



On premise is dead: why ERP has moved to the cloud

Rapid Microsoft Dynamics 365
implementations from DXC Technology

Why move ERP to the cloud

The competitive landscape is rapidly changing for every business, which means sticking with outdated systems is no longer a viable option. Virtually every business is experiencing digital disruption. It can't be ignored – but the scale of what needs to be done can be daunting. There's a need for each business to deconstruct the old way of working and reconstruct processes as digital workflows, on top of keeping the business running day-to-day.

Meanwhile, competitors are exploring the possibilities of machine learning and the ability to reduce costs and achieve efficiencies human labour simply can't. No matter the line of business, data is becoming its most important asset. Systems need to do more than just take an input, process it, and output a predictable result; they must intelligently analyse data to provide actionable insights to change decisions and impact profitability.

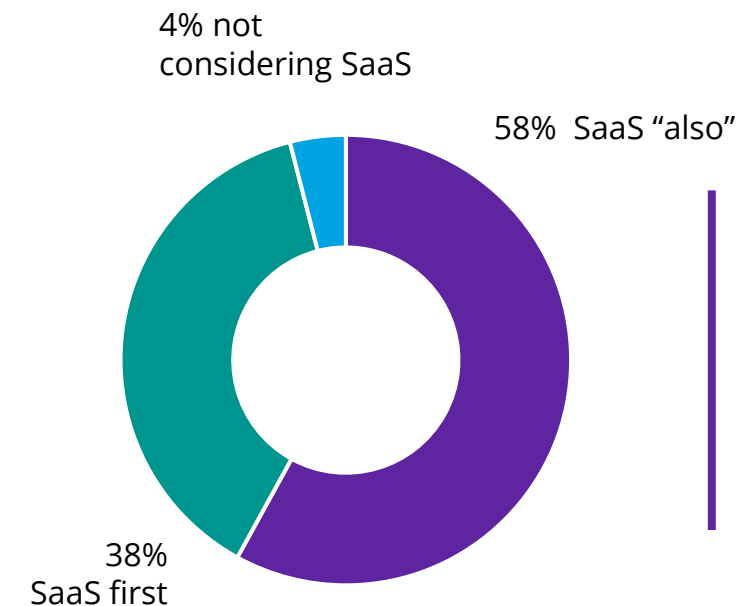
However, the deciding factor for many businesses to move to the cloud is the realisation their 10+ year old, on-premises systems have too many customisations, no viable upgrade path, and can't adapt to service current business needs.

One thing is clear: businesses are demanding faster outcomes and return on investment from IT projects. In order to deliver this, a new approach is needed: rapid implementation, with a focus on matching out-of-the-box functionality to business needs, rather than unnecessary, bespoke customisations resulting in lengthy delivery timeframes.

The business must therefore align on what's important: delivering faster time to value for their Enterprise Resource Planning (ERP) projects, rather than building a highly customised application as may have been the norm in the past.

With the right partner, experienced in leading this methodology, and the right cloud platform with a wide and mature feature set, it's possible to implement an ERP system in the cloud in just months, not years. In this paper we'll show you how.

ERP in the cloud Australia – intention to go SaaS



\$2 trillion

Worldwide spending on digital disruption in 2023

Source: IDC

Seven reasons ERP belongs in the cloud

#1 Broader feature set

Compared to the monolithic systems of a decade ago, ERP in the cloud has advanced and evolved the standard features and functionality, allowing businesses to deliver most processes without system customisation. In depth functionality across finance, business operations, supply chain, field service, customer relationship management and human resources is now available in the cloud as integrated applications.

#2 Automatic upgrades

Modern cloud applications are continually and automatically updated, so the business can always benefit from product enhancements, performance improvements, and the security of running on the latest version and platform.

#3 Smart customisation

Choose a partner to enhance business processes with apps that add industry-specific functionality to the out-of-the box application capabilities. Instead of custom code, use a partner with extension apps, templates and workflows for different industry requirements. These can run within the standard platform so the business can still benefit from automatic system upgrades without the burden of ongoing custom code support.

#4 Ease of use

Cloud ERP systems deliver applications the way the modern, mobile workforce likes to work. Modern ERP solutions 56% of ERP forecast to run in public cloud by 2023 Source: IDC have mobile apps to enable access to enterprise applications on mobile phones and tablets to make business processes available so users can view, edit and act on business data in the field.

#5 Single data source and integrated applications

On-premise ERP systems tend to keep data in silos that aren't designed to interoperate, making data analysis and reporting cumbersome and delayed. Modern cloud ERP applications can use a common data service to support the real-time integration of data from multiple sources to enable a single view of processes, relationships and data.

