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CASE STUDY

Chorus New Zealand transforms its IT landscape with SAP & Soltius

Overview

Chorus is New Zealand's Largest Telecommunications Infrastructure Company, connecting around 1.8 million lines to homes and businesses throughout the country. They maintain and build a network predominantly made up of copper and fibre circuits, telephone exchanges, and cabinets. Chorus currently, delivers ultra-fast broadband (UFB) to more than 830,000 homes and businesses across most of New Zealand, a number that will continue to grow.

The Challenge

Chorus de-merged from Telecom New Zealand on 1 December 2011 and have been working to establish separate enterprise systems and processes. A critical component of this was around the Enterprise Resource Planning (ERP) system. As part of the de-merger, Chorus had a regulatory and commercial requirement to establish a separate ERP system by 1st July 2014. Chorus were using multiple line-of-business systems to manage their fibre rollout, and liaise with the many different retail service providers (RSPs). Chorus has around 900 staff, with many 'on the ground' functions outsourced to 3rd party service providers.

Creating an overall, integrated view of operations was extremely difficult, and the operational cost of supporting legacy applications and older IT infrastructure was continually rising.

Utilising a variety of legacy systems, including Telecom's SAP, to manage different parts of the business, it was proving difficult to maintain consistency of data or gain an overall view of operations within the merged landscape environment. Managing all these different IT systems was complex and expensive. Some of them dated back many years and no longer aligned themselves to Chorus core business. It was also becoming difficult to find people with the skills to support and develop these systems.

The Solution

Working with Soltius New Zealand, Chorus embarked on a multi-phase project, implementing SAP ERP and Human Capital Management applications utilising SAP NetWeaver Business Client (NWBC) and NWBC for HTML which is a light-weight version with zero footprint.

The ERP Project was broken down into Day One and Day Two deliverables:

- Day One: Separation from Telecom (by no later than 1st July 2014)
- Day Two: Optimisation of Chorus business functions and expansion of usage footprint where justified.

The Benefits

With a single solution managing all data across all of the company's business functions – from Human Capital management through to the installation of fibre across the country – Chorus can use the real-time analytical capabilities of SAP NWBC to gain an accurate, up-to-date overview of business operations. Process standardisation has led to both greater efficiency and increased adaptability with more than 70% of legacy

custom transactions being removed during implementation.

Based on the shared information on employee data, project management, project accounting, accounts payable, accounts receivable, and more, business units are able to identify opportunities for efficiencies. The procurement, distribution and logistics operations are able to fine-tune the supply chain to reduce costs and optimise services with their 3rd party suppliers. With the standardisation of the SAP applications and the replacement of multiple separate systems, IT management and ongoing maintenance costs are expected to decline over time.

Key Solution Components

Industry: Telecommunications

Applications: SAP Business Suite with SAP ERP 6.0 including:

- HCM – Organisation Management, Personnel Administration, Employee Self Service, Manager Self Service, Travel Management and Payroll

- RE – Real Estate – Contracts, Lease In, Lease out, Architectural Objects

- FICO – Controlling, General Ledger, Fixed Asset Register, Investment Management, Accounts Payable, Accounts Receivable

- PS – Project Systems and cProjects

- SD – Sales & Distribution

- LOG – Materials Management, Inventory Management, Master Data Management

- Data Migration

SAP NetWeaver Business Warehouse, SAP Solution Manager,

Services: Soltius New Zealand Limited.

Roadmap

Soltius worked with SAP and a project team from Chorus to design a roadmap for the implementation of the new solution.

Chorus wanted to enable the management of all of their core business processes using a single core suite of SAP applications – with the business having a degree of complexity and longstanding partnerships with 3rd party companies, this was expected to prove challenging.

The Soltius consultants worked closely with stakeholders from across the business to decide which applications and processes to implement first. They utilised their in-depth SAP product knowledge across the utilities model as well as their experience from previous implementations at WEL Networks and Top Energy.

Soltius was involved in the program since the initial project preparation, and early on took design and delivery responsibility for the full solution. This gave Chorus one point of contact for the full implementation. Chorus took advantage of the wide range of capabilities, especially project management and the implementation-specific disciplines such as data conversion and complex cutover management, offered by Soltius.

Challenges included:

- How to agree a way forward

- Figuring out the best way to integrate the ERP project's needs into the larger IT programme of work taking place throughout the Chorus landscape

- Agreeing on and committing to shared project goals and timelines without impacting others.

Implementing the system, Soltius' team integrated 9 core SAP modules, carried out a gap analysis and reviewed the reports, interfaces, conversions, enhancements and forms (RICEF) outcomes. Having worked

through all this, the end resulted in the implementation of no more than 10 interfaces, 30 minor enhancements, 14 bespoke ABAP reports, conversion programs for all legacy datasets and 11 forms.

Results

For business users, the benefits of SAP NWBC are already evident. With a single source solution managing all data across all of the company's business units – from Human capital management to the installation of cabinets within the network – Chorus are using the real-time analytical capabilities of SAP BW to gain an accurate, up-to-date overview of business operations.

3rd parties are already using the NWBC for HTML, giving them a light-weight version of NWBC, simplified views, and an easier user experience.

Of all the processes that were mapped onto the new SAP platform, it is estimated that around 70% benefited from some kind of operational improvement, whether it was the use of standard SAP transactions or a leaner, simpler process.

The implementation of SAP NWBC has changed the way that Chorus business works. There are many advantages from an IT perspective. The IT environment is now much easier to maintain, the complexity has been removed, and the ease of upgrade is now seen as being achievable by not requiring significant projects to deploy.

All this can be directly related to the implementation of a single solution by a team who wanted to standardise wherever possible but still yield all the benefits' required by the business units within Chorus.

About Soltius

As New Zealand's most trusted SAP provider and being 100% New Zealand owned, Soltius provide SAP solutions, support and consulting to more than 65 organisations nationwide.

Soltius have delivered more SAP ERP projects in New Zealand than anyone else. Soltius were the first in Asia Pacific to be certified as an SAP Centre of Expertise for our support services and we are the only SAP partner to achieve Gold status in New Zealand.

Soltius was formed in 1996 as the first SAP implementation partner in New Zealand. Our aim at that time was to build a business known for quality implementation advice and guidance at an affordable price.

Armed with a great team and a winning culture, Soltius today is firmly established as one of New Zealand's leading IT consulting firms. With a permanent headcount of around 110, and access to a global resource pool, Soltius offers an extensive range of SAP services to New Zealand businesses.

Our philosophy is to focus on enduring relationships by being able to support our customers through their entire system lifecycle, whether it is through the provision of full project teams under Prime Contract, or by providing one-off specialist advice. Evidence of the effectiveness of this philosophy is the fact that our original customers in 1996 remain loyal and important customers today.

We are proud to be New Zealand owned and operated.

Areas of operation: Soltius New Zealand has offices in Wellington and Auckland and has delivered projects the lenth of the country, from Invercargill to Northland

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