email program being Lotus Notes. Carla also asked for email and phone numbers of team members so contact with team is easier due to information being requested.

Belinda passed out ERP telephone lists.

DPS discussion on "As-Is" process:

Karen stood up and described "As-Is" Create or Change process. Currently there is no formal method of requesting an item to be carried in inventory, but it is typically done via email to maintain an audit trail. Typically the email has description of item, estimated quantity for 1 year brand, and model number.

The Inquiry / Analysis box on the diagram describes the fact that the warehouse completes the analysis themselves to see if items are needed, and what kind of potential quantities are needed.

This process for DPS is mainly a manual process. Most of the inventory items are captured via spreadsheets. The reason for this manual process is because the materials do not match up the AGPS. Changes to material master are rare. The changes that are made are usually changes to packaging, brand, and model.

DPS's trigger for Create / Change can be either "Identified new item for inventory" or "Inquiry/Analysis performed" to determine an add or change of equipment.

Brad: Does the email contain basic text, PDF attached, or just email text format?

Karen: No, just an e-mail. We usually ask for a Brand and Model number.

B: Any other method used for DPS?

KP: No. Sometimes telephone, but DPS needs some form of written request.

Danny: Little is changed regarding descriptions. The warehouse receives all assets and usually catches them there. If something is received and a written request hasn't been given previously, then contact is made from Karen's office to determine if item is needed in inventory etc.

Theresa: Does DPS place a surcharge on inventory?

KP: No. It's a weighted average. We do have to factor in air conditioning for certain items requiring temp control. A manual listing of all materials / specs is kept due to no interface with AGPS.

"As-Is" Inactivation process: DPS never deletes an item out of the system. If the stock has been there a while, they check with end user to see why the stock is not moving. The end user completes an analysis to determine if the item is still needed in inventory. If item is no longer needed, they change min/maxs to zero so that once item is depleted they do not restock it. Once items are gone, DPS inactivates the stock item. If a form number changes, they will inactivate the old form number, but the material number stays the same.

Belinda: When you scrap material do you ever bring it back in as something else.

KP: No. If it is a form, sometimes we have to destroy it. For printer cartridges, we'll transfer it to LPAA.

Brad: Do you ever recoup monies from that?

Carla: Yes we do.

BR: Do you scrap items that have a shelf life?

Karen: Yes, Blood Kits. Especially if the expire date has passed.

DOTD "As-Is" Process Create or Change:

ST: District uses suggested language to determine stock description.

Carla: Financial Services places the prices on items, not procurement <unit price>. On rare occasions you may need a particular UOM and the manufacturer no longer carries it that way. The UOM will then need to be changed. <Procurement Manager Role>. For convenience purposes only, the information is entered into Web for users to use to search. The information is also entered into PIMS as it is our Legacy System. The Web and PIMS do not communicate.

Carla: We have a running history of all of the changes made to stock specifications.

Belinda: How far back does the history go?

Carla: Back to the 60's. We have manual cards that we still search on. We capture what and why something was changed. This is part of the analysis of the change. Prior to using email request for materials DOTD had a form request which designated the pertinent fields for material. (A copy of the form was provided to the IBM team for their reference.)

DOTD Deletion: ST: We have no way of blocking a number. As long as a stock number exists a user can use it. A min/max is set to 1 and 1 so ST will know not to reorder it. If a user can't use it anymore she'll go ahead and change the min/max to 0 and 0 and send the remaining items to LPAA. The specifications will be marked for deletion in the description so the user will know not to re-order it once the stock gets to zero.

Carla: Sterrie's role and the warehouse she is over are unique so she has been very involved in the process. We do not get that much information from some of our other users. We usually work to create the description with things that do not come under traffic. We used to have a form that included everything we needed for a stock description. It was a carbon form years ago, but then we went to an email or telephone conversation.

Brad: Was that ever a fillable PDF?

Carla: No this was from the 60s. But I have given the form to Mandar and Kenya. Within our specifications we have what is called just DOTD specs that lay solely within the procurement office without having to go anywhere else. We have equipment, maintenance, and traffic specs that have different approval levels. As part of the buy in, we promised we wouldn't change their specs without their approval.

Belinda: So do end users come to you now to change their specs?

Carla: Yes.

Belinda: They are used to you being the control for changing the specs?

Carla: Yes.

Belinda: The agency would know and understand that it's still their material, but you are the changer?

Carla: Yes. We still have to get heavily involved into the weeds at times even though other approvals are required.

Belinda: If we have a control group for materials, your end users would still come through you, and then you would submit your request to the control group?

