Implementing ‘the ERP’
A Story of Systems
Presentation to MiLCIS 2017

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Information is critical.

It enables a competitive war fighting advantage.

Information management is a critical enabler for One Defence. In the military environment, information management must provide the war fighter with common battlespace awareness and information superiority through integrated and interoperable information. It underpins the next generation of Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance (C4ISR) systems, and links sensors and weapons platforms. It is crucial to offset the relatively small size of the Australian Defence Force and enable a competitive war fighting advantage over Australia’s adversaries.

First Principles Review
• Why we are introducing an ERP
• What an ERP looks like
• A view of the Program approach
• Some key features of our approach
Current state environment is siloed across all business areas:

- Enterprise Financial Operations
- Financial Planning and Reporting
- Military Ops planning
- Strategic HR planning
- Logistics
- Operations
- ERP system (e.g., JSF/LHD)
- Dedicated platform
- Spreadsheet planning

Average age of Applications = 16.5 years

The current organisational model and processes are complicated, slow and inefficient in an environment which requires simplicity, agility and timely delivery.

We also recommend that Defence embark on a pragmatic implementation road map to standardise business and information processes and their supporting applications.

This will necessitate a move over time to a small number of standardised information and communications systems supporting enterprise-wide processes and a radically simplified application landscape through retiring legacy solutions and adopting enterprise master data.

Source: FPR
Capabilities in an ERP

**FORCE ELEMENT**

**PERSONNEL**
- Authorised
- Actual
- Gap

**ACTIVITIES**
Representing the processes of the Defence Force

**MATERIEL**
- Authorised
- Actual
- Gap

**TASK & CAPABILITIES**
Requirements based on scenarios, doctrines and procedures

**INFRASTRUCTURE**
- Authorised
- Actual
- Gap

**READINESS STATUS**
Evaluation of operational capability based on weighted status of finance, personnel, materiel and infrastructure

**FINANCIALS**
- Estimate
- Budgets
- Actuals

**ADDITIONAL ATTRIBUTES**
- Dates of effect
- Geo-location
- Force Element type & size

- Transaction services
- Warehouse management
- Transport operations
- Facilities management
- Master data management
- Operations support services
- Facilities service delivery
- Inventory Management
- Deployment logistics
- Asset Maintenance
- Master data management
- Operations support services
- Facilities service delivery
- Strategy development and planning
- Policy development and governance
- Advanced procurement
- Government level reporting
- Force Element scenario planning
- Preparedness
- Combat Readiness

**MILITARY CAPABILITIES**
- Force Element Groups
- Deployment Planning
- Interoperability
- Deployable/Mobile
- ORBAT
- C2I Integration

**COMMERCIAL BEST PRACTICE**
- HR
- Payroll
- Supply Chain
- Asset Management
- Estate Management
- Financials
- Governance & Compliance
- Federal Government HR
- Government Procurement

**PUBLIC SECTOR BEST PRACTICE**
ERP Key Program Outcomes

Defence ERP will deliver 12 key Outcomes

- Transformed support to the capability management process
- A globally deployable system, consistent with the core ERP
- A standardised engineering system
- Transformed enterprise resource planning analysis and decision making
- An integrated estate management system
- An updated trustworthy financial system
- Transformed support to a simplified supply system
- A standardised maintenance system
- Transformed support to planning and preparedness management
- A standardised and simplified procurement system
- A holistic ERP support system
- Consistent training products and methods to support the ERP system
CFO’s ‘10 Views’ are Central

These views help define:

• Enterprise design framework
• Data structures
• Process flows
On 23 Jun 16 the EBC directed the following Implementation Principles that the Program must adhere to:

- Design for the **enterprise**, ensuring that outputs are focussed on military **capability**, underpinning preparedness and support to operations.

- Align with the First Principles Review – this is **non-negotiable**.

- ‘**Adopt**’ rather than ‘adapt’ SAP processes.

- Design to minimise risk to ‘business as usual’ and short term disruption to end users in order to deliver long term benefits.

The ‘One Defence’ objective drives the need for business transformation to be at the forefront of our design activity:

- End to end focus (rather than silo)
- User centric puts UX as an up front activity
  - Data entry at the point of activity
  - Automation
  - Capability analytics and BI driven by user information needs
  - Modern technology and mobile access

**Our challenging timeline** drives ‘time to value’ thinking:

- Careful scope management
- Links to Enterprise Information Management Program
  - Reference architectures, standards and data structures
  - Common services
- Acceleration will be achieved through:
  - Experimentation
  - A Model Defence Organisation approach
Co-designed solution: SAP will work with Defence to design and assemble a Model Defence Organisation appliance based on SAP Best Practices

End-to-end reference solution: The MDO is based on the SAP ‘Model Company/Agency’ approach, which provides a pre-packaged, ready-to-use, end-to-end reference solution customized to meet specific industry needs

Adopt, not Adapt: The MDO facilitates ‘Adopt, not Adapt’ and will accelerate the program delivery

Benefits for the ADF include: faster time to value, flexibility of different rollout strategies, deployment of digital technologies on a leading-edge platform and high-level SAP support
• Time to value is key
• Defence is approaching implementation differently:
  – Dedicated Program Manager appointed
  – Scope control
  – Simplified Governance using Enterprise Business Committee/Investment Committee
• Lessons have been learnt from other SAP implementations but we will lead and exploit innovation
• Defence is positioned as a S/4HANA Reference
  – Model Defence Organisation
  – Industry vertical
• Alignment with, and dependency on, Enterprise Information Management delivery.