#6 Better uptime and security

Major cloud vendors are investing billions of dollars in cutting-edge security and data centres to secure cloud networks and provide a security model that protects data integrity and privacy and supports efficient data access and collection. Few individual businesses could provide similar capability with on-premise architecture.

#7 Ease of implementation

Implementing ERP in the cloud can be easy and quick, provided the business and partner are united and aligned around an agile approach, with agreement on the project priorities in order to deliver rapid time to value. Choosing the right partner to help guide this process is essential.

Planning for success with ERP

There are clear strategies every business can adopt for successful ERP deployments in the cloud. There have been many notable failures of ERP implementations over past decades, with losses caused by businesses pulling the plug on projects running into many millions of dollars. So, how can your business set itself up for a successful implementation of ERP in the cloud?

Take stock first

The process starts with putting the right people in place to help rapidly take stock of existing business processes, systems, and customisations. If you don't have the internal capability to do this, seek help from a partner with experience in doing this quickly as your first step.

Skill & backfill

You'll need an internal project team skilled up with the right people, empowered to make decisions and focus on the job at hand. Where possible, back-fill their day-to-day roles so the ERP implementation takes precedence and doesn't pull them back to the established processes and expectations of their normal day job.

Leadership

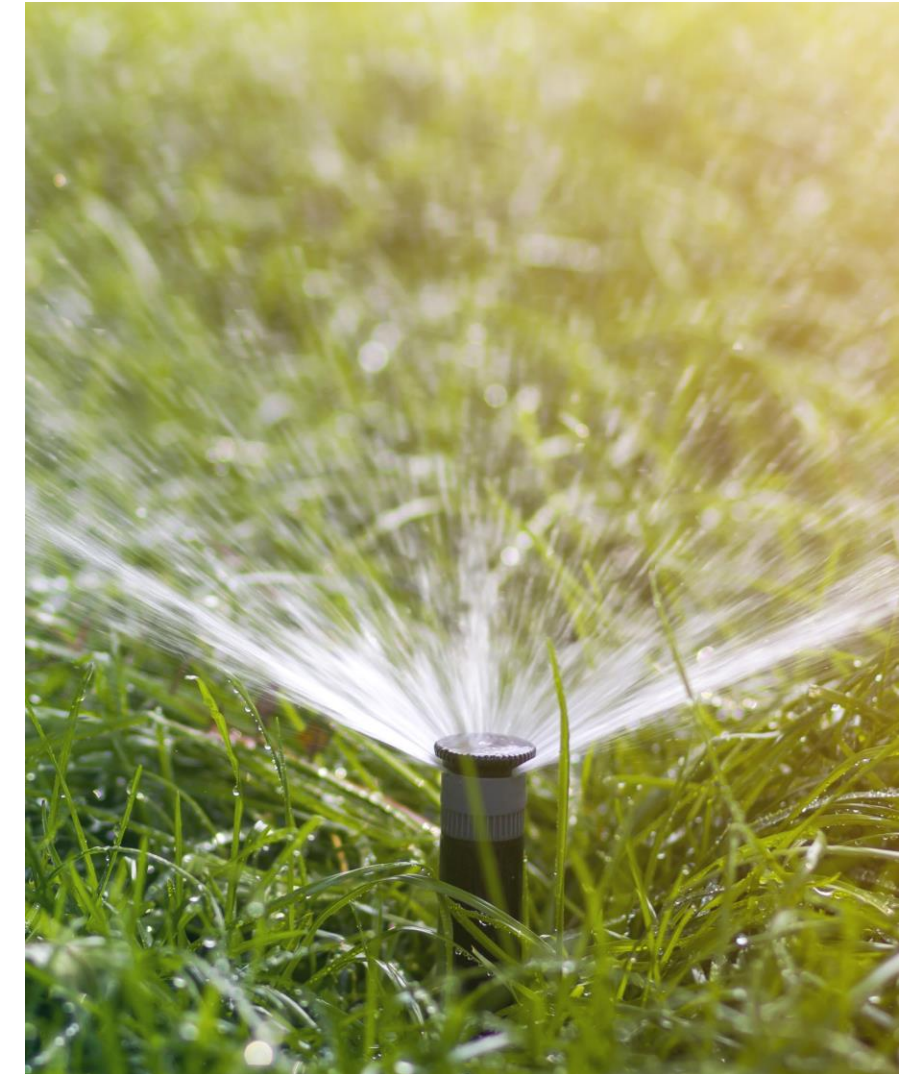
Business leaders need to be personally invested in the ERP implementation project, not just sponsors who are brought up to speed at key decision points. Given ERP is the beating heart of a business, leaders must be fully engaged and give input to the project to be able to lead the rest of the organisation in the importance of embracing the digital transformation.