Carla: Yes. That's how I'm thinking as it may not be procurement people asking for a new specification.

Belinda: Question to IBM, if the end user requested a change could we, through workflow, route to the agency for approval before sending the document to the control agency?

Sudhir: Yes, but we have standard forms that need to be filled out and go to the appropriate agency people.

Belinda: What I'm hearing is that everyone is in agreement?

ST: Yes. I don't think it should go directly from the end user to the control agency.

John: Did you discuss when a specification exists within another specification?

Carla: That's a maintenance spec that involves testing procedures.

John: Would testing procedures be a part of your material master?

Carla: I don't know if we would want to do that as it is already a part of the specifications.

Llew: These are specs for bidding an item?

Carla: The spec is a part of the bid document and has to be completed before you create the specific item. Not every item has a specification.

Belinda: Does everything you bid go into inventory?

Carla: No. We have a lot of items not in inventory. When specs get redone we have to change the material master.

Adam: I don't understand why you put items into the web and PIMS?

Carla: The material master is not in PIMS. The online is searchable. PIMS is not. You have to know the stock number.

Adam: Each agency has its own material catalog?

Group: Yes. Corrections use the PMX inventory application.

Karen: DPS can go in the system and click on the item they want to order. An email will then be sent to Danny.

Adam: Does anyone use barcodes?

Group: We have the capability but never used it. We would like to use them but the amount of upfront work has prevented us from utilizing them in the past.

Carla: The stock number of a particular form, which is printed on the form, helps determine the owner of the form. If the owner changes, we change the number.

Group: Agency specs are internal so that only that owning agency sees the catalog.

Carla: The numbering of material is of great concern to our districts, and they would like to be involved in the off-line meeting to discuss the use of internal and external numbering.

Belinda: I can understand, and we have committed to inviting them to that meeting.

Department of Correction (DOC) AS IS Process

DOC Process: The trigger to initialize this process is that an email is received from end user.

Jack: No formal form?

Margaret Roubique <DOC>: No we ask for the description, vendor, or supplier. The description that is shown on the Request for Proposal has already been completed on the procurement end. Our system doesn't interface with AGPS. They'll let us know who the vendor, contract number etc. is.

Jack: Where does the request for a new material come from?

MR: The end user in warehouse. They can't get the item unless they've gone through all the procurement process.

Jack: Once you receive the email is there some sort of analysis?

MR: Our material list consists of 8-10 thousand items. Yes. We see if it's already on material list by key word searches and other search methods.

Jack: What happens if it already exists?

MR: we inform them and tell them how it is listed.

Jack: You inform the user this is the material and where it exists. Suppose it doesn't exist. Do you look at the material and see if it's something you need to stock?

MR: Yes we have that all the time. We have items that maintenance will not add into inventory as they are for a specific project and won't be re-bought. If they are going to buy a food that they don't already stock, we'll add it as they will continue to buy it. We usually add things that are used everyday to live on. We also maintain roads, equipments etc.

Jack: If you don't add it, do you inform the user?

MR: Yes. We only have 3-4 people that can add an item. Everyone underneath contacts us and we add it to our inventory system (PMX). We use mins/maxs. We then contact the user to tell them it's there. Sometimes we contact the user and use the contract to determine all the specs for an item.

Jack: Is there an approval process for it to be activated in the system once it is added?

MR: No.

Sharon: This is all done in the accounting section, not the procurement section.

Karen: Do you always buy things off of contract.

MR: No. We'll send someone to buy something on the p-card to feed the offenders if the hurricane hits until we are able to get normal food lines going, for instance. Those items are then added to our inventory. We do add non-ISIS vendors to our system due to this.

Jack: What's the process for changing an item?

MR: It would go through my group. When I say the "end user", I'm not referring to the warehouse end user. I am referring to the Administrators. The administrator has already determined a need for the item. Once the administrator (director) determines a need for a change we usually get the request via email. We capture the cost of the item and the way it needs to be received/issued (received in each, pack, etc; what is the pricing of the item?) We use weighted average as well. The unit price is entered into the system via the end user from procurement and the system updates the weighted average. This is usually for small stock. The description of the item and the unit of measure <UOM> are changed most often. They will sometimes also change the way the product is shipped. We research the item and then update the system. We then notify the end user that the item has been updated. The end user then reviews the change in the system and validates the change. We deactivate material items, but we do not delete items. If we receive an item that was put on in error we deactivate it. If we receive a request to deactivate an item and other sections continue to use the item, we can't deactivate that item. We can check items for each warehouse by running reports. We run reports to determine if other warehouses use the item.

Danny: Can a warehouse deactivate something from their warehouse and not from others?

