

Welcome

1902



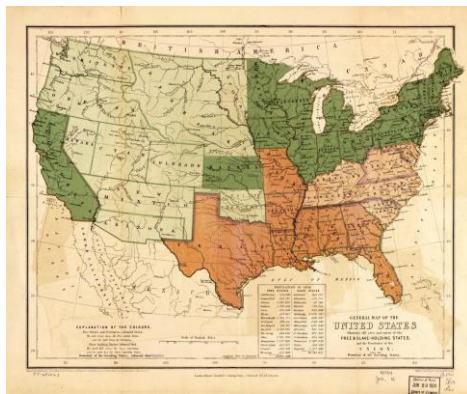
Lee Foster and his three brothers, Reuben, Sydney and Byron form a four-way partnership to run L.B. Foster Company.

Let's Put that into Perspective

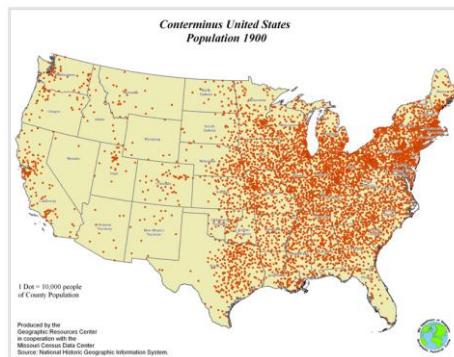
- Who was president in 1902?
- How many states were there in 1902?
- What was the world population in 1902?
- When did companies start using computers to do business?
- When was SAP invented?



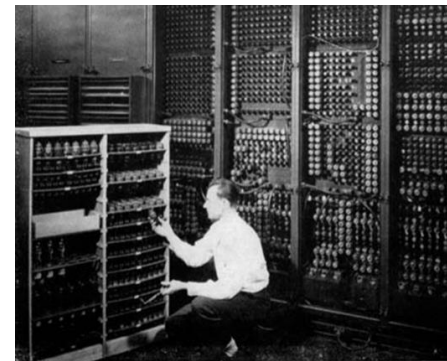
Theodore Roosevelt



45 States (OK, NM, AZ, AK, HI)



About 1.6 billion
(8.1 billion in 2020)



1950s



1972

Who am I? [LinkedIn.com/in/BrendanVerni](https://www.linkedin.com/in/BrendanVerni)

- Brendan Verni – you can call me “Brendan”
- Born and raised in the Pittsburgh area and currently reside in Sewickley, PA
- Currently the Vice President of Information Technology at L.B. Foster. Also worked at:
 - Howmet/Arconic/Alcoa/RTI International Metals (all the same job)
 - Mine Safety Appliances (MSA)
 - Joy Global
 - Bayer
- 18+ years in the applications domain, mainly focused on SAP
- 15+ full cycle implementations
- Prosci certified change manager
- ASUG Champion and Ambassador
- Graduated from Duquesne University in 2002 with a BA in Information Technology
- Graduated from University of Pittsburgh Katz School of Business with an MBA in 2010



Who we are

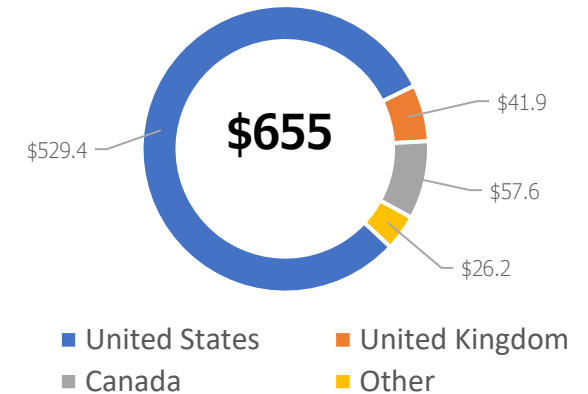
- Leading manufacturer and distributor of products and provider of services for the transportation and energy infrastructure markets
- Headquartered in Pittsburgh, Pennsylvania
- Locations throughout North America and Europe
- Basis in reliable infrastructure; growth in technology, efficiencies, and safety

NASDAQ: FSTR



2019 Net Sales by Region

(\$ in millions)



Segments

- Rail products and services
- Construction Products
- Tubular and energy Services



Financials

- \$655M - 12/31/19 Revenue
- \$46M - 12/31/19 Adj. EBITDA
- \$230M - 12/31/19 Backlog
- \$671M - 12/31/19 New orders



Competition

- Highly competitive markets
- Advantages leveraged in our unique product mix
- Emphasis on availability, quality, service, and price



Focus

- Expansion of Rail Technologies & Services
- Midstream energy market
- Continuation of debt paydown

Company Overview



Markets We Serve	Transportation Infrastructure		Energy Infrastructure
Segment	Rail Products and Services	Construction Products	Tubular and Energy Services
Revenue (12/31/19)	<ul style="list-style-type: none"> <input type="checkbox"/> Rail <input type="checkbox"/> Constr <input type="checkbox"/> Tubular <p>\$321M, 48%</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Rail <input type="checkbox"/> Constr <input type="checkbox"/> Tubular <p>\$182M, 28%</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Rail <input type="checkbox"/> Constr <input type="checkbox"/> Tubular <p>\$151M, 24%</p>
Strategic Emphasis	<ul style="list-style-type: none"> • Continued expansion of Rail Technologies & Services • Growth of on-track services 	<ul style="list-style-type: none"> • Expanding precast products and geographical footprint • Bridge peripheral components 	<ul style="list-style-type: none"> • Focus on midstream applications • Development and implementation of new measurement applications

