



# PeopleSoft Supply Chain Management

## Building an Integrated Financials and Supply Chain Solution

### Client Background

Headquartered in Warrenville, Ill., Navistar is a Fortune 500 company with total revenues in excess of \$15B. Navistar and its different divisions produce a variety of heavy commercial trucks and military vehicles including; International® brand commercial trucks, mid-range diesel engines, and Workhorse brand chassis for motor homes and step vans. In addition, Navistar Defense was the 10th largest defense contractor of 2008 and a leading manufacturer of the military’s Mine-Resistant Ambush Protected (MRAP) vehicles which are designed to withstand blasts from the roadside bombs prevalent in the on-going war in Iraq.

### Project Background

Navistar Defense was on the cusp of winning a major contract with the federal government—but they had a problem. Not only were they using separate systems for procurement and financials—but their financials system was commingled with another commercial division. Navistar Defense needed to get its own Defense Contract Audit Agency (DCAA) and FAR 15 compliant financial management solution up and running fast in order for them to meet the new contracting requirements.

BTRG was chosen to implement **PeopleSoft Billing, Contracts, Project Costing, Time and Expenses, Procurement, GL, AR, AP, Procurement, eProcurement, sProcurement, and Program Manager**. The project needed to be live in 10 months yet there were significant challenges facing Navistar Defense and BTRG.

### Challenges

As their first major government contracting project, Navistar Defense did not have an established process to deal with the myriad of requirements consistent with doing business with the military and federal government. Therefore, they also lacked an internal body to impose and subsequently govern these standards during Navistar Defense projects. Finally, Navistar had been experiencing turnover in its chief accounting position—a business critical role for a government contractor.



### Solution

Drawing from its experience as an implementer of government contracting financial management solutions, BTRG guided Navistar Defense through these growing pains. BTRG advocated adopting the PeopleSoft business process flows wherever it made sense and implemented the PeopleSoft modules as close to vanilla as possible. However, we structured the modules to accommodate future flexibility so changes could be made when staffing had stabilized.

### Results

BTRG delivered a centralized, government-compliant system that provided Navistar Defense with more accurate and more timely project and financial information. In addition, they had an integrated program and project tracking system governing all of their contracts. The solution was delivered on time and according to budget.

### Project Specs: Navistar Defense

- ◆ PeopleSoft GL, AR, AP, Program Management, Procurement, eProcurement, Purchasing, Billing, Inventory, Time & Expenses, sProcurement
- ◆ Implemented in 10 months!
- ◆ On time and according to budget
- ◆ DCAA and FAR 15 Compliant





## Building on Success

### Bringing new business units online at Engine Engineering

Building on the success of the PeopleSoft Financials and Supply Chain implementation at Navistar Defense, BTRG was again chosen to implement PeopleSoft for another Navistar division—this time Engine Engineering of Navistar.

Engine Engineering (EE), which designs and prototypes new engines, was required to replace its homegrown systems and instead use PeopleSoft to forecast future engine development costs and reassess how direct and indirect costs were being captured. In addition, EE needed to develop the ability to invoice customers for prototype engines.

BTRG and EE worked together to implement the **PeopleSoft Project Costing, Program Management, General Ledger, Accounts Payable, Purchasing, Inventory, Expenses and Account Receivable** modules. A customization was designed and implemented for Bill of Materials functionality and interfaces were developed for outside manufacturing systems. The project was delivered in 6 months according to original budgetary estimates.

#### Project Specs: Navistar Engine Engineering

- ◆ PeopleSoft GL, AR, AP, Inventory, Project Costing, Program Management, Purchasing, Time & Expenses
- ◆ Implemented in 6 months!
- ◆ On time and according to budget
- ◆ DCAA and FAR 15 Compliant

#### Project Specs: Navistar Engine Trading Group

- ◆ PeopleSoft GL, AR, AP, Inventory, Purchasing, Order Management, Billing
- ◆ Implemented in 15 weeks!
- ◆ On time and according to budget
- ◆ SOX Compliant



### PeopleSoft Inventory and Order Management

The Navistar Engine Trading group is a unique division within the Navistar Corporation. Located in Miami, the Engine Trading division is responsible for trading parts from Navistar’s North American, European and Asian suppliers to plants located in Brazil and Argentina. Navistar Engine coordinates the orders, arranges for shipping services, tracks inventory and ultimately invoices the South American plants to pay the suppliers.

The primary goals of Navistar Trading are to consolidate cargos and reduce logistics costs, set up an efficient process to deal with multiple Brazilian suppliers, help manage foreign exchange exposure and maximize tax efficiencies. To accomplish these goals BTRG defined a unique business process that incorporated the PeopleSoft modules **Inventory** and **Order Management** and created unique business units within the corporate Navistar structure for **General Ledger, Accounts Payable, Purchasing, Accounts Receivables** and **Billing**.

In a fifteen week period BTRG implemented all the above modules and replaced the Navistar Trading legacy system Compass. The new **SOX-compliant** system improved the end-to-end process for managing orders and tracking shipments as they were routed throughout the world. All project requirements were satisfied, including all pro forma invoicing and consignment inventory needs. Contact us at 877-287-4462 for more information.

