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General Ledger & Inventory

1. Cease transactional activity in legacy system.

2. Export trial balance from legacy system.

3. Review all G/L Transaction Mappings to ensure every default transaction in Cetec ERP is mapped to the appropriate account in your chart of accounts. This is especially important if you have modified or imported your own chart of accounts instead of using the default list of accounts provided at setup.

4. In Cetec ERP, set the G/L lock date to the day before go-live!
   a. In general, Cetec ERP operational/source transactions will drive the general ledger. BUT, for many transactions which are set upon import/migration, that is not true. Therefore, special considerations are owed to any transactions that must be posted at a date before the go-live date. Setting the G/L lock date to the day before go-live is a cheap insurance policy against this common and potentially disruptive scenario.

5. After migration, you'll want to validate that the account balance of your general ledger inventory account matches the Inventory details. Take care to identify any pre-existing delta between inventory G/L and details in your legacy system BEFORE the migration, so that you can validate that no issues arose as a result of the migration.

6. Create manual ledger entries (or one single ledger entry with multiple splits) in Cetec ERP with debit/credit splits to reflect the legacy account balances (trial balance).
   a. Objective: mirror accounts and account balances from legacy system onto Cetec ERP chart of accounts via manual ledger entries.
   b. Exception: you may <u>not</u> want to create ledger entries for the Inventory account balances. If your plan is to migrate inventory levels via Non-PO receipts in Cetec ERP (i.e. to capture stock quantities, PO receipt cost, lot level traceability, etc.), then the the account balances will accrue in your ledger automatically via the receipt transactions, rendering the manual entries unnecessary.
   c. Note: batch uploading chart of accounts, account balance, and even ledger/transaction

level detail via .csv is available (optional) to import using Cetec ERP data migration services, should the transaction volume and/or internal capacity justify automation over against manual entry.

7. Migrate inventory/stock levels
    a. Many companies will perform a full inventory count to correct any pre-existing inventory issues BEFORE the migration, so that you can validate that no issues arose as a result of the migration.
    b. Create Non-PO receipts (at cost!) to adjust inventory qtys (up from zero) in Cetec.
        i. By default, the G/L entries will map as follows: Debit to Inventory // Credit to COGS->Raw Materials
        ii. Note: *if* the total inventory balance (from legacy trial balance export) was entered into Cetec ERP in addition to the non-PO receipts described above, thus inflating (i.e. doubling) the inventory account, then you have two options to adjust and reconcile:
            1. Make an offsetting entry of the total value of all above non-PO receipts, crediting inventory and debiting COGS -> Other/Uncategorized. This will bring the remaining Inventory balance in line with what was moved over from legacy.
            OR
            2. Manually modify each G/L entry created by the Non-PO receipts above. Then, modify the entries to both debit inventory and credit inventory, creating a net zero posting to the ledger, and honoring the inventory balance already mirrored/entered into the Cetec ledger from the legacy trial balance.
    c. Take special care to consider any legacy accounts that were intended to capture raw materials versus Work-In-Process (WIP) versus Finished Goods. New system account balances and details (raw material, WIP, and Finished goods) should reflect accordingly.

8. Warehouse & Inventory Bin/Pallet Locations
    a. Upon entry of the Non-PO receipts (described above), you may assign Lot codes if your existing inventory was being tracked at the lot level.
    b. After entering the Non-PO receipts, you may also perform a "Put Away" to assign each receipt of inventory a specific bin location in your warehouse.
    c. You may opt to load all of your parts and inventory levels and associated costs, lots or heats, and bin location via Spreadsheet and/or Cetec ERP data migration services. Two scenarios:
        i. We recommend collapsing stock into a single receipt to encapsulate all inventory currently on hand for each part. This receipt will establish the initial "layer" of inventory, and the system will direct you to consume from that existing layer, i.e. the oldest FIFO layer, first.
        ii. By default, the receipt's bin location will be labeled "IMPORT" to segment that inventory which was loaded prior to Cetec ERP migration. When a user sees a part in an "IMPORT" bin, they understand to go and find the parts via the legacy inventory scheme, assuming all inventory stayed where it was located prior to migration. Once that inventory is consumed, the IMPORT bin will disappear.
        iii. Optionally, you could also include a "Legacy Bin Location" to identify the location of the stock prior to Cetec ERP migration. This data will be mapped to a separate Legacy Bin Location field to be looked up in the part record.