Rail Products

Construction Products

Tubular and Energy Services

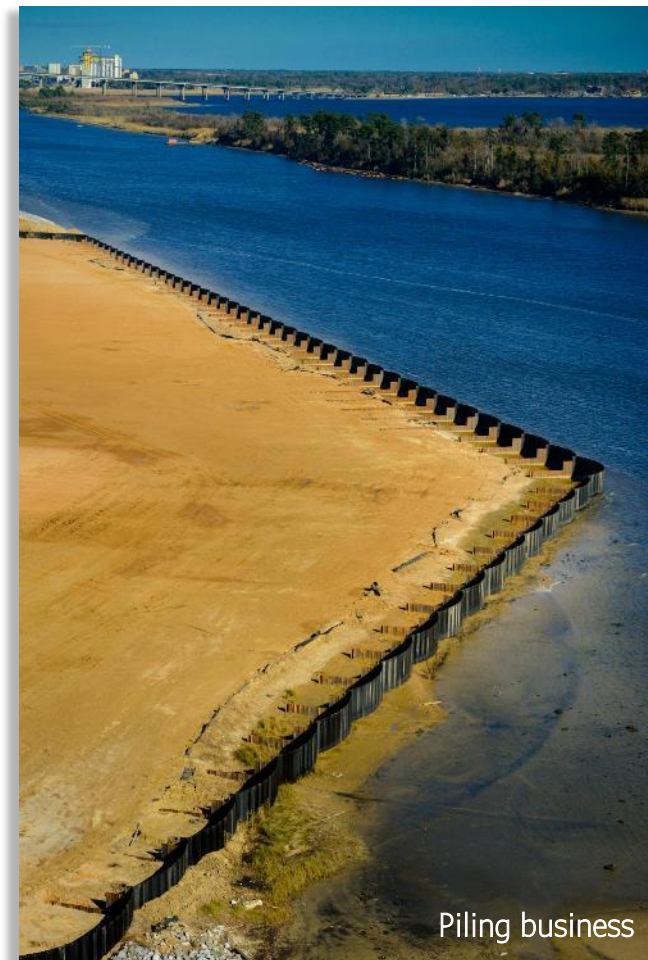




Rail Technology Totems

- Focusing on condition monitoring to improve safety and prevent unplanned downtime
- Investing in friction management services and advanced mobile solutions to reduce wear and improve operating conditions
- Leveraging advanced technologies and new business models





- Relocating facilities for precast concrete business in Spokane, WA to Boise, ID to reduce costs
- Focusing within the Piling distribution business on logistics model and yard locations in order to obtain lower delivery costs
- Targeting geographic expansion of precast concrete business to further increase market share



Precision Measurement, Willis, TX

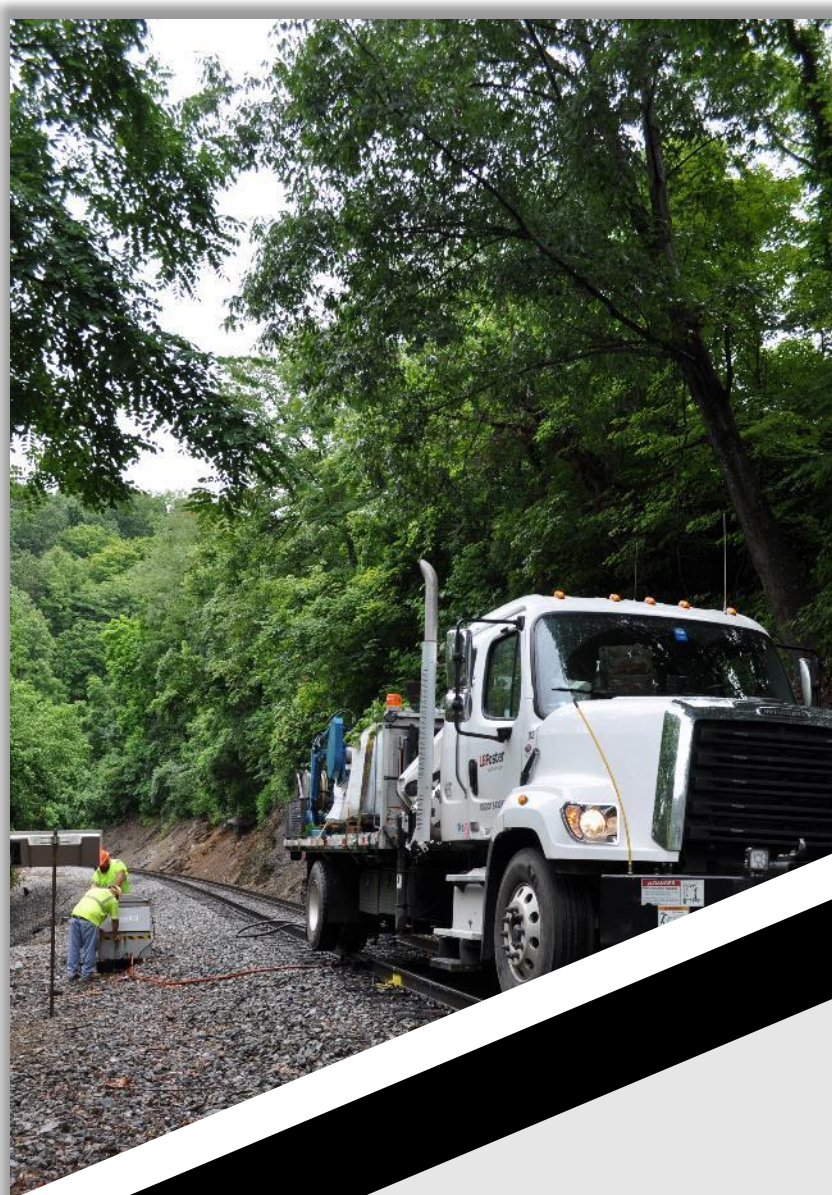


- Expansion of Willis, TX precision measurement facility; enabling growth in manufacturing and assembly volumes and the ability to manage larger projects
- Modernization of our Coated Facilities
- Focusing on core competencies in corrosion protection coatings and measurement systems technologies

