

Corona (Organización Corona S.A.)

South American Manufacturer Saves Time and Money with
Best-practices Software Evaluation Methodology

by Jane Affleck

CASE STUDY

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Company: • Corona (Organización Corona S.A.)

Industry or Service: • The company manufactures, distributes, and sells tiles, porcelain products, and plumbing fixtures.

Geography: • a multinational company based in Colombia (South America), with manufacturing plants in the US and South America, and a business office in China

Software Requirements: • To find an enterprise resource planning (ERP) solution that it could implement at all of its manufacturing facilities, and that would integrate with customer relationship management (CRM) and human resources (HR) systems.

Users: • over 850 at the company's manufacturing facilities

Software Selection Project Needs: • To use a methodology that would allow the company to compare the four ERP systems it already had in place at its various manufacturing facilities, and determine which one had the best overall functional match for the company's requirements.

Software Selection Expert: • Corona chose TEC to help gather requirements and to perform an objective and thorough comparison of the functionality of two existing systems, and the top two ERP solutions in the market.

Benefits:

- access to TEC's ebestmatch™ decision support system (DSS) and reports showing weighted average and ranked scores for each vendor solution
- a solid methodology for scoring vendor responses, ensuring confidence in final choice
- a faster, more efficient, and time-saving software selection project—done by distance and at minimal cost

Company Background: South American Ceramics Specialist

Colombia-based Corona, a private, family-owned business founded in 1881, is one of the largest conglomerates in South America. Corona specializes in manufacturing ceramics and porcelain products for home renovation projects, as well as various industrial products such as ceramic electric insulators. In addition to 11 manufacturing facilities in the US and South America, Corona operates a

number of retail outlets in Colombia as well as in the US and Mexico, and has an export office in China. The company also exports to over 32 countries around the world, and brings in over \$1.25 billion (USD) annually in total sales. Over 90 percent of Corona's employees work at the Colombian locations.

“TEC’s methodology truly lived up to its reputation as a best practice.”

– Hernan Dario Londoño Zea,
Director of IT, Corona

Corona Acquires Several Companies—and Several ERP Systems

Corona's strategy for expansion included a number of acquisitions, such as Mansfield Plumbing Products, located in Ohio (US). Though these acquisitions were helping the company achieve its plans for growth, each acquisition had its own enterprise resource planning (ERP) system. As a result, the company's 11 manufacturing locations weren't able to communicate effectively with each other. In particular, the different ERP systems were making it difficult to share crucial information about production planning and pre-production operations.

Corona realized that in order to fully benefit from these acquisitions, it would have to find one ERP solution that would best work for all of its manufacturing locations—and that would integrate well with other systems, such as human resources (HR), customer relationship management (CRM), warehouse management systems (WMSs), and others. "Our primary goal," says Beatriz Eugenia Jaramillo Vásquez, Corona's coordinator of process engineering and ERP, "was to find one ERP system that could be implemented at all manufacturing locations, allowing data to be consolidated and used effectively, and reducing overall complexity."

Corona decided that the best approach would be to determine which of the existing ERP systems would best fit the company's overall manufacturing needs. "We weren't looking to install a new ERP solution," explains Jaramillo. "The systems we already had in place were all functioning well—we just needed to reduce complexity and improve visibility of information. So, it seemed like the best thing would be to figure out which of our ERP systems could be implemented easily across the company."

But now Corona was faced with a couple of fundamental questions that needed to be answered before the project could be started: What methodology could Corona use in order to be sure which of its ERP systems would be the best all-around fit? Were these solutions comparable with the top solutions in the market?

A Best-practice Methodology for a Best-fit Solution

Based on the recommendation of another Colombian company that had recently completed a software evaluation and selection project, Corona contacted Technology Evaluation Centers (TEC). After discussing the project requirements and having a look at TEC's comprehensive request for information (RFI) spreadsheets and other resources, Corona employed TEC to evaluate its ERP systems.

TEC's software evaluation capabilities and best-practice selection methodology are ideal for the project Corona had in mind. Also, thanks to TEC's extensive data about hundreds of vendors' solutions and thousands of solution functionalities, Corona didn't have to embark on a massive quest for information: that information was already housed in TEC's knowledge bases. With TEC's decision support system (DSS), ebestmatch, companies like Corona can enter their requirements, prioritize them, and create graphs that allow them to compare those requirements with the functionality offered by a range of solutions. Using weighted averages and TEC's weighted average composite index (WACI), based on the users' priorities, makes it easy to determine which solution offers the best match for a company's functionality requirements.

First, using the RFI spreadsheets as a basis, TEC helped Corona define and prioritize its requirements for various manufacturing processes, including order-to-cash, plant maintenance, design-to-deploy, and financial processes. Another requirement for the ERP system was that it have multicompany and multicurrency functionality, enabling the company to perform transactions at any of its manufacturing, distribution, or retail locations in any country. But it was also important that the chosen solution be able to keep each company's financial data distinct—though still accessible to authorized users at whichever company location they're based.

Following All the Steps of the Methodology—in Half the Time

“Of course, to fill out the RFIs properly, we needed feedback from all key people in our various manufacturing facilities, and we were worried that waiting for their responses and dealing with any questions they had would extend the time frame for the project,” notes Jaramillo. “But by using TEC’s RFIs that already listed all possible ERP criteria, it was easy to keep to our timeline—and in fact, we saved time.”

Another factor helped Corona reduce the time frame for the project. Up-to-date information for the four solutions Corona was using at its various locations was already available in TEC’s ERP Evaluation Center and related knowledge bases. Corona was able to easily access this information and create preliminary comparison graphs. “TEC also has a vendor response for every priority. That meant we could use the data TEC already had—rather than waiting for vendors to get back to us with their responses,” explains Jaramillo. “All in all, we reduced the time of the evaluation to half of what we’d needed for previous software evaluations.”

When Corona was ready to conduct the vendor demonstrations, TEC provided further assistance. For vendor demos, TEC recommends that clients like Corona create a script that all vendors must perform to show how their products address certain prioritized processes

and functionality. TEC also guides the client through the scoring process, to ensure that all bias is removed. “TEC’s methodology for the demos gave us a consistent framework that made it easy to analyze the information. As a result, the process was much faster and more efficient,” states Hernan Dario Londoño Zea, Corona’s corporate IT manager.

Jaramillo is also very satisfied with the quantity and quality of the information and documentation that Corona now has as a result of performing a software selection and evaluation project with TEC. “We’re keeping everything that helped support our decision—from our prioritized RFIs, to the various methodologies we learned along the way. All of it will be very useful for any future software selection projects. But it can also be used as we move forward with our company-wide implementation of Infor LX.”

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Distance Is No Obstacle to Excellent Support and Service

"I have to admit that at first, we were doubtful a complex, multistep project such as software selection could be successfully completed remotely—after all, Corona is in Colombia, and TEC is in Montreal (Canada)," laughs Jaramillo. "We weren't sure it would be possible to get enough support, let alone in Spanish via the Internet, telephone, and e-mail."

Corona was soon able to put those fears to rest, as TEC's project team responded quickly to all of Corona's questions. Jaramillo explains: "When we would send a question by e-mail, within one to two hours, TEC would send us the response. We always received an answer very promptly—never did it take more than a day to get the information we needed move forward with the project."

"TEC provides an excellent service," Jaramillo affirms. "Now we have our own software project success story to share."

"We will definitely be using TEC again in our future projects," Londoño concurs. "We strongly recommend TEC as a software evaluation and selection service."



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