Transforming Xoserve in 12 months

Xoserve employed PwC to deploy its new ERP system. It was an ambitious programme but now so successful it's become the best practice benchmark for other companies considering the same step-change to deliver a finance transformation programme, transitioning business applications to the cloud.

The challenge

Xoserve is a crucial part of Great Britain's gas market, with systems providing information to gas transportation companies from the Xoserve central register and also providing information about gas flows across the entire network.

In 2017 National Grid, one of Xoserve's major shareholders, said they'd be reducing their stake in the business. This prompted the requirement to fully separate Xoserve from National Grid's core finance and HR systems. Xoserve had just seven months to implement a completely new ERP system, including finance, HR and expenses, from start to finish.

What we did

Because this was a time-critical project, we needed a team that could 'hit the ground running'. We already had an established and trusted business relationship with PwC. We knew PwC had experience and a solid track record designing and delivering finance transformation programmes on SAP cloud solutions and could lead and deploy a programme without having to learn new ways of working. We also knew that, based on our ongoing relationship, this wouldn't be a process 'done to Xoserve' by external providers, it would be a 'one team approach', and from the outset the PwC team became an extension of our own Xoserve team.

To support the project deployment, we bought a strong and engaged 25 person team together. We deliberately kept the team small and tight, ensuring all members were fully invested in the programme and could dedicate themselves to the duration of the project implementation.

At the start, PwC ran a series of workshops to understand requirements and plan the right approach. A process taxonomy was developed and used to complete a fit-gap exercise for Finance, HR, Procurement and Expenses so including, SAP S/4 HANA, Successfactors and Concur solutions.

This exercise helped us realise that rather than rebuilding our systems 'as is', we needed to transform the way we worked across our core finance, procurement and HR functions. We felt the standard product from SAP gave us a best-practice solution and was a good fit for the processes we needed to transform.

We took three core SAP cloud products – S/4HANA, SuccessFactors and Concur – PwC fully integrated them into our organisation which included a new outsourced payroll service. We opted for no customisation, which meant that we adapted our business processes around the best practices the products provided.

To make sure the project stayed on track we used the recommended methodology, SAP Activate, to implement SAP cloud-based solutions. We chose it because it drives best practice and it ensures a high quality, programmatic implementation. The PwC team had relevant experience with SAP Activate, helping us to strictly adhere to the methodology, they delivered the project on time and on budget.

The results

Xoserve was previously a paper-heavy organisation and moving to the SAP cloud-based solution has totally transformed our business. It's been a key enabler of our 'digital first' strategy and has meant we've been able to really innovate our ways of working.

The new system has empowered the business and our people to work faster and smarter. Examples include:

- Replacing out-dated, paper-based ways of working across our core finance functions.

- The Xoserve team now has fast, easy and efficient cloud-based access to finance and HR processes on their mobiles, laptops and tablets.

- Our processes are now transparent, providing a good user experience for all employees leading to increased levels of engagement and productivity.

- In 12 months, though automating processes, we've hit our target to further reduce business process costs by 15%.

There are a number of things we did throughout the project that were critical to success. For other organisations thinking about undertaking a similar change programme, we'd recommend doing these five things to make sure you hit all your key milestones on time.

1

Set a hard deadline

This might seem an obvious first step but we found having very limited time and a mandated deadline, we maintained our focus throughout the seven month programme deployment.

2

Stick rigorously to the standard solution

We consciously and deliberately agreed no customisations or deviation from the standard software enabling us to drive maximum project agility and speed to meet the deadline.

3

Use SAP Activate as much as possible

Using the Activate methodology provided speed and efficiency. We made full use of the Activate processes, training and tools, eliminating process duplication and significantly increasing productivity.

4

Set up the right level of governance

We had a lean team but through a considered and effective governance approach we were able to tightly manage the programme delivery on time and on budget. The team was empowered to make decisions, meaning they were able to choose the right course of action quickly; the reporting was regular, but not overbearing; with clear direction and support from executive sponsors which directly informed project scope and success.

5

Put together a well-chosen and motivated team

We chose our core team of people who were motivated to achieve success. Each had a desire to play a role in a highly innovative project with a big impact on the organisation, gaining first-hand experience to develop their own careers, personal brands and reputations.

In summary, together, Xoserve and PwC delivered an excellent, on time, on budget successful transformation programme using SAP Cloud solutions for our finance, HR and expenses. Xoserve is now a digitally enabled business. This programme has formed an excellent foundation for transforming further parts of our business. Having PwC engaged and supporting the programme meant we were able to benefit from PwC's deep experience and insight gained from guiding other organisations through many similar projects. This success has given the business an understanding of the size of the opportunities we can achieve if we continue to build on this initial transformation programme and SAP platform.