Coating Facility, Willis, TX



Coating Facility, Birmingham, AL



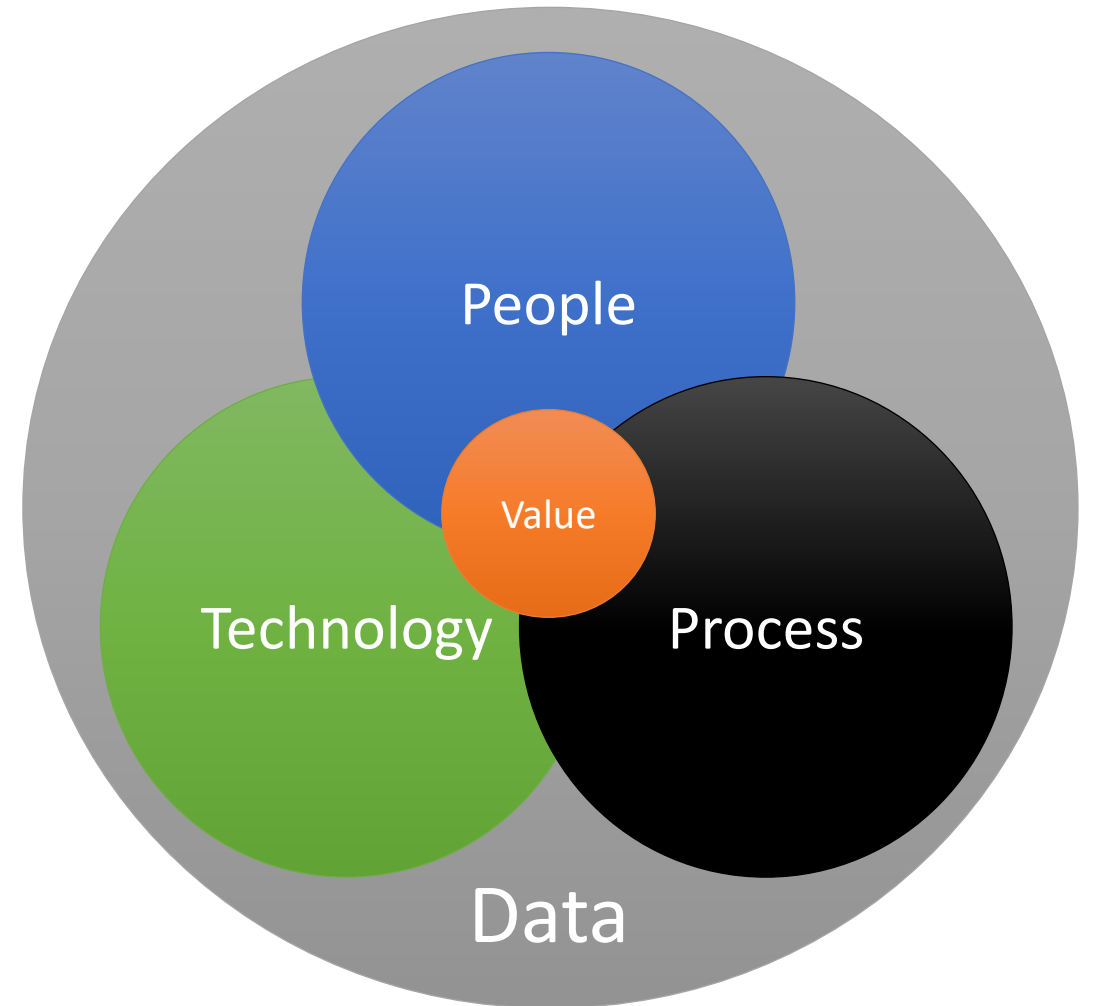
LBFoster®

Do **Not** Focus on Going Live,
Focus on Thriving

Implementation Focus

- A Heavy Focus on **People** side of implementations
- Business **Process** Design and secondly System Process Design
- Implementation of Sustainable Cutting Edge **Technology**
- Each of these areas create **Data** that can drive improvements

With a focus on People, Technology, and Process SAP Implementations can drive Value



People, Process, Technology, Data

- They are all important, but focusing on people and process first has a proven track record of success in our organization
- People use technology to enable business process
- Process is enabled through technology (not the other way around)
- Identify the right people, define a process around it, and then implement the technology
- Prove you can do it manually before we develop the technology

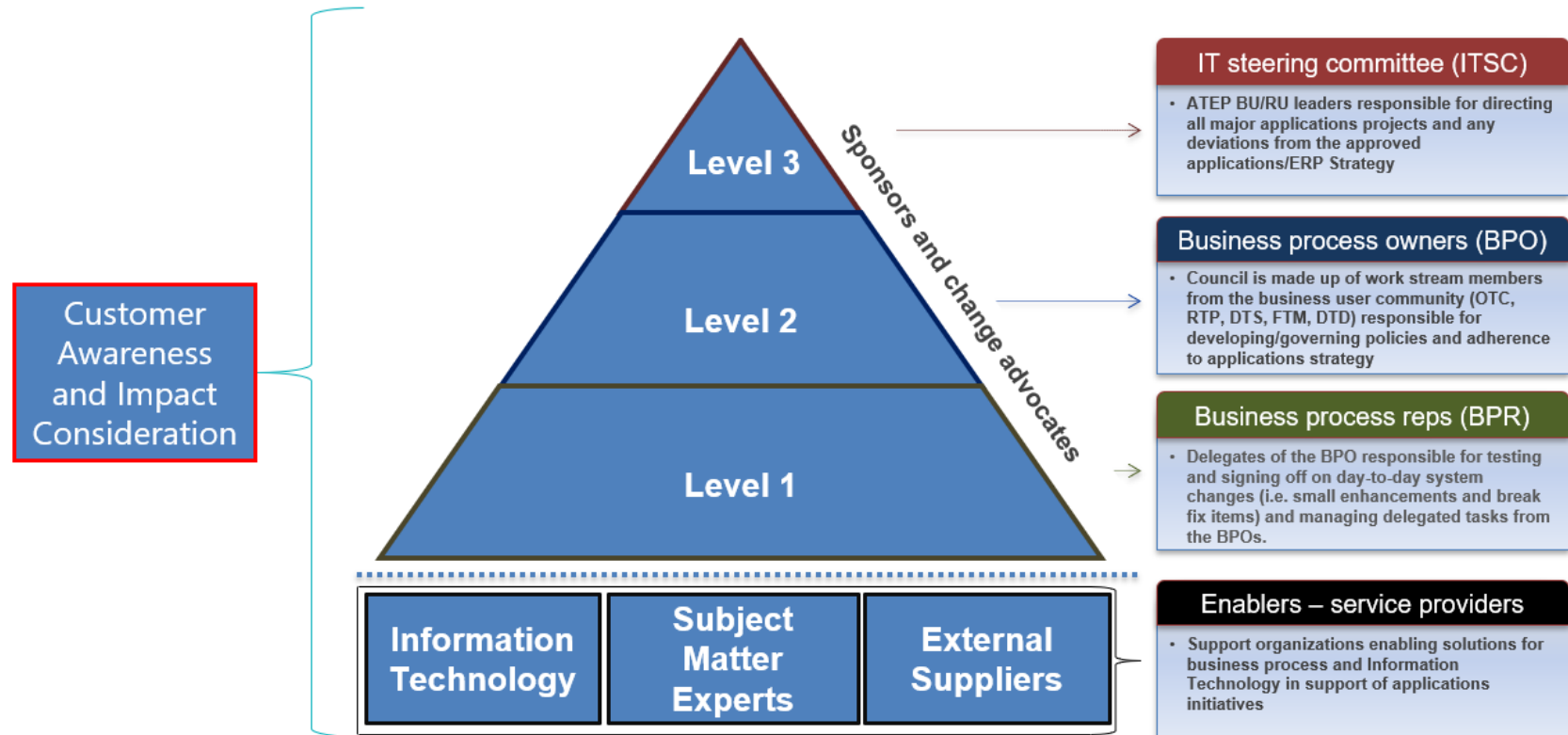
Without right **people**, even
best **process** and cutting edge
technology will be ineffective

