

“We have now successfully consolidated our business around a single financial system, significantly improving the cost effectiveness of our processes and the quality of financial reporting available to support management decision making.”

April Pitman - Group Financial Controller, Fujitsu Services



Customer's Challenge

In the late 1990s, Fujitsu Services (then ICL) instigated a project to implement a shared financial system based on Oracle modules across all business units. However, once the new system had been introduced, individual departments gradually introduced local modifications, with the result that, over time, the system was not being used consistently across the business. This effectively prevented the organisation from achieving its original goal of a single, unified financial system.

By 2002 the challenge had become acute and the arrival of a new Group Finance Director led to a renewed drive for improved management information and efficiency improvements. The aim was to maximise the contribution of the Finance team to the whole business by streamlining processes, thereby freeing up Management Accountants to add greater value to the organisation.

To achieve this, the decision was taken to create a single transaction centre, the Central Financial Services (CFS) team, and to bring together the various business unit financial ledgers into a single, centralised system. The intention was to create a cohesive team providing a consistent, high quality service across the business.

In practice, this meant consolidating 8 ledgers previously operating across 12 different sites. The project would involve the incorporation of specific legacy systems but, to achieve the timescales required, there was to be no major customisation.

This new direction was announced in late September 2002. The target was to have the new team, and the new centralised system, up and running by April 2003.

Fujitsu's Solution

Fujitsu decided to adopt a single Oracle 11i ledger system across the majority of its UK business units.

The key modules implemented included Accounts Receivable, Accounts Payable, General Ledger, Projects, Fixed Assets, Purchasing and Inventory. This provided the right balance between introducing new functionality and using technology with proven performance. Users were able to exploit new facilities whilst the risks associated with such a large-scale implementation were minimized.

Whilst the technical implementation was to be kept as simple as possible, it was clear that the project would also entail a significant change management challenge.

SUMMARY OF KEY FACTS

Organisation

Fujitsu Services

Service/s delivered

Oracle 11 implementation. Modules included Accounts Receivable, Accounts Payable, General Ledger, Projects, Fixed Assets, Purchasing and Inventory

Key metrics

- Project team of 45 from Fujitsu and Oracle - began in October 2002, completed by April 2003
- Consolidation of 8 ledgers operating across 12 sites into one

Benefits

- Annualised cost savings in excess of £1.5 million
- Greater consistency in its accounting and reporting practices
- Financial reporting aligned to the needs of the business
- Further automation and improvements can be made quickly
- Collation of timesheets provide detailed information on customer projects

CASE STUDY
FUJITSU SERVICES

Our Approach

A Project Board was established to manage the design and implementation. The project team of 45 included staff from both Fujitsu and Oracle, working together to a shared set of goals. From the outset of the project, the team engaged with the affected departments as though they were external customers.

The project team was clear that success was dependent on implementing a ledger system and supporting working practices that would satisfy the needs of user departments and senior decision makers. This required a thorough understanding of the financial reporting models and the business processes that they supported and depended upon. In addition, there was a clear requirement to understand the specific HR issues associated with the consolidation programme and to handle them sensitively.

As the goals and timescales were very clear, the discovery process was kept very short. The Project Board set up ten key principles so that at every decision point, there was a framework to refer to. It also established clear responsibilities and formalised all processes.

A user group was formed to focus on detailed working practices. Users worked hand in hand with system designers so there was no need to pass suggestions back and forth for review. As the systems developed, the users were fully involved, providing immediate feedback to the development team. Any issues were raised and resolved through the Project Board.

By Christmas 2002, the team had come to agreement on working practices. By early 2003 the emphasis was on rolling out the system and getting it to work in practice. At this stage, a Fujitsu Project Manager, experienced at working in a customer-facing role, was appointed with the remit to coordinate the team, identify tasks and ensure that target timescales were achieved.

As April Pitman, Group Financial Controller, explains *“One reason for the success of the project was that we exploited all our internal expertise. Because we involved all interested parties in the project team, we were able to get enormous buy-in. Indeed, as users at all levels had worked on the build themselves, there was no reason for them not to accept it.”*

Preparation for the end of the financial year at 31 March began early. There was a detailed plan of working practices for the completion of 8 ledgers and 8 reporting systems by 8 different accounting teams, followed by the migration of this data to the new system. These procedures were agreed and signed off by everyone concerned.

The new system was moved into position in the first three weeks of April. *“During the transition we were able to fulfil every request from the business,”* said April Pitman. *“I was really pleased; there was no interruption of service.”*

The project had taken eight months. Through sound planning, there were few unexpected problems and by April 2003 the outstanding issues were related to business processes, not the actual implementation.

Our Expertise

The project team maintained a careful balance between ensuring a regular dialogue with users and keeping a close track on achieving agreed targets and deadlines. A network of 'super users' was established to provide a quick way of spreading understanding and developing confidence. These 'super users' effectively acted as evangelists for the new system within the organisation.

Within the project team, end users from Finance and Operations worked alongside Oracle's own experts and accredited Oracle experts from within Fujitsu. This provided an environment of instant feedback and continuous improvement as the project developed. By placing skilled developers alongside users, improvement suggestions could be captured and evaluated quickly and effectively.

Fujitsu's established skills in large-scale project management ensured that progress was tracked effectively and corrective measures introduced early where required to keep the programme on course to achieve target milestones.

There was also a significant change management challenge. Fujitsu ensured that all staff affected by the consolidation programme were kept fully informed throughout the programme, with regular communications, briefings and review meetings. This included extensive support where required on training and retraining and in determining role and location preferences.

Benefits to our Customers

The consolidation of eight ledger systems into one has saved Fujitsu costs of £1.5 million per year. Further savings will materialise through new licence negotiations and improved efficiencies.

In addition to cost savings, the organisation also now has greater consistency in its accounting and recording practices, enabling financial reporting that is aligned with the needs of the business.

The thorough testing programmes have also given a high degree of confidence that subsequent enhancements to the system will work effectively with current processes. Further automation and efficiency improvements can be implemented quickly and easily.

By using Oracle's Projects module, Fujitsu now collates timesheets from 5,500 staff and supports 800 active users to provide detailed information on customer projects. Timesheets now booked against projects are easier to process. As April Pitman comments *“With large public projects increasingly moving towards open book accounting methods, Fujitsu is now well positioned to provide the required levels of detailed reporting and transparency.”*

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