

Ministry of Defence, Netherlands

Defense takes a big step forward.

ABOUT THE DUTCH MINISTRY OF DEFENCE

The Dutch Ministry of Defence has three main responsibilities:

- To protect the territories of the Kingdom of the Netherlands
- To promote international rule of law and stability
- To support civil authorities in national and international law enforcement, disaster control and humanitarian aid.

The Ministry has around 60,000 employees, making it one of the biggest employers in the Netherlands.

WHAT THE MINISTRY OF DEFENCE NEEDED

The Ministry of Defence needed to increase its operational efficiency and strengthen mutual co-operation between the various branches of the armed forces. They sought new support for their financial and material logistic processes.

Some of the Ministry's logistics systems are obsolete and each armed force has its own system. They need to standardise and integrate the processes, which will enable efficient working, cost savings in provision of information and better support to operational deployment. As a result around 10,000 users need to change their way of working.

THE CHALLENGE

The request by the Ministry resulted in the largest ever ERP project within the Dutch government, called SPEER (Strategic Program ERP Enabled Reengineering). A critical success factor for this program is that the various branches of the armed forces need to operate in collaboration across the board. This implies a big cultural change as the various branches within Defence need to withdraw from their existing practices and jointly develop an improved business operation.

The new work methods will have a direct impact on the day-to-day operations of many Defence workers. So a strong focus on change management is necessary. SPEER is a long-term program - the project organization will be confronted with changes in staffing and in functionality requirements.

The transfer to new functionalities and processes will be on a large scale. SPEER involves an initial implementation of SAP functionality usage that is unprecedented in scale. Complications are likely to arise during the implementation.

CASE STUDY

GOVERNMENT

Defense and Intelligence

Key benefits

- Standardized processes and data, efficient processing and easier tracing of information about invoices and orders
- Staff no longer required to enter data superfluously
- Better basis for management information to underpin decisions
- More performance-focused and cost-conscious administration
- Efficient use of stocks since the various divisions will be able to share stocks
- Better basis for replacing many obsolete legacy systems.



Ministerie van Defensie

OUR ANSWER

We have been involved in SPEER right from the stage of package selection. It was partly based on our recommendation that the Ministry chose the SAP ERP package with a solution specific to defense organizations. We formed a consortium with Capgemini to manage the project together with the Ministry of Defence. As a steering partner of the Ministry of Defence, we are committed to the result.

For optimum effectiveness, we work in mixed teams made up of representatives from all the armed forces. Together we have created the design of new, standardized processes and associated data. The Ministry provided information about existing processes and we delivered ERP expertise and ideas for improvement.

The designs were tested and converted into SAP functionality in a Bouwstenenfabriek (building-block factory) specially set up for SPEER. This Bouwstenenfabriek was specifically organized to support Defence efficiently with decision-making at all levels, including the highest management level. To engage employees, we will continue to hold workshops and information sessions throughout the entire project.

We are introducing functionalities into the SAP ERP system in phases. The first part was delivered and has been operational since 2008. It replaced the existing processes of budget preparation and realization. This financial administration system called Finad supports a new budget preparation, execution and balancing process. It forms the basis for integration with the material logistic processes and data.

All the armed forces will be working with the new system by 2014. Many of the old systems in the different branches will no longer be required. We are helping the Ministry of Defence take the new system into administration through coaching and knowledge transfer.

WHY WORK WITH CGI?

We are practical and have a deep understanding of Defence and its processes. As an SAP global service partner, we have short lines of communication with SAP. This combination means that we can be a partner to the highest level. We understand the culture of Defence and the issues that changes bring. This is evident in our close co-operation and our way of working. We work closely with the client and are also cautious enough to seek decisions at higher levels. We are pragmatic and result-focused. And, we bear responsibility willingly. Besides our experience in various large projects within the Dutch Ministry of Defence, we also work for government defense organizations globally.

For more information, please contact us at government@cgi.com or visit www.cgi.com/government.

A SUCCESS STORY

The Dutch Ministry of Defence is working with an innovative solution. The new SAP ERP system is not used anywhere else to this wide extent. It places the Dutch armed forces among the first in the world.

There is considerable involvement of high-level management. The supervisor of SPEER is a three-star general and a member of SPEER's steering group along with the top Defence managers. The steering group reports directly to the political leaders and there is intensive contact with military leaders. Senior consultants assist SPEER workshops for the senior management.

The first milestone was the Defence-wide implementation of Finad. It was achieved without difficulty and led to budget approvals by the Court of Audit. This formed the basis for an integrated and standardized solution. The branches of the armed forces have come closer together, both in their processes and in the standards relating to their data and functionality. This is partly due to the decisions adopted in the Bouwstenenfabriek. Now there is a sound basis for connecting other functionalities and obtaining concrete advantages – this is a big step forward.