MR – Yes. Each warehouse has their own little system which they maintain. They can only see those items relevant to their warehouse. They can't see the material master list for all of DOC. So if they need an additional item, they send a request which may or may not be a new item in the material master. Each facility has its own weighted average. There is not one overall weighted average in PMX. We can prevent a warehouse from using an inventory if the item is used by everyone by removing the item from their warehouse in the system. This information does not include Prison Enterprises because they are on a separate system, JD Edwards.

SAP concepts:

SAP allows for different types of blocking capabilities. We will be covering a complete block in today's session. MM01 is the transaction used in the SAP to create a material and authorizations are in place there. This includes extending the item not new changes.

The term "Blocked" in SAP means that the item is not approved for use.

MM01 (create record), MM02 (change existing records for a specific plant or storage location), MM03 (display record/reports), how would you like it from this step forward. A notification can go into MM02 and update for their plant even when a material is blocked. If decentralized: MM01 can't be changed while item is blocked while it is unapproved. MM02 will be able to be changed, except for Global Data (Basic Data Tabs) at plant level. Best practice is that MMRM does not have access to MM02 and whoever has access to MM02 does not have access to MM01.

Review of To Be Process - Create

Action Item: A form will be submitted to control agency. SAP doesn't come with an interface to MM01 to load values from the form. The form is just a gathering data tool for a user to manually create a material.

FRICE-W: SAP can load data into MM01 via batch process, but due to the approval process, the contract agency process, and the number of times create/change is requested, is this feasible?

Adam: Review of To Be Process - Create

Llew: Is it easy to find Material Masters?

Carla: Can end users see everything listed in the Material Master or only when they are available for their plant?

Adam: They will be able to see everything for their plant unless they run a report. With the report they will be able to view everything.

Bonnie: Can there be an indicator to indicate what people are seeing?

Adam: MM03 (display) can be run to show specific information. You can limit your search or search broad.

Centralized vs. Decentralized Structure & Impact on changing Basic Data

- With a Centralized structure the group has access to MM01 and MM02 (central agency creates material and makes changes mins/maxs etc.)
- Decentralized: Control agency creates material using MM01 and Plants makes changes to their information <mins/maxs> using MM02. If Control agency has access to MM02, then Plants automatically have access to MM01. According to Adam SAP can not sort fields by role (i.e. only control agency has access to MM02 Basic Data). A discussion will need to happen with the materials IBM person to determine how best to affect a UOM change (i.e. changing of the UOM conversions & adding new UOM).

MM will have the lowest common denominator of the UOM. Changes can be made using MM02 for additional UOMs.

Note: Several people disagree with the fact that control agency will not be able to change MM02 Basic Data after item is approved. (Llew, Jack, and Kenya).

New Material Number & Blocking

Discussion on when new material number is issued if item is being bid out. You would go out on Pre-bid. Once a bid was accepted you would add a material. Once the material is approved, you would mark for deletion the item on the requisition and copy to a new line with the new material number.

The Vendor Part Number is stored on the info-record in SAP. The Vendor Part Number is different than the Manufacturer's Part Number (i.e. Grainger has Bates, Smiths' staplers. Their manufacturer's number is different from Grainger's number).

Material exists for an item on contract. Look up contract and contract line you can adopt that line and the material number will default.

You can delete/inactivate a material at the plant level alone using MM02 or at the global level using MM06. SAP doesn't actually delete the item, but blocks it from view. There are various blocks. MMRM will maintain global blocking using MM02.

MMRM Form

Per Adam, MMRM form is centralized. A general consensus was met to take the design of the form off-line. The core team will take samples and come up with a proposed form design. The design will then be sent out for approval.

TO DO: Karen, SR, Mandar, and Dev will be the task force for compiling procedures and information on forms.

You can take information from a word doc or PDF and copy it into SAP.

Ryan: Can a system be created that will allow for tracking of the submittal of the material request form?

Carla: Will the form include specs?

Adam: No, you will have a form and add the specs as attachments which is the same process they use now.

Can min/max fields be added at create level? Yes, then needed on form.

Carla : On the form can we make Min/Max as an optional field? Some agencies want MMRM group to set up plants' min/max levels during the creation of the materials. I can see it being an agency to agency decision.

Karen: others want to create it themselves.

Jack: It would be a faster approval of the material if the requestor enters all the min/max for the various plants.

Organizational Impact:

Organizational Impact: Change way state does business: Now – agencies have different forms and no centralized agency. Future: Agencies submit one form to one central group. (Creation of centralized MMRM and global material request form impacts all agencies. (training etc.)