



## Forest Products Firm Replaces PeopleSoft with Microsoft Great Plains, Saves \$500,000 Annually

### Overview

**Country or Region:** United States

**Industry:** Forest products

### Customer Profile

Simpson Investment, based in Tacoma, Washington, is parent to one of the oldest forest products companies in the Pacific Northwest. It has 2,000 employees and facilities in Washington and California.

### Business Situation

After spending 14 months to deploy PeopleSoft software, Simpson faced significant annual IT system operating expenses—plus an additional major expense for a required upgrade.

### Solution

The company replaced PeopleSoft with Microsoft® Business Solutions–Great Plains® version 7.5, later upgrading to Microsoft Great Plains 8.0, now part of Microsoft Dynamics™.

### Benefits

- Saves U.S.\$500,000 on annual basis
- Deployed in half the time and for one-third the cost of PeopleSoft
- Cuts training time and costs
- Provides greater reliability with reduced IT support

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*Bob Schroeder, Corporate Controller, Simpson Investment*

Simpson Investment Company, the parent company of one of the oldest forest products companies in the northwestern United States, spent 14 months to deploy PeopleSoft financial software. When the company needed to modify its solution to meet changes in its business, it turned to Microsoft® Business Solutions–Great Plains® software, now part of Microsoft Dynamics™, and to The Resource Group, a Microsoft Gold Certified Partner. The Great Plains solution was deployed in half the time and for about one-third the deployment cost of the PeopleSoft software, and it continues to save Simpson U.S.\$500,000 per year over the ongoing cost of the former solution. Simpson executives advise that the Microsoft Great Plains solution offers a more cost-effective use of hardware, is more reliable, and is easier and more intuitive for both the IT and accounting staff to use.



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Bob Schroeder, Corporate Controller, Simpson Investment

### Situation

Simpson Investment Company, a privately held company, has been in the forest products business since 1890, through its subsidiary Simpson Timber Company. Today, Simpson has three operating subsidiaries, with manufacturing facilities in Washington and California.

“Few companies survive for more than a century,” notes Bob Schroeder, Corporate Controller, Simpson Investment. “It is even more unusual for a privately held company to remain in business for this length of time. At Simpson, we have the latitude to take a longer-term view with our approach to managing the business, in contrast to the environment in many publicly held companies, which are faced with the pressures of meeting short-term market expectations.”

That “long-term view” includes running its business on state-of-the-art business software. In 2000, the company's executives chose PeopleSoft software to manage Simpson's financial and accounting functions—including general ledger, accounts receivable and payable, and fixed assets—for its business units and interstate business. Deploying PeopleSoft required 14 months of effort.

“PeopleSoft is a very expert-oriented software,” says Schroeder. “We needed four IT staffers to keep the software running on a day-to-day basis, to perform the required technical intervention and support. Issues were routinely coming up that they had to deal with.”

Simpson executives' concerns with the software grew for two reasons: First, the company underwent a downsizing as a result of changes taking place throughout the forest products industry. With cuts in its IT staff, the company needed to decentralize much of the

administration of its financial systems and move certain functions out to each of its business units. This was an undertaking that would require what Schroeder calls “a substantial effort” to train division-level personnel to handle the software in the PeopleSoft environment.

Second, it came time to upgrade from PeopleSoft 7.53 to version 8.0. If Simpson didn't upgrade, the company faced the prospect of using an unsupported system or paying an extra fee—beyond the annual maintenance fee it already paid—for continuing support.

“The cost to remain on PeopleSoft was just too much,” says Schroeder. “We had to look at alternatives.”

### Solution

Although cost was driving Simpson's move away from PeopleSoft software, the company also wanted to ensure that its new financial accounting software would provide the functionality it needed.

“We've been through a number of implementation projects and we have people with expertise in application selection,” Schroeder says. “We knew we were looking for a financial accounting system with a robust report writer, and well-defined processes for general ledger, accounts payable and receivable, and fixed assets. Perhaps most importantly, we wanted software that would easily adapt to the way we do business—without customization—rather than requiring us to make major modifications to our processes.”

Simpson identified several packages for serious consideration, including Epicor software, MAS500, and Microsoft® Business Solutions—Great Plains®, now part of Microsoft Dynamics™ Great Plains software. The company invited representatives from

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each of the vendors to present a scripted demonstration of how their software would address Simpson’s needs and processes. As a result of those demonstrations, the company chose Microsoft Great Plains.

“[Microsoft] Great Plains outperformed the competition in the way it addressed our specific business processes,” comments Schroeder. “We felt that we could implement [Microsoft] Great Plains with minimal customization.”

“The other advantage was the fact that Great Plains comes from Microsoft,” continues Schroeder. “That was a big factor in our decision. There are a lot of companies out there selling financial applications, many of which could likely be acquired by other firms or go out of business in a few years. We wanted to make sure that our software vendor would still be in business, supporting and improving its software for a long time. And with Microsoft, we felt we were dealing with a company that has the resources and staying power to continue to innovate its product.”

For its implementation partner, Simpson company executives chose The Resource Group, a Renton, Washington-based Microsoft Gold Certified Partner and a leading provider of Microsoft Business Solutions software in the Pacific Northwest.