People

- Recognize Stakeholders
- Manage Change
- User Involvement
- Focused Process and System Training
- Look at the actual person

Develop a Project Team

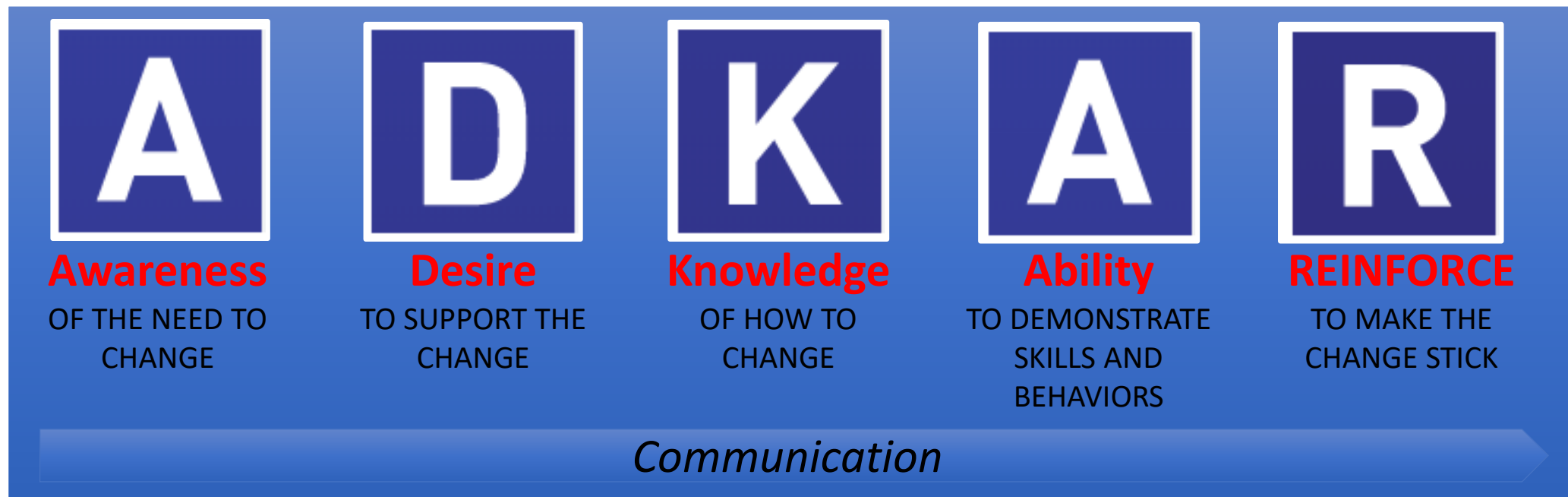
- Stakeholders
- Business Process Owners
- Business Process Representatives
- IT Partners
- External Partners
- Customers



Focused Change Management

People

- Utilization of a change management methodology is key
- Procsi's ADKAR methodology enables successful change



Agile as a Means to Garner User Engagement

- Agile SAP projects are possible
- Work groups are created, but NOT siloed
- Projects are timeboxed in terms of an implementation date, but requirements and development is done iteratively (80/20 rule)
- Customer Champions are critical

Agile implementations create user involvement, adoption, and ownership while driving value and reducing risk.



Training

- Focus on process and system
- Get the users involved early and often
- Consider alternate routes to train – user manuals out of date before the implementation starts – consider ASUG training tools
- Continue to involve IT as advisors
- Do not let agility die even in training