       iv.   **IF** you have pre-existing lot level tracking to inventory, create separate rows for each part you intend to import with the respective Lot/Heat codes mapped on each row. Cetec will create additional receipts (FIFO layers) to capture each distinct lot per part, which may also be assigned distinct bin locations if desired. If you have physical parts from a single lot or receipt spread across several different bin locations, Cetec can map the bin locations (comma separated) to the Legacy Bin Location field to guide your users to which bin locations the lot of parts is spread across.

   d. Recommended: implement new Cetec ERP Put Away Process to help facilitate stocking of incoming receipt of product after go-live.
       i.   Print bin location labels and paste them to segment out your warehouse.
       ii.   New receipts in Cetec ERP are queued up into a bin location called "NEW", and wait there until and if you perform a Put Away into a bin location.

9. Perform detailed validation of any data migrated from legacy system (e.g. BOM definitions, Vendor and/or Customer Data, Open Customer Orders, Open Vendor POs, etc.)

10. After migration of data and account balances, validate that the account balances of your most important accounts match their respective details:

   a. Inventory Details Totals matches your Inventory Asset account balance

   b. A/P Summary Totals matches your A/P Liability account balance on your balance sheet

   c. A/R Summary Totals matches your A/R Asset account balance on your balance sheet
       i. Make sure your total customer account balances tie out to your legacy system

Take care to identify any existing delta between the above G/L accounts and their respective details in your legacy system BEFORE and, more importantly, IMMEDIATELY AFTER the migration, so you that you can validate that no discrepancies arose as a result of the migration. If you find that you do have a delta (either as a result of a reconciliation issue BEFORE the migration, or an issue directly resulting from the migration itself), fix it IMMEDIATELY by either:

   1. Adjusting the transaction details (plus or minus) for the A/R, A/P, or inventory issue

   OR

   2. Create a manual ledger entry to bring the delta into sync

Open A/P

1.   Objective: migrate bills from vendors (A/P) still awaiting payment processing to Cetec ERP.

2.   Manually enter the open vouchers into Cetec ERP

a. Remember, your A/P account balances were already entered (see Step #5 in "General Ledger & Inventory" section above). Thus, each voucher's transaction mapping must be adjusted to account for this. In the Breakdown section of each voucher, make sure the voucher is mapped to both credit A/P and debit A/P. This will create a net zero posting in the ledger so as to honor the pre-existing A/P balance.

b. After Cetec ERP migration, proceed with payment to vendors, applying the above vouchers per the normal Cetec ERP A/P payment process.

3. Any open A/P liabilities for which the $ value is not yet known (e.g. a credit card statement you haven't received yet) must be carefully noted, perhaps in a spreadsheet of go-live / migration tasks. You will eventually need to create voucher for these in Cetec ERP per the exact process above (i.e. debit A/P to create net zero posting, etc.)

4. Pay down as much open A/P to your vendors as possible BEFORE migration to limit the amount of A/P data needed to switch over.

5. Note: batch uploading A/P balances, bills, and payments via .csv is available (optional) to import using Cetec ERP data migration services, should the transaction volume and/or internal capacity justify automation over against manual entry.

Open A/R

1. Objective: migrate customer invoices (A/R) still awaiting customer payment and deposit.

2. Manually enter "Bill-Only" invoices into Cetec ERP.
   ○ Remember, your A/R account balances were already entered (see Step #5 in "General Ledger & Inventory" section above). Thus, each invoice must be mapped to both credit Sales Income and debit Sales Income. This will create a net zero posting in the ledger so as to honor the pre-existing A/R balance.
   ○ These bill-only invoices are intended only to function as a vehicle to migrate A/R. They will be useless for lookup and re-print purposes. Thus, for each Bill-Only invoice, use Qty 1, a Prcpart number descriptive of the item charge, a line description with any details about the charge, and the dollar value resale amount respective to the total charge to the customer. This data will provide you the reference in Cetec ERP to then look up and/or re-print the appropriate invoice via your legacy database, if and when that is ever necessary.

3. To process payment of sales tax in the future, you must look up that information in your legacy system, as unpaid customer invoices in Cetec ERP that are entered via the above "bill-only" process will not contain that tax information.

4. Note: batch uploading A/R balances, invoices, and payments via .csv is available (optional) to import using Cetec ERP data migration services, should the transaction volume and/or internal capacity justify automation over against manual entry.

