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NIBCO's "Big Bang"

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NIBCO, Inc., a mid-sized manufacturer of valves and pipe fittings headquartered in the U.S. with $460 million annual revenues, implemented SAP R/3 across its 10 plants and four distribution centers with a Big Bang approach in December 1997. NIBCO management agreed with the Boston Consulting Group recommendation to "cut loose" from its existing legacy systems and replace them with common, integrated systems for finance, materials management, production, and sales/distribution, such as offered in the ERP packages of major vendors by the second half of the 1990s. However, the company leaders chose not to heed the advice of their consultants, or the current trade press, about taking a slower, phased-in approach. Instead, they developed plans for a Big Bang implementation of all modules (except HR) with a $17 million budget and a project completion date 15 months later that allowed for only a 30 day grace period.

The project is led by a triad of NIBCO managers with primary accountabilities for business process, IT, and change management. The case describes the legacy IT environment, the ERP purchase and implementation partner choices, the selection and composition of what came to be called the TIGER team, the workspace design for the project team (TIGER den), the key issues addressed by each project sub-team, the incentive scheme, and the complexity added by a distribution center consolidation initiative that runs behind schedule. The case story ends shortly after the Go Live date, with the project leaders replaying their warnings to the executive team about initial dips in productivity and profits.

This case study can be used to demonstrate the tradeoffs between Big Bang versus slower ERP implementation approaches that allow time for organizational learning. Students can identify the technology and organizational risks associated with ERP projects in general, and Big Bang implementations in particular, and then assess how well NIBCO's leaders manage these risks over the life of the project. Specific examples of communications and training initiatives, including ways to achieve employee buy-in, are detailed in the case so that students can better understand change management practices in the context of a major system implementation. The teaching note includes an epilogue, a framework for analyzing the implementation approach, a teaching guide, and supplementary references.

Copies of the full case study and teaching note will be distributed to ICIS 2000 session attendees and can also be requested by e-mail from the authors: ivessey@indiana.edu or cbrown@iupui.edu.