

# Learning a valuable lesson in European collaboration

*“We have successfully consolidated a large portion of our business around a single financial system, significantly improving the cost effectiveness and quality of our processes.”*

**Mark Baker – Group Financial Controller, Fujitsu Services**



## Challenge

As one of Europe’s leading IT service companies you sometimes need to take you own medicine – especially if you want to deliver significant benefits. So when Fujitsu Services instigated a project in the late 1990s to implement a company-wide financial system, based on Oracle modules, it had high expectations.

However, as the new system was being implemented, individual departments gradually introduced local modifications, so many of the expected benefits failed to materialise. By 2002 the problems had become so acute that something had to be done in order to help streamline processes and free up the expertise of Fujitsu’s Management Accountants to add greater value to the business.

## Solution

Fujitsu initially focused on its UK operations where it needed to consolidate 8 ledgers operating across 12 different sites. The aim was complete the work in just eight months and Fujitsu using a single Oracle 11i ledger system across the majority of its UK business units. The key modules included Accounts Receivable, Accounts Payable, General Ledger, Projects, Fixed Assets, Purchasing and Inventory.

*“The solution, called CAFOS, gave a good balance between introducing new functionality and using technology with proven performance,”* says Mark Baker, Group Financial Controller, Fujitsu Services. *“This also meant that the risk of such a large-scale implementation were minimised, although there was still a significant change management challenge.”*

Fujitsu recognised that the success of CAFOS depended on having a ledger system that enforced standard processes across the organisation, but which also took into account the working practices of the eight different accounting teams as well as the associated Human Resources (HR) issues. Having created a detailed plan to support the eight ledgers and reporting systems, all of the accounting data was migrated onto the new system. This was then implemented in early April 2003 with only a few problems and without any interruption to the service.

Fujitsu subsequently upgraded CAFOS and added modules for the management of Service Contracts and Project Contracts, which enabled it to collapse all of its billing in to one common format and improve control of its many contracts and projects. However, in order to maximise the synergy of its operations it also wanted to roll out the solution across eight European businesses, which all had their own tailored financial applications.

## SUMMARY OF KEY FACTS

### Organisation

Fujitsu Services

### Services delivered

The design, implementation and ongoing management of a European-wide financial system, based on Oracle modules, including a shared infrastructure and support services

### Key metrics

- European country operations
- Over 19,000 employees across 20 countries

### Benefits

- **Reduced operational costs** – saved £1.5 million in the first year in the UK alone and will reduce licence fees and upgrade costs
- **Better decision-making** – greater data integrity and consistency enables more reliable and informed decisions
- **Greater operational agility** – the Oracle platform can be extended to meet evolving business needs
- **Improved resilience** – the shared infrastructure offers a much more secure and resilient environment
- **Increased productivity** – streamlining operations enables staff to focus on higher value activities
- **Minimised risk** – a complex upgrade was successfully planned and executed on time and budget

Following a successful proof of concept in the Republic of Ireland the same model was applied to the working practices in each of the other European countries, while also taking account of their particular legal and legislative requirements. However, as most countries were still operating very independently the project took a year to complete and there was a slower take-up of the modules that enforced common practices. Most of the financial organisations were also retained to manage the operations, with only the systems administration being centralised and shared.

Mark Baker comments, *“Overall the European roll-out was a success as it was all delivered in time for the new financial year, but it was painful and there were varying degrees of acceptance in each country. For example, Holland dropped out altogether as it already had an Oracle system that was heavily customised, but Portugal embraced it wholeheartedly. What it proved is that you have to have strong governance and a clear vision, but also the ability to change things if you need to.”*

Fujitsu has since gone on to add a Contract management module that exploits the Service and Project Contract modules and provides consistent timesheeting for all. It has also transferred responsibility for the end-to-end support of the application to its Oracle Practice in order to ensure a more efficient and consistent level of service and also create an environment of continuous improvement. Most recently Fujitsu has completed a full ‘Technical Refresh’ to bring the original CAFOS system fully up-to-date and move the entire application onto a Shared Services Infrastructure that is now shared with two of Fujitsu’s customers.

### Benefits

The Oracle implementation undertaken by Fujitsu will enable it to benefit from:

- **Reduced operational costs** – has saved £1.5 million in the first year in the UK alone through reduced technology support costs, improved cost collection and by automating and centralising services, enhancing resource deployment. Additional savings will be realised across Europe by reducing licence fees and upgrade costs and standardising processes
- **Better decision-making** – greater data integrity and consistency in accounting and recording practices is enabling more reliable and informed decisions
- **Greater operational agility** – the Oracle platform can be extended to meet evolving business needs, maximise operational synergy and improve efficiency
- **Improved resilience** – the shared infrastructure offers a much more secure and resilient environment
- **Increased productivity** – streamlining operations eg. automatic collation of timesheets, is enabling staff to focus on higher value activities
- **Minimised risk** – a complex upgrade was successfully planned and executed on time and budget.

Mark Baker says *“We have successfully consolidated our core businesses around a single financial system, significantly improving the cost effectiveness of our processes and the quality of financial reporting to support management decision making. To further exploit what we have already achieved a European-wide shared services organisation will generate even more benefit. We now have common processes and a platform that we can replicate across other parts of the organisation, such as our project management community. For Fujitsu it has also been a fantastic learning experience in how to successfully manage and support a pan-European implementation of a truly business critical application.”*

### Approach

Rolling out a solution across Europe is never straightforward, because of the geographic, language and attitude differences as well as local fiscal, legal and employment requirements. In Fujitsu’s case these issues were also exacerbated by the need for a simultaneous implementation in six countries within very short timescales.

However, Fujitsu was able to avoid many of these pitfalls by recognising them up-front and building them into the project plan. Andy Bullard, Programme Director, Fujitsu, explains, *“Establishing an empowered local team and understanding the mindsets in each country were both critical success factors. This was not pandering to whims, but understanding valid differences and spending the time necessary to make the solution work. What made a real difference was having people involved that had done this kind of thing before – they knew when to push ahead firmly and when to listen and change approach. At the end, it was down to grit and hard work of the local teams to get the solution over the line.”*

### Expertise

With over 40 years experience of supporting the needs of customers, Fujitsu has a proven track record in providing complex systems integration and management services that reduce costs, improve productivity and customer services and deliver a compelling return on investment. In particular, Fujitsu’s Oracle Practice has 450 Oracle specialists in EMEA and over 2,300 worldwide, all with extensive experience in creating practical ERP and technology solutions and supporting customers with a hands-on approach.

*“No Finance or ERP system is a perfect fit for any business,” says Mark Baker, “but Fujitsu now has a lot of expertise in implementing the best practice enhancements that closely align the technology to the needs of the business, and also make it much easier to support and maintain. It’s all about tying together what the books say and what the project people say, and Fujitsu now has that experience in depth.”*

Fujitsu has privileged access to Oracle’s expertise and technology roadmap, which it can leverage to ‘fill the knowledge gap’ and future proof systems. In particular, CAFOS is constantly reviewed against Oracle Fusion, which will provide customers with a complete flexibility and choice in how they enhance and maintain their Oracle applications.

Debra Lilley, Principal Business Consultant, Fujitsu, and Deputy Chair of the UK Oracle User Group, continues, *“Effective consultancy is now much more important across the entire product lifecycle, rather than just at the beginning, so that you are not continually reinventing the wheel.”*

### ASK FUJITSU

Contact us on +44 (0) 870 242 7998 or

[askfujitsu@uk.fujitsu.com](mailto:askfujitsu@uk.fujitsu.com) or visit [uk.fujitsu.com](http://uk.fujitsu.com)