Open Sales Orders

1. If order volume is low enough, our recommendation is to manually enter open orders into Cetec ERP via the Quote to Order process.

2. Prerequisites to order entry may include:
   a. Customer data
   b. Part record data & BOM definitions
   c. Raw material and/or subassembly inventory data for any orders in WIP, either already picked and allocated to a work order <u>or</u> pending pick/allocation to work orders

3. Work-in-process (WIP) Considerations
   a. Manually pick parts on each open work order (not yet invoiced) that had parts picked against it prior to Cetec ERP migration. This will set the table for order shipment/invoicing after Cetec ERP go-live. Remember, the parts will be picked from receipts located in the "IMPORT" bin location.
   b. If you did not perform a full physical inventory count prior to go-live, you may have to deal with physical versus system inventory discrepancies, e.g. if, upon picking parts, the system claims that the component "part is not available to pick". To adjust consider performing an inventory adjustment or non-PO receipt for the part with an inventory adjustment code specific to migration-related adjustments.
   c. Update work locations on open work orders to reflect their status in WIP.
   d. Back enter direct and/or indirect labor times on those open work orders if you are tracking direct labor times for cost accounting purposes.

4. Use the above manual, repetitive data migration tasks as an opportunity to train your users on daily quoting, order fulfillment, and work order processes!

5. Note: batch uploading of open orders via .csv is available (optional) to import using Cetec ERP data migration services, should the order volume and/or internal capacity justify automation over against manual entry.

Open Vendor POs

1. If order volume is low enough, our recommendation is to manually enter open vendor purchase orders into Cetec ERP via the pQuote to PO process.

2. Prerequisites to enter these orders may include:
   a. Vendors
   b. Parts & Pricing

3. Use the above manual, repetitive data migration tasks as an opportunity to train your users on daily purchasing processes!

6. Note: batch uploading of open vendor POs via .csv is available (optional) to import using Cetec ERP data migration services, should the PO volume and/or internal capacity justify automation over against manual entry.

Historical Transactions (Customer Invoices, PO History, Payments, etc.)

1. There are no active General Ledger ramifications to consider with migration of historical transactions. Historical data migration is to be accomplished purely for data lookup and reporting purposes. Thus, to limit the scope of migration attempted, and thus services and costs accrued, our long standing recommendation is to retain your legacy database and utilize it for data lookup purposes when necessary.

2. Batch uploading of historical data via .csv is available (optional) to import using Cetec ERP data migration services if desired.

Data Validation

1. We recommend thorough validation of the numbers and reports and data moved to your new Cetec ERP environment. It's by far easiest to review these numbers when active operational transactions aren't occurring. Thus, we recommend setting aside some dedicated time, perhaps the weekend before your go-live week.

2. After the main migration of data has occurred per the above recommended processes, some key reports to validate include:
    a. Any delta between inventory G/L and details (also see Step #4 in "General Ledger & Inventory" section above)
    b. Total inventory value, A/R values, A/P values
    c. A random sampling of BOM definitions: validate correct components and correct qty-per-top values for each component.
    d. Open customer sales orders: validate a random sampling of order details, and check that the total dollar value of orders matches that of the corresponding orders in your legacy database.
    e. Open vendor POs: validate a random sampling of order details, and check that the total dollar value of orders matches that of the corresponding orders in your legacy database.

3. Communicate data validation sign-off to your Cetec ERP implementation manager as the final preparatory milestone for launch!

Go-Live Week - Milestones

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1. Prep the user base:
      a. Distribute training materials, communicate proper channels for getting help.
      b. What to do if you get an error:
            i. Stop immediately and get help!
            ii. Don't just keep on clicking the same thing over and over again!
      c. Address expectations: issues, instability, operational disruption, etc.
      d. Provide an outline for your company's order process, scenarios, and roles/responsibilities in Cetec ERP, e.g. sales process, booking, order release, purchasing, receiving, shipping, etc.

2. If possible, get critical business functions LIVE in Cetec ERP on day one:
      a. Receipt of product and put away into stock.
      b. Place POs for any critical material needs.
      c. Release to production any work orders that ought to be released.
      d. Pick parts and track work time on active work orders.
      e. Ship/invoice any product that needs to go out. Minimize any customer impact; prioritize shipping product, even if it's necessary to *just* print the packing slip and not invoice.
      f. Apply cash. Minimize impact of implementation to cash flow. Get checks entered and applied and deposited in Cetec ERP. g. Perform a check run in A/P if desired.