Look at the Person

- Identify all people
- Look at the whole person
- Build trust in the goal

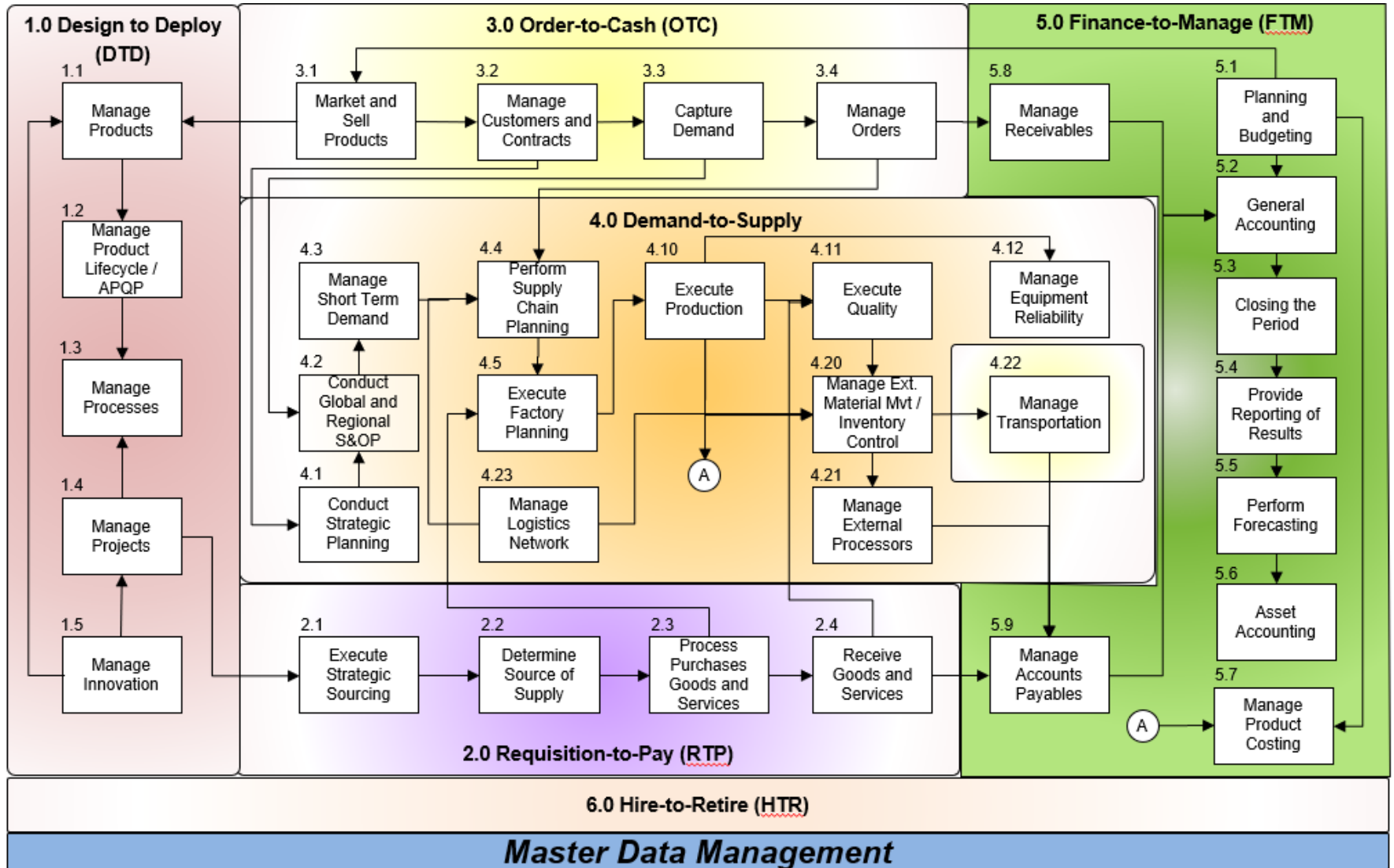
*Don't develop a process for
your system, identify a system
for your process*

Process

“A business process is a set of logically grouped business activities that combine to deliver value”

- Process main goal should be to ensure that they aim at
 - Doing the right things – Optimize
 - Doing things Efficiency
 - Doing things Effectively
 - Makes the user more effective
 - Enhances the customer experience
 - Supports and sustains organizational development and growth