Manage change

Given ERP systems typically touch every role in a company in some way, this is more than an 'IT project'. Don't discount the importance of active change management beyond the IT department. Invest money and time in having skilled change managers across the business to set up a program of advocacy and keep the team informed in supporting the change.

“ The DXC team partnered with us through the project, always finding ways to simplify and deliver the outcomes we desired. They challenged our processes and provided examples of projects where the same outcome was delivered by staying out-of-the-box. ”

Naheen Mahbub
Group Financial Controller at IR





Strategic business plan linked to your business case

The business case needs to be part of a larger, strategic business plan that is focused on organisational-wide business transformation and is endorsed by the business leaders. Create a compelling business case for the cloud ERP project to demonstrate how the reduction of technical debt will justify the implementation cost, deliver the foundations for better customer services, build internal efficiencies and employee satisfaction and set a platform for business growth.

Avoid customisations

Every piece of custom code adds layers of time and complexity to your project and therefore adds additional cost to the implementation, as well as ongoing investment in supporting the customisations. Therefore, start with a clean slate and approach the project as an out-of-the-box implementation (don't try to match current, custom functionality). Match the application's business process to business needs rather than building custom capability as a default.

Strong governance

A tightly managed governance process is essential to ensure any changes in business process are well considered, agreed and documented by all appropriate stakeholders. This is particularly important in relation to ensuring any requested customisations are critical to business continuity, and where possible, using governance processes to redirect such requests to changes in template/workflow functionality rather than requesting custom modifications.

Learn from others' experience

Use a partner who has worked in your industry before, offers industry-specific apps, and has demonstrated benchmark projects. This partner experience shortens the design and implementation time needed for a project.

Be agile

Skill up your team in agile methodologies and agree what the 'minimal viable product' will look like before starting. Try to avoid a lengthy project design phase that can blow-out and push implementation go-live back.

Launch quickly

Plan for a 'minimum viable product' launch rather than a 'big bang' mission accomplished approach. Launch with what the business needs and iterate from there to get quick results and ensure rapid adoption within the business.

Case Study – The Copyright Agency

“ People are just naturally resistant to change and many don't even understand the cloud. In the second stage of the project, we brought on a full-time change manager and it proved to be a great opportunity to move things along faster. ”

**Jeremy Jacobs, Chief Operating Officer
at Copyright Agency**

Putting the right people onto the project

As with anything in life, it's the people in an ERP implementation project who make the difference, according to Jeremy Jacobs, Chief Operating Officer, the Copyright Agency.

Technology projects may, at first, be about business cases and securing capital expenditure and then choosing the systems and software, but really, people and experience will determine the project's success.

People make effective project governance happen, ensuring the right stakeholders are consulted before decisions are made. People help the workforce manage change, and people bring the right sets of experience to get a project done quickly.

How the Copyright Agency hit the ground running

The Copyright Agency is a not-for-profit organisation that provides licensing solutions to organisations wanting to use copyright-protected words and images. Fees from those licences are then distributed back to the content creators, who are members of the Agency. It moved from a 10-year-old system, which was heavily customised, to a newly implemented ERP system in the cloud in just months with the help of DXC.



According to Jeremy Jacobs, Chief Operating Officer of the Copyright Agency, having leadership involvement from the beginning was key to success, as was putting key decision makers onto the project team, and backfilling their day-to-day responsibilities.

But possibly most important, he said, was recognising the company's core strength was not in implementing ERP systems, and therefore bringing in a team who made the process run smoothly.

