

Shared Services project saves millions of pounds

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RESEARCH COUNCIL - CASE STUDY

The seven Research Councils are independent, Non-Departmental Public Bodies within the Department for Business, Innovation and Skills (BIS). They are the main public funders of fundamental research and advanced postgraduate training in the UK. The Councils, whose budgets were about £2.8 billion in 2007-08, support research both in universities and in their own research institutes, employing about 12,000 staff throughout the UK and abroad.



BUSINESS CHALLENGE

As independent organisations, the Councils undertake a number of similar activities, which they recognised could present benefits if managed and undertaken jointly.

The Research Councils had started to put together a business case but had got to a stage when they identified a need for input from experienced professionals. They were keen to engage the services of independent management consultants who could demonstrate a firm understanding of designing and implementing Shared Service

Centre's. Hitachi Consulting was selected to provide support to the Shared Services Centre (SSC) project in November 2006.

The overall project objective was to create a separate legal entity (Shared Services Centre Ltd) to provide a centralised Shared Service to all of the seven Research Councils. The Shared Service Centre would be required to deliver HR, Payroll, Finance, Procurement, IT and Grants services.

Overview

Project Objectives:

- Develop Outline and Full Business Case
- Design, build and test Shared Services Centre solution
- Manage transition and roll-out

Scope of Solution:

- Gain approval for Outline and Full Business Case
- Systems Integrator Selection, Procurement and Commercial Management
- Shared Services Centre - Legal Entity set-up, recruit staff, install SCC infrastructure
- Oracle Release 12 ERP System - design, build, test and implementation
- Data migration



THE SOLUTION

Following approval of the Full Business Case (FBC) in September 2007, the Shared Services Project Team worked with the Project Board, Steering Groups and Change Team Leaders to design, build and implement the Shared Services Centre which commenced delivery of services in February 2009.

Throughout the Project, Hitachi Consulting assumed a number of lead roles which included Programme Director, Programme Manager and Lead Technical Architect. This work included:

- Securing approval for the Outline Business Case (OBC), Full Business Case (FBC) and securing Project Funding
- Managing the selection and appointment of the Systems Integrator (SI) for the new Enterprise Resource Planning (ERP) system and ongoing Commercial Management of the appointed SI
- Detailed assessment and agreement of procurement spend savings (the largest benefit category for the Project)
- Managing key test phases prior to deployment of the solution into service
- Change management – planning for the people transfer in line with TUPE (Transfer of Undertakings Protection of Employment) guidelines
- Managing the delivery of major software releases as the solution was rolled out
- Overall management of the Programme and the following work streams: Functional Work Streams, Data Migration, Testing, Transition, Production Migration, Solution Build, Benefits Management

This was a highly complex Business Transformation Programme that included one of the biggest Oracle Release 12 (R12) implementations executed within Europe, and one of the most complex Shared Services implementations implemented across UK Government.

The SSC Project demonstrated the need to have a flexible and tailored approach that supported evolving business requirements and change. Hitachi Consulting challenged the traditional 'waterfall' approach and demonstrated the need for a more agile and iterative development approach that would support evolving business requirements, whilst still ensuring delivery to an aggressive time frame and budget.

The integration of multiple businesses with different processes and systems, clearly demonstrated the need to engage key stakeholders early and to ensure buy-in to the overall solution and programme. Hitachi Consulting worked at different levels of the governance structures in the programme to achieve this.

It was critical to ensure that a common, standard set of processes was agreed across all the Councils. Hitachi Consulting ensured this was the case by:

- Using a facilitative approach to design, involving all Councils with strong expert guidance
- Setting up a strong design authority that had responsibility and authority to minimise customisation
- Having prior knowledge of areas of functionality likely to require customisation and early focus on these areas to limit or eliminate customisation

BENEFITS

The Shared Services Centre, together with new processes and systems across the Councils included the following benefits:

- Significant financial savings - procurement, people and system savings
- New ways of working ensuring all Councils adopt a common, 'best practice' approach, supported by modern IT systems
- Improved skills and staff career paths as a result of improved management processes provided by the SSC
- Improved information easily accessible, leading to better decision making and increased flexibility, as a result of improved processes, technology and skills

The projected financial benefits over 10 years include:

- Staff savings of £39 million
- System cost reduction benefits of £6.6 million
- Procurement spend savings of £404 million

Why Hitachi Consulting?

Hitachi Consulting is the global business and independent IT consulting company of Hitachi Ltd and is recognised as a leader in delivering proven business strategies and technology solutions.

- **Skills and capability:** With nearly 20 years experience in the UK, we have the capability to provide end-to-end transformational support to our clients. Hitachi Consulting UK offers the agility of a smaller company, the stability of a larger company and the innovation that comes from being part of the global Hitachi Group. Hitachi Consulting brings: real-world, pragmatic solutions, a collaborative working style and an injection of pace and focus on delivery.
 - **Experience:** It has been our deliberate aim to only recruit senior and experienced people into our company. Our consultants have many years of business sector expertise gained from working in and consulting with major businesses in industry and public sector.
 - **Approach:** Clients appreciate Hitachi Consulting's tradition of collaborative working, challenge and transferring knowledge throughout each engagement and value the company's responsiveness, flexibility and authentic desire to help them meet, and often exceed, their goals.
- Hitachi Consulting is uniquely positioned to gain an in-depth understanding of the business issues your organisation faces and to recommend and implement the best solution, to ensure the most beneficial outcome, with the least disruption.

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