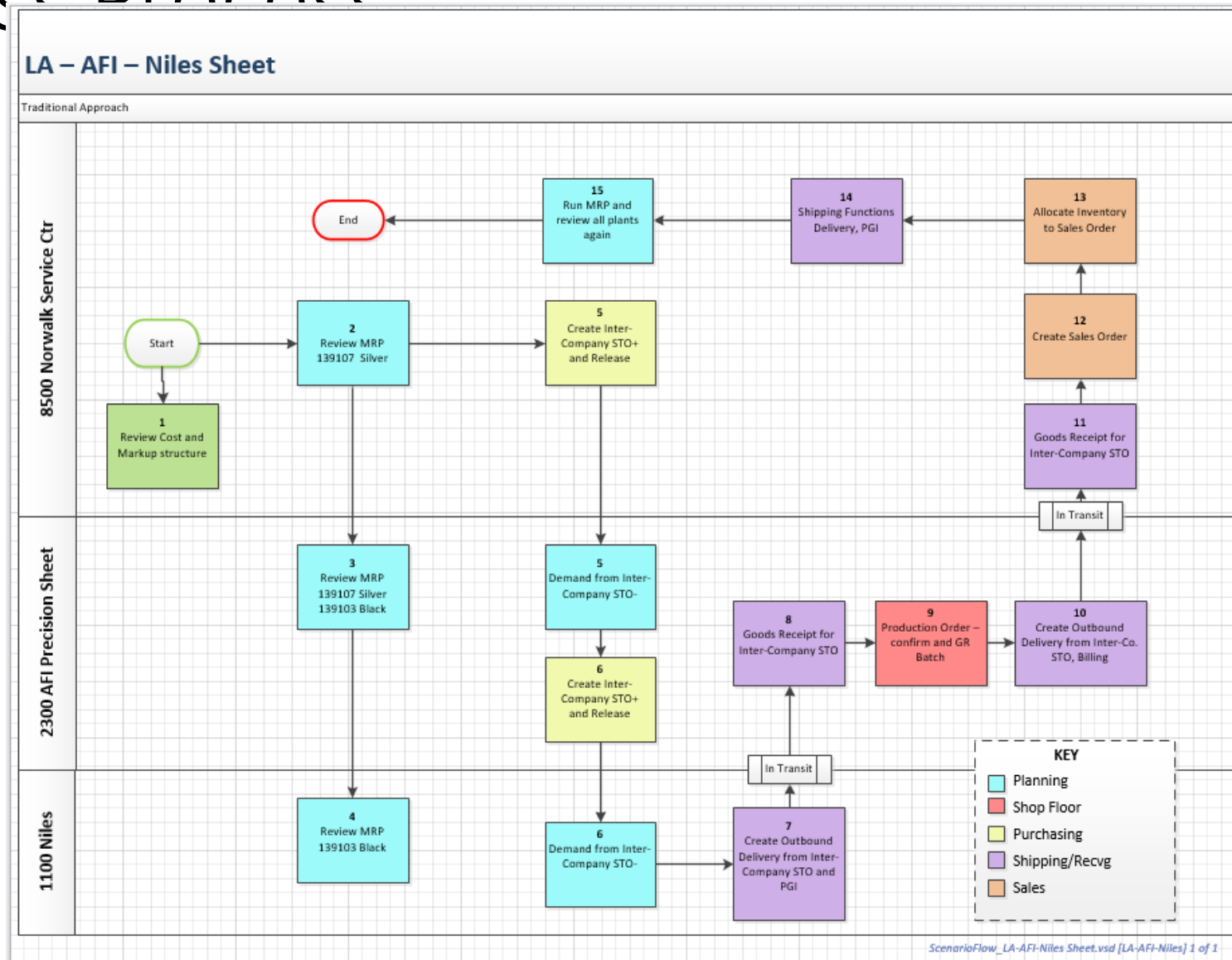
Process



Business Process

- Business processes should be bound by the following attributes:
 - Definability
 - Have order
 - Customer consideration
 - Value-adding
 - Embeddedness
 - Cross-functionality
- When defining a business process resist the temptation to talk IT systems

Business Process



Now that the business process has been defined (chicken), a systems process (egg) can be built in order to support the business process



Added the System Process to the Business Process



Process

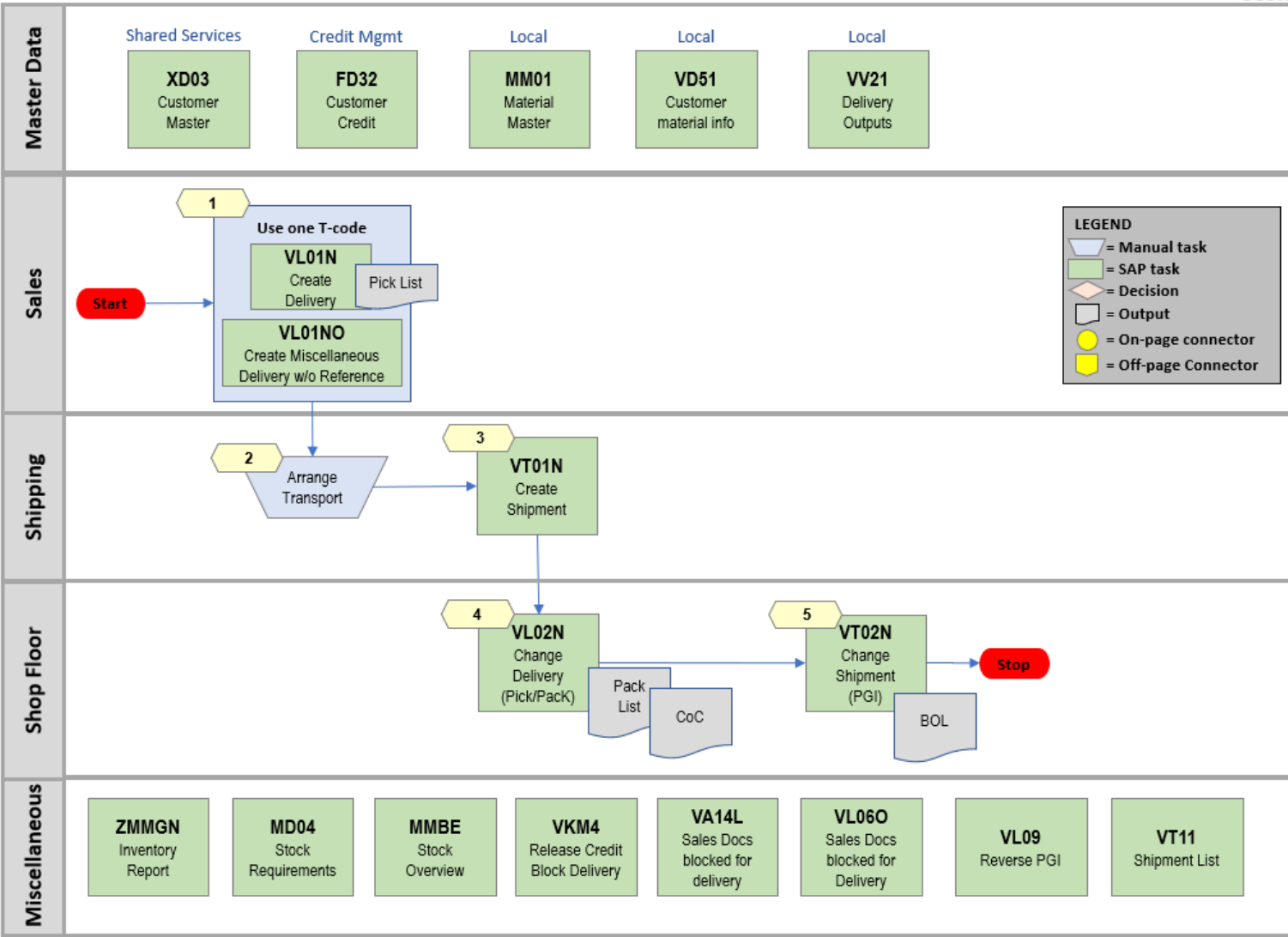
- Influence the business process by technology don't damage it
- Technology should help improve, automate, and increase reliability in the process
- The business must prove the process before technology is considered

Busine



Order to Cash – Shipping and Logistics

Note: Hold the {Ctrl} key while clicking on the green rectangles to open the training doc.