“We were very impressed with The Resource Group as a company,” says Schroeder. “Their expertise and track record with [Microsoft] Great Plains gave us confidence that they could help us with our deployment. They were a local company, which was important to us. We felt they could be more responsive to our support and training needs. And they made the effort to understand us and our needs, which we also felt would contribute to a successful deployment.”

Microsoft Business Solutions—Great Plains version 7.5 was deployed between March and October 2004, with Simpson deploying the full financial series across its entire enterprise, as well as the Microsoft Business Solutions for Distribution—Great Plains series in its door manufacturing subsidiary. The Microsoft Great Plains solution runs on five Hewlett-Packard computer servers.

## Benefits

Simpson Investment achieved major savings in its first year and expects significant savings on a continuing basis, thanks largely to the greater manageability, ease-of-use, and reliability of Microsoft Great Plains.

## Saves \$500,000 Annually

Simpson estimates that by replacing PeopleSoft with Microsoft Business Solutions—Great Plains, it will save the company about U.S.\$500,000 per year on a continuing basis.

The bulk of the \$500,000 savings—about \$400,000—is in greater IT productivity. The new system requires about one full-time equivalent employee in IT staff to manage the Microsoft Great Plains deployment, compared to the four that Simpson previously devoted to maintaining PeopleSoft.

In addition, because Microsoft Great Plains runs on fewer server computers, Simpson saves another \$25,000 per year in lower depreciation costs, based on the company’s five-year replacement cycle for computer hardware.

The company’s third area of savings is on its annual maintenance fee for outside support for its solution.

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Bob Schroeder, Corporate Controller, Simpson Investment

#### Cuts Deployment Time 50 Percent

In contrast to the PeopleSoft installation, which required 14 months of deployment for Simpson, the company implemented Microsoft Great Plains software in seven months.

“Great Plains software was deployed twice as fast and for about one-third of the cost of PeopleSoft,” says Schroeder.

#### Enables Easier Use, Greater Reliability

Schroeder attributes much of the savings that Simpson has seen with Microsoft Great Plains to the software’s greater ease-of-use compared to PeopleSoft.

“On the IT side, we can manage [Microsoft] Great Plains with one person instead of four—which we needed for the PeopleSoft solution—because [Microsoft] Great Plains is a more manageable, simpler system,” comments Schroeder. “We’re managing fewer servers and the software needs less hands-on ‘care and feeding’ by the IT department to keep it going on a daily basis. With [Microsoft] Great Plains, we see fewer of the technical problems that we saw with PeopleSoft. The software just runs. That not only makes it easier to manage—it makes it more reliable, too.”

Microsoft Great Plains is also easier for users, according to Schroeder. When Simpson’s management contemplated the upgrade of its PeopleSoft installation, it budgeted significant time and dollars to train staff on the new version of the software. In contrast, when the company upgraded to Microsoft Great Plains 8.0, a trainer from The Resource Group came onsite to train 40 users in two-hour sessions over a couple of days.

The solution’s integration with the Microsoft Office System software is another factor that makes it easier to use. Simpson’s staff

members export some of their Microsoft Great Plains data to the Microsoft Office Excel® 2003 spreadsheet software for further data manipulation, and upload journal entries in the spreadsheets to Microsoft Great Plains.

In addition to faster and more cost-effective deployment, Microsoft Great Plains has also proven to be much faster and less expensive to upgrade than PeopleSoft, according to Schroeder.

“We started deploying our upgrade on a Thursday afternoon, tested it over the weekend, and went live on Monday,” says Schroeder. “That would never have happened with PeopleSoft.”

## For More Information

For more information about Microsoft products and services, call the Microsoft Sales Information Center at (800) 426-9400. In Canada, call the Microsoft Canada Information Centre at (877) 568-2495. Customers who are deaf or hard-of-hearing can reach Microsoft text telephone (TTY/TDD) services at (800) 892-5234 in the United States or (905) 568-9641 in Canada. Outside the 50 United States and Canada, please contact your local Microsoft subsidiary. To access information using the World Wide Web, go to: [www.microsoft.com](http://www.microsoft.com)

For more information about The Resource Group products and services, call (425) 277-4760 or visit the Web site at: [www.resgroup.com](http://www.resgroup.com)

For more information about Simpson Investment Company products and services, call (253) 779-6400 or visit the Web site at: [www.simpson.com](http://www.simpson.com)

## Microsoft Business Solutions

Microsoft Business Solutions offer integrated business applications and services that allow small and midsize organizations and divisions of large enterprises to connect employees, customers, and suppliers for improved efficiency. The financial management, customer relationship management, supply chain management, and analytics applications work with other Microsoft software, including the Microsoft Office System and the Windows® operating system, to streamline processes across an entire organization. This gives businesses insight to respond rapidly, plan strategically, and execute quickly. Microsoft Business Solutions are delivered through a worldwide network of channel partners that provide specialized services and local support tailored to a company's needs.

For more information about Microsoft Business Solutions, go to: [www.microsoft.com/businesssolutions](http://www.microsoft.com/businesssolutions)

### Software and Services

- Solutions
  - Microsoft Business Solutions–Great Plains
- Products
  - Microsoft Office Professional Edition 2003

### Hardware

- Hewlett-Packard Proliant DL 360 Terminal Servers
- Compaq ML 5500 Database Servers
- Compaq ML 580 with Dell SAN Storage

### Partner

- The Resource Group

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