

Impact of Web-Based Supply Chain Management (WBSCM) on ACDA Stakeholders

We have held or participated in a number of meetings regarding the impact of our transition to WBSCM and our stakeholders are expressing concerns, especially about the elimination of the Delivery Order Number (D/O), as it is known and understood, and also about the ability and cost to convert State and industry systems to correlate with WBSCM.

At the October ACDA Processing Committee meeting, I promised that we would revisit the decision process regarding the D/O and talk about ways to facilitate the transition of systems. We have done so and below is a summary of our discussion and thought process:

Q: Did we consider the impact of this transition on States and industry?

A: Yes, we did. Did we ask stakeholders about the potential impacts up front? No. We knew that the transition would be difficult. There was a deliberate decision in the beginning to go with a Commercial Off-the-Shelf (COTS) system and minimize customization, for reasons discussed below. That decision being made, it is our job now to facilitate this transition in the best possible way and we do ask for your support in doing so.

Q: Why did we choose COTS instead of building a system that would fit the current configuration at the State and industry level?

A: ECOS was designed to make life better for States and industry and to connect the ordering process to the antiquated, inflexible, accounting system (PCIMS) that handles the finances and reporting for NSLP, our other domestic food assistance programs, plus export food assistance programs. ECOS did accomplish that and the results have been good, but ECOS was a band-aid solution to a bigger problem. PCIMS is so old that it does not afford us the flexibility to run this business more efficiently and effectively. We have built many "work-arounds" into our process to enable us to get the job done in spite of PCIMS. Yes, the front end of the process, i.e., ECOS, is a good system, but it does not mesh well with PCIMS and it is different than the system used to order foods for export assistance.

A COTS solution allows us to standardize information across export and domestic programs, and also allows us to bridge with our household distribution programs in ways that PCIMS could not. The decision came down to a custom solution which would have been easier for you to transition, or a COTS solution, which standardizes the information, makes the financial and accounting pieces fit the ordering pieces better, and makes the future maintenance of this system much less complicated and less expensive as a result.

Q: Are there any benefits to COTS for our stakeholders?

A: Yes! Once we get through the admittedly painful transition, we will be able to provide you with better and more timely information. You will have more control over reporting. There will be more flexibility. For example, think about how everything currently needs to be managed in truckload quantities. Why? Because PCIMS cannot process information any other way. As we implement WBSCM, we will not be restricted in this way. Another benefit will be the financial component. Finally, all of the financial documents (Bill of Lading, Consignee Receipt, invoice, etc.) will be linked which should clear the way for doing far more electronically and far less with manual and/or paper intervention.

Q: Why didn't we incorporate the D/O numbering system into WBSCM?

A: Part of the COTS decision means a standardized number. SAP structure is numeric, the D/O structure is alpha numeric. There was a deliberate decision made to standardize the information and minimize customization. Keeping the D/O number intact would have meant creating many tables to bridge the D/O number to the standardized number recognized across all programs. Since the SAP structure is numeric, it was not possible to use the existing D/O numbering system in WBSCM without customizing the system. The numbering systems for both export and domestic programs are being changed to achieve this standardization.

Q: Did we consider the expense of the States and industry to make this transition?

A: Yes, and it was still considered in the best interests of the programs to make this transition rather than build a customized solution. We have and will continue to encourage States to request SAE reallocations to defray the cost of the transition. Industry has advised that their costs will be passed through, as is customary. There is a cost to be paid with any major system change. We truly believe the payout will be found in a more flexible and efficient web-based system. We will do everything we can to provide resources in the technical assistance arena. We are also asking for your help in determining what is needed in that regard.

Q: What about existing D/O records as we implement WBSCM?

A: Existing D/O's for all orders converted into WBSCM will be maintained for cross reference purposes. A new system number will also be created for existing orders to carry records forward into the new system. The same applies for SDA codes and FNS commodity codes.

Q: How will users recognize information now found in the D/O?

A: The system will be different but these fields will still be identified. The look will be different, but in some ways better. For example, now you see a 3-digit number as a part of the D/O that identifies the State and the Agency. The new system will show Maryland Dept. of Education versus a number, and users will

no longer have to memorize SDA codes. We should have a template to visually demonstrate “the look” of the new system in the next month or so. After that, we will be able to provide data and interface definitions and system functionality playbacks. We think this will answer many questions about how to identify information.

In conclusion, I hope that you can see the decisions regarding the new WBSCM system were not easy, and that USDA is aware of the difficulties presented with transition to the new system. We did pay considerable attention to the ultimate impact on users. We take our responsibility to our users very seriously. We know that there are many concerns about the cost and implications of this transition in our user community. We ask for your support and we promise to do everything we can to facilitate this transition. Please do not hesitate to provide feedback or even better, possible solutions to implementation issues! Thank you in advance for your continued cooperation and assistance as we proceed to the implementation phase of WBSCM.

Q: What about implementation dates? Can we start with pilot States?

A: There is no easy answer to finding the best time to implement WBSCM. It varies by stakeholder. Cost considerations require that we implement when the system is ready. Every month delayed once the system is set to go would cost several million dollars per month. A pilot or a phased in implementation would require running dual systems, also at a cost of millions per month. In addition, orders affect multiple States, industry, delivery points, processors, etc. There is no way to create a clean break and phase in WBSCM. We are implementing export and domestic functions simultaneously for the same reasons.