NTT DATA

SAP Global Partner

WATER TECHNOLOGY GIANT CONSIDERS ERP SYSTEMS OVERHAUL

CASE STUDY

SAP LEAP
Large Enterprise Acceleration Program

THE CLIENT

The client is a large American water technology provider in the manufacturing industry. Working in public utility, residential, commercial, agricultural and industrial settings, it's a global provider in its sector that has become a Fortune 1000 company following over a decade in the industry.

Founded in 2011, the company now boasts around 17,000 employees and generates annual revenue of over $5 billion.

THE CHALLENGE

Currently, with over 240 companies in the company's overall structure, there are more than 100 enterprise resource planning (ERP) systems in place to provide support across a global structure. The systems were implemented across more than 40 countries, resulting in issues with custom and manual processes spread across global entities. As a result of this, significant expenditure has been required on global outsourcing efforts in order to successfully maintain such a complex landscape.

Furthermore, ongoing business issues are being addressed. There are over 100 system connections, resulting in highly complex data and processes. Such complicated integrations inhibit both their agility to acquire global, consolidated information, and their ability to grow. Flawed designs cause process issues which require remediation and manual intervention. In turn, this creates waste and data inconsistencies. Inconsistent standard processes and bad system designs have led to a lack of scalability.

THE SOLUTION

To solve the client's issues, an assessment project was undertaken, from which it was determined that two different approaches could be taken. Both options have been laid out, with risks, costs and the project timeline having been carefully weighed up for each, as these considerations would heavily condition the customer IT landscape in the incoming years.

The first approach would be for the client to maintain the current ERP landscape and then build an overarching reporting layer, in this case based on SAP Central Finance. SAP Central Finance would map General Ledger accounts and some core organisational structures like Profit Centers into a common language. Afterwards, financial information would be able to be consolidated and forecasted into a global Planning and Consolidation SAP system.

> **NTT DATA develops evolving ecosystems to help clients move into the digital future, providing innovation and expertise.**

This approach would help to manage consolidated global information, but not solve all the integration problems underneath. However, it would be a quick win that could be deployed with reasonably low effort, so that possible replacement of the ERP systems could be executed without too much stress.

The second approach would be to design a global template, based in this case on SAP and Infor, and then deploy it globally. That would achieve a major harmonisation of data and processes, while at the same time localisation requirements would need to be tackled. A Delivery Factory Model was the recommended delivery model for this approach, to help automate and scale the project.

This approach has the advantage of requiring less time overall, and attacking the root problem first. Due to the nature of the SAP landscape, this would likely be less costly. It would be complex, though, as it needs to cover Procurement, Warehouse management, Sales and Distribution, Manufacturing, Plant maintenance, Quality Management, Project Systems and Finance.

THE RESULT

After carefully analysing the two different approaches, the second option is recommended: using a global template would foster standardisation and harmonisation across systems. There is less risk involved, less organisational change management in the long run, and it is less costly. Additionally, it could be carried out on an optimised timeline and addresses the root problem.

This approach will also face some challenges. On the one side, a strong standardisation push needs to be done on both data and processes. However, it needs to cope with localisation as well. Local legal requirements need to be guaranteed and local surrounding apps integrated. Additionally, geographical and cultural differences in such a diverse landscape need to be managed in order to get local buy-in. A strong program organisation that can put in place Global, Regional and Offshore teams for Template maintenance and deployment, and handles program coordination across multiple regions/countries is needed.

NTT DATA is committed to supporting clients in their long-term successes, helping them reach their digital transformation goals.

With this situation, and taking into account the huge number of countries involved, the possible restrictions to travel given health situations, and the ever-present cost pressure on these programs, it was an important recommendation to go for a Delivery Factory Model.

Some of the advantages of this model are the avoidance of regional teams duplicating the same activities (and therefore ensuring consistency on approach and outcome, and quicker learning curves), and prevention of the 'one-man-does-it-all' scenario of classical implementations that could become an operational risk on a long, repetitive program.
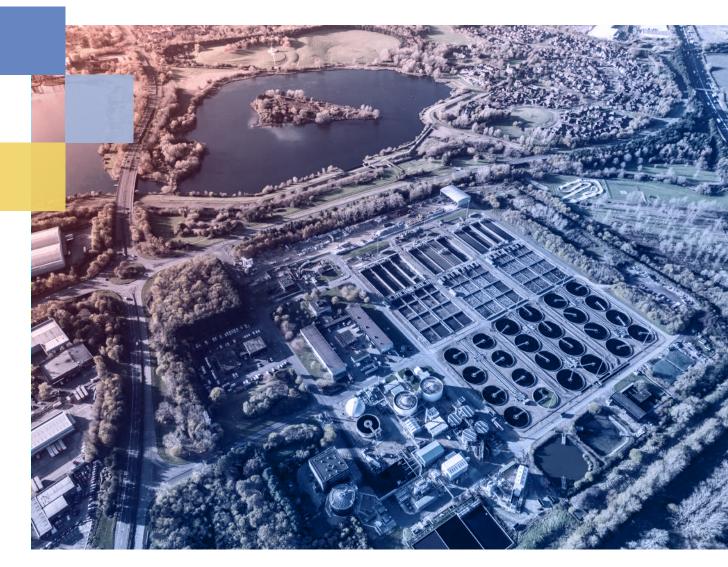
WHY NTT DATA

NTT DATA is highly trusted in SAP solutions and is a globally recognised SAP S/4HANA services leader. NTT DATA also has extensive experience in SAP global template assessments, as well as rollouts using factory models. Having the expertise to be able to execute both approaches placed NTT DATA in the best position to counsel the customer on what was best for them.

NTT DATA's way of working and values aligned with the client's and the outcome-based results approach worked with the client's expectations. As a result, the client will be able to meet their objectives.

NTT DATA uses an approach that is unique to every client, to ensure they receive the results they want to see in the implementation of their modernisation strategies. Business and entrepreneurial vision combined with technical expertise mean that the best approach for the client can be implemented.

WHAT'S NEXT

The completed assessment gave the customer the ability to decide how to proceed based on facts and clear understanding of risks, costs and timelines.

The result of the second strategy presented to the client would allow the company to benefit from more optimised business processes. Globally, the client will have the ability to roll out data migration, testing and training factories across multiple countries in a short timeframe. Business process outsourcing (BPO) would lead to further cost savings for the client.

Furthermore, the client would benefit from positive business outcomes through the ERP modernisation strategy. The client would have improved transparency and management of key working capital components, an improved control environment, improved business partnering, organisational ability and scalability. In addition, there would be more timely access to financial information and improved productivity.