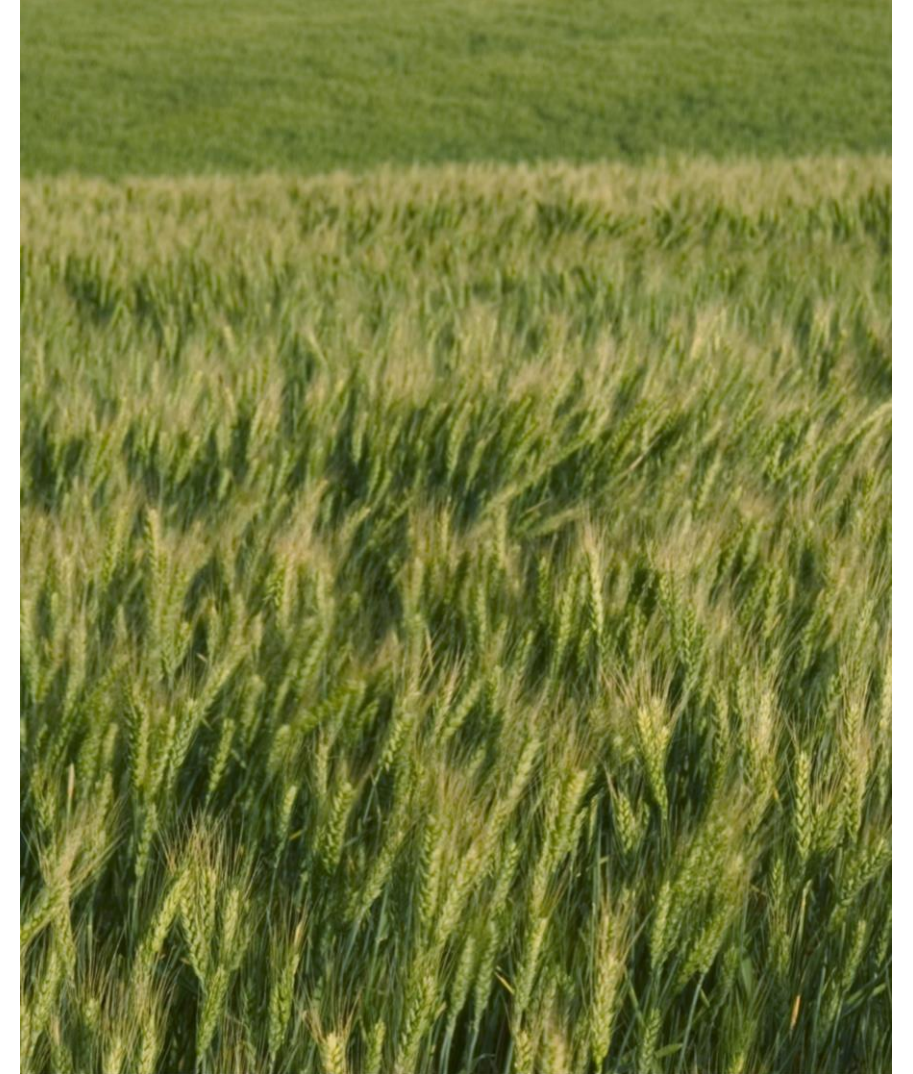
"You have to be honest with yourself. As a business, you don't upgrade your ERP system very often – maybe once every five or ten years – and once you're in the cloud, maybe never again.

"So, you have to admit what your skills and strengths are and bring in external experience where it's needed. You get a much better result with an external fresh pair of eyes helping you," Jacobs says.

De-risking the project through people

DXC Eclipse also helped the organisation run the project using Agile methodology. Jacobs believes this allowed the overall 'problem' to be tackled in manageable pieces, and success to be demonstrated quickly.

"Agile can de-risk a project, especially for the Board," Jacobs says. "They gain confidence as you go through from start to finish and break it down to stage gates, where the Board releases the funding after stage one is successfully completed, and you go back to the board, and you can say, 'I'm on lap one of three laps; I've delivered what I've said I'd deliver, and customers are happy, so now you should have confidence to release the funds so I can do stage two and eventually three.'"



Four-months to launch: how experience equals faster delivery

One of the keys to getting ERP implemented quickly is working with people who have successfully done it many times before.

Choosing a partner with business process, industry apps and well developed, pre-existing templates and methodologies can accelerate a project significantly.

DXC has a methodology for implementing Microsoft Dynamics 365 ERP in the cloud in as little as four months, allowing customers to start seeing return quickly.

One of the keys to DXC's ability to implement rapidly is its ready-to deploy templates and workflows, available for several key industries.

DXC has run major projects in industries, including retail, manufacturing, health and aged care, and has established centres of excellence within its consultancy to ensure its teams are up-to-date with the best practice in each of these sectors.

For example, DXC's centre of excellence for healthcare has clinicians on the team who have helped DXC create workflows relevant to patient care environments.

This means when implementing Microsoft Dynamics for a health provider, key workflow templates are already built and ready to go, helping the customer save development time and cost. This also preserves the upgradeability of the application. Using properly templated workflows means the core software is unmodified and the business can take advantage of upgraded versions of Dynamics as they are automatically released by Microsoft.

“ We had a hard deadline to bring this strategically important project online. We have a large, diverse and complex business, so we needed a partner with exceptional problem-solving skills and an immaculate track record in rolling out Microsoft Dynamics 365 for larger businesses. We also needed a partner with an agile mindset to design a low-friction implementation, and that was willing and able to meet a challenging deadline. DXC was a very comfortable fit. ”

**Liz Ward, Chief Executive Officