

HP Order-Entry

by Anonymous (4chan anonymous!)

The Story

Back in the dark, pre-historical era of 2004, HP had a very fragmented software system.

Half a dozen systems instead of one centralized one.

They felt this was a problem.

The Story Part 2

That summer, they began to integrate.

This should have conferred obvious advantages

- shorter delivery time

- lower costs

The Story: Son of Story

HP's integration was not poorly-planned.

Three weeks of IT issues were expected;
increased strain on servers planned.

And, it should be noted, in the end, the system worked as designed.

The Story: Interquel

So what went wrong?

Short version: Everything.

Long Version Part 1

The division where it all went wrong: Industry Standard Servers

ISS is a *large* division

An entire factory was set aside to handle lost productivity

Long Version: The Enlongening

Upgrade was completed, ERP deployed on top of legacy system

ERP and legacy code did not get along

Immense backlog in orders formed

Backlogs, or, a straw on HP's back

While everything was fixed, there weren't enough workarounds

The backlog was too much, and HP lost about \$160 million

The project itself cost \$30 million on top of that

Could it have worked?

Short answer: Yes

Long answer: HP was apparently unresponsive to employees who foresaw problems

It needed to look bigger

The Flaw in the Plan

HP had an immense contingency plan in-place for things going wrong and affecting *the system*

They did not consider that their system's failure could cascade into the rest of the division as a whole

Fixing

To address the problem, they should have looked *less* into IT

Consider how to make things work without a working IT system in place

Sources

When Bad Things Happen to Good Projects <http://web.eng.fiu.edu/ronald/ERP/ContingencyPlanningAtHP.pdf>

HP's CIO Points to Internal Issues in ERP Project Snafus http://www.computerworld.com/s/article/96158/HP_s_CIO_Points_to_Internal_Issues_in_ERP_Project_Snafus?taxonomyId=73&pageNumber=2

SAP ERP Project Failures and Lessons Learned <http://www.r3now.com/sap-erp-project-failures-lessons-learned-and-mini-case-studies-3-2/>