SAP ERP cloud platform puts growing business on right track

CUSTOMER
Rail Infrastructure Construction Company

LOCATION
Australia and New Zealand

INDUSTRY
Manufacturing/Construction

Challenge

- Inefficiencies tracking the cost and revenue of each project with existing MYOB accounting software
- Error-prone, manual data entry processes with limited reporting capabilities
- Inability to establish project work breakdown structures and load tender budgets and forecasts on completion

Solution

- SAP Business ByDesign, a tailored solution that requires no customisation
- Cloud-based off-the-shelf software; simplifies opening new offices and onboarding new staff
- A platform that scales to accommodate future growth and integrates with specialist construction software

Results

- Strong, systematic internal control environment
- Improved budget tracking and forecasting, with sophisticated reporting across multiple functions
- Consolidation of financial information provides visibility of overall business performance, enabling better decision-making

SAP ERP cloud platform puts growing business on right track

With expertise in both heavy and light rail construction, this rail infrastructure construction company operates across Australia and New Zealand. In the last five years the company has experienced rapid growth and has delivered more track than any other construction company across the region.

To manage its continued growth, the organisation needed to improve overall visibility of its construction projects and streamline its reporting — objectives it was struggling to realise with its existing MYOB accounting software.

Following a competitive tender process to find a new business management solution, the company selected SAP Business ByDesign. As the leading end-to-end SAP solutions provider in Australia and New Zealand, DXC Technology's practice for SAP was chosen to implement the solution.

Providing strong, systematic internal controls, SAP Business ByDesign is a scalable, tailored solution that offers the flexibility of cloud deployment and 'best practice' processes without the need for customisation.

Removing the spreadsheet burden

The company's main objective was to steer away from manual data entry to improve and streamline project tracking.

"We had project management tools in place, but it was a very manual process to get the data into those tools," says the company's financials spokesperson. "We needed something more streamlined that would allow our project engineers to press a button and get the reporting they needed."

Prior to the implementation, project reporting was driven by Excel. "That was not ideal for us," says the spokesperson. "We were growing fast and had multiple projects underway. With Excel it is easy

to make an error in a spreadsheet and then you have the issue of version control — you can never be sure you are looking at the latest version of the truth. Spreadsheets are time-consuming to maintain and once you start adding layers of them together, Excel starts falling over."

The company also wanted to establish work breakdown structures (WBS) more easily for each of its projects. WBS is an essential tracking capability that provides a deliverable-oriented hierarchical decomposition of the work to be executed by the project team. It allows better estimating of cost, risk and time, and enables each task to be budget tracked — data which can then be rolled up to the higher project level.

"Tracking the cost and revenue of each project is vital to us," says the spokesperson. "To do this in an efficient way we knew we needed something more than we could get from our existing MYOB software."

Plug and play deployment

After running a comprehensive vendor comparison, which included MYOB Advanced and NetSuite, the company selected SAP Business ByDesign. "First and foremost it gave many of the processes and internal controls of the enterprise version of SAP, but at a fraction of the cost," says the spokesperson.

Another key appeal of SAP Business ByDesign, he says, is that it is off-the-shelf software that is customisable.

"It is very easy to grow with Business ByDesign. You can turn things on and off and the updates just roll-through automatically and there are no additional costs for code to customise or update the software."

SAP Business ByDesign's functionality is a good fit for an organisation operating in the construction sector. It integrates easily with third party solutions, such as specialist construction management software, Procore.

"It solved our key problems out of the box," says the spokesperson. "Choosing a cloud-based application was essential to us. We are expanding our operations into new territories, so it made sense to choose a system we could get up and running easily and plug in new users when required."

Reporting live

Eight months after going live with the software, the financials spokesperson says he is very happy with the reporting that comes standard with the software.

"What we are getting now compared to what we used to have is like chalk and cheese. It is definitely much easier. There is a huge advantage in being able to, at any point in time, run a report and see where a project is at. The live reporting element is definitely helpful. We can compare an original tender budget to what our current forecast is and see exactly where we are at. It has brought our reporting up to a new level."

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>
> **— Financials spokesperson**
> Rail infrastructure construction company

Several financial planning team members have completed online SAP courses which has enabled the company to create more sophisticated reports across multiple functions. "I think the standard reporting is good, but it could be extended even further with a BI tool bolted on."

The whole truth

The financials spokesperson says the software is proving ideal for setting budgets and forecasting. "It gives us a level of confidence in the figures. We were relying on spreadsheets before and they are subjective, whereas the information coming out of an ERP is not open to interpretation. It is what it is, and it is the same to everyone."

Previously, the information captured in MYOB was not real-time and the company typically had to rely on consolidating engineers' spreadsheets to gain overall visibility of the financial position of the company.

"In our world things can change at the drop of a hat, and now with COVID-19 that is exacerbated. For that reason, it is essential to be able to produce up-to-date cashflow figures easily. We now have our finger on the pulse at all times and the live reporting we get from SAP is critical for that."

Approve on the move

SAP Business ByDesign ships with native mobile functionality, which the company is using to speed up purchase order approvals.

"We have quite complex approval processes for expenses and supplier invoices. Using the SAP platform, the business user can configure the workflow without the help of a technical consultant.

Says the spokesperson: "Being able to approve purchase orders on the mobile phone dramatically improves timeliness of approvals — staff can do it on the fly, no matter where they are."

Tighter controls, better information

The new SAP solution has given the rail infrastructure construction company more systematic control over how data is recorded in the system. "Our business users are on a learning curve and change management was an important part of the project," says the spokesperson. "We have trained the engineers to enter information directly into the system which has dispensed with the need to have email documents being sent back and forth. It has reduced the double handling."

"Thanks to better reporting, everyone is now looking at the same information, and that means decision-making can happen in a timelier manner."

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The company now has more timely and insightful information about the projects it runs. "There is no confusion as to where costs are sitting. Whereas before we had to manually track where everything was, now we can press a button and see exactly where costs and revenue sit.

"There is a level of consistency and it all consolidates up automatically," the spokesperson says.

With business users entering information more accurately, he says there is a higher quality — and value — in the reporting the system produces.

"Thanks to better reporting, everyone is now looking at the same information, and that means decision-making can happen in a timelier manner."

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