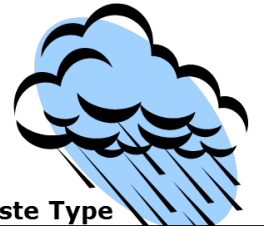


LEGEND

- = Manual task
- = SAP task
- = Decision
- = Output
- = On-page connector
- = Off-page Connector

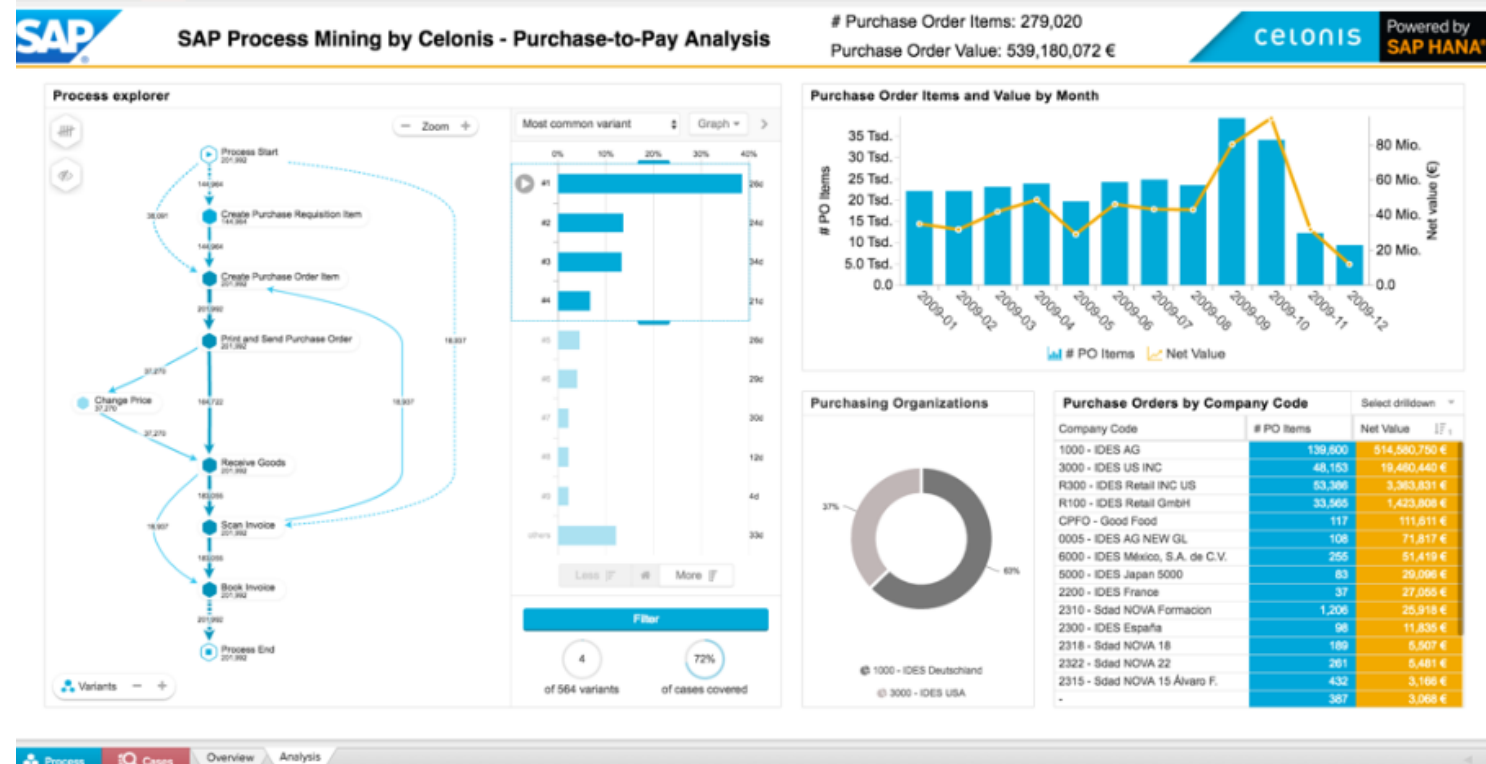
Process Mining – a Failed Approach

- In 2015 we started a journey to reengineer our processes across the enterprise
- Developed AS-IS Processes
- Visited all locations and completed brown paper exercises
- Storm clouds become a nightmare – 2,000+



Process Mining

- Various products can help in process mining and quickly find ROI
- Example: Process mining – sales orders are repriced 75% of the time



Process

- Think in business terms
- Think of your organization as a system of systems – compromise is crucial
- Measure

Another Option

- For smaller locations we focus on a GAP analysis to drive process definition
 - Demonstrate existing business process design at template location
 - Identify and document gaps
 - Illustrate system process LAST
- Be very careful that the team does not feel the process is being dictated to them
- Walk their process, understand their process, and be empathetic their business design

*By Focusing on People and
Process up-front, the technology
is the easy part!*

Technology

Technology, specifically SAP, enables people to drive a consistent process to create a competitive advantage in the following ways:

- Make processes easier to execute or automate them
- Focus on the user experience
- Flexibility – willing and able to change
- Facilitates timely information availability
- Smooth flow of information
- Analytics for decision making
- Integration between various systems and partners
- Obscure the complexity

Technology

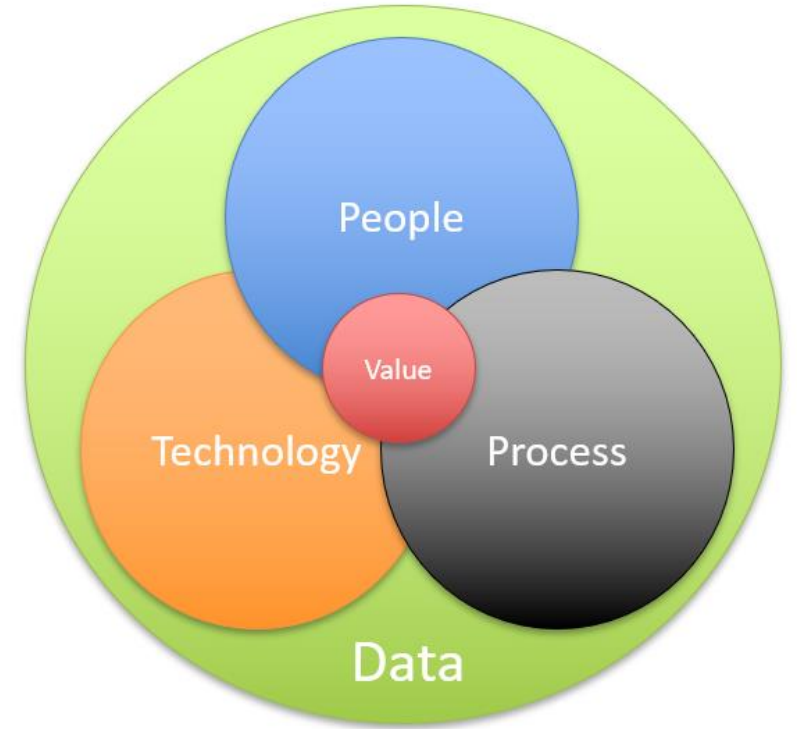
- SAP offers countless solutions
- We use an SAP FIRST methodology
- Try to give users a reason to be on the system, but at the same point make them prove it out without the system first
- Avoid over engineering, but don't miss an opportunity to technologize a business process

*Data is the Core of Nearly Every
Business Decision Made*

<https://smallbusiness.chron.com/role-data-business-20405.html>

Data

- Businesses will lose their competitive advantage very quickly if they do not constantly monitor and react to **data** points driven by People, Process, and Technology



Data



Data

- Data outputs can drive improvements in People, Processes, and Technology
- Data if used wisely can then create a competitive advantage
- Process and data mining can be crucial to pull out key success metrics

Don't Overdo Data!

- Too much data can hurt
- Take the RadioShack Example
- Although storage is cheap, labor associated with managing the process can be high
- Customers can become frustrated with delays and defer to easier channels

Health Checks

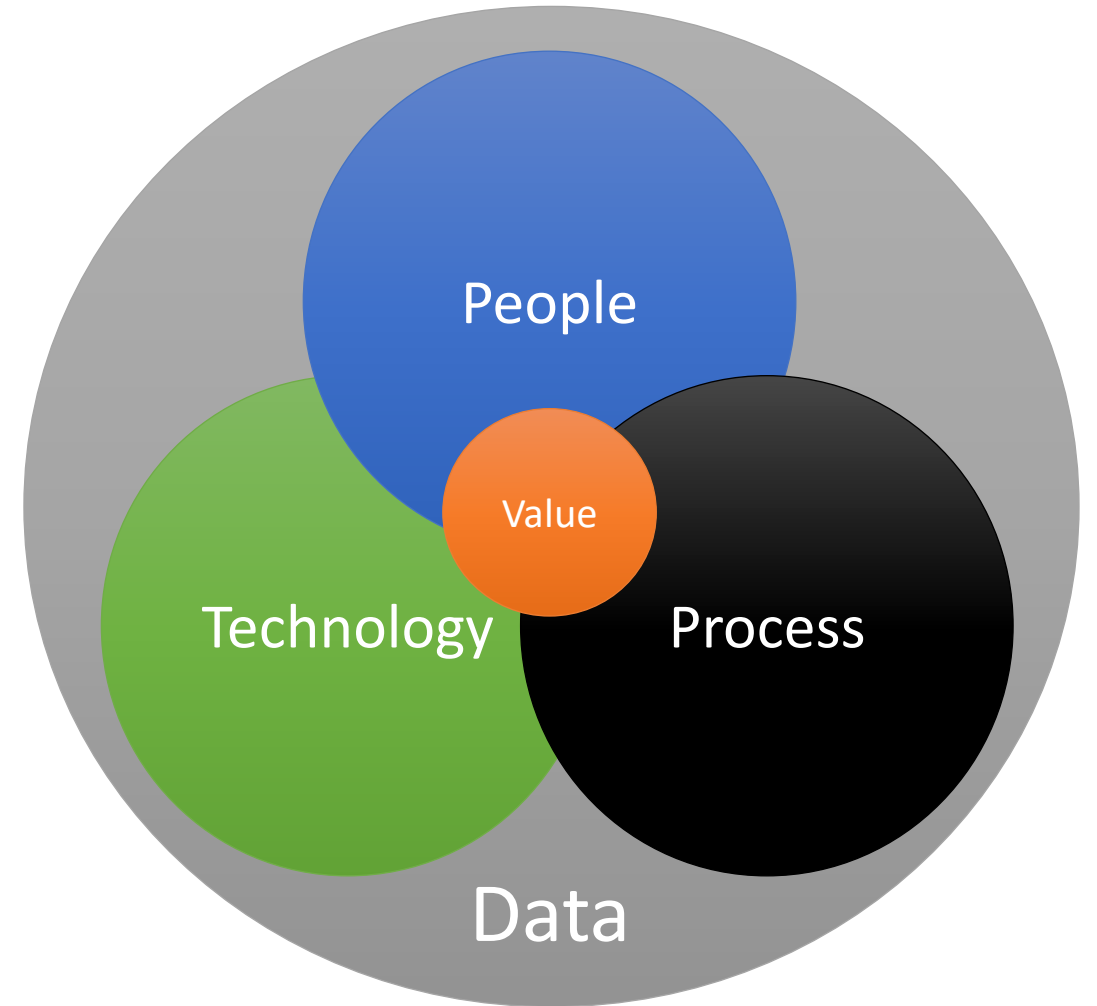
- Continue to use tools to check the health of your implementation
 - Post implementation process mining
 - Verify ROI for the project
 - Use key stakeholder metrics to hold business and IT teams accountable
 - Assure 80/20 rule no longer applies
 - Use analytics and dashboards to assure sustainability
- Do not forget your lessons learned

Conclusion

- Change the culture
- Consider all individuals and roles
- Develop trusting relationships
- Understand the individual and the moment
- Do not make it an IT project
- Don't get distracted
- Think people, then process, then technology

Conclusion

People + Process + Technology while
analyzing and using **Data** wisely
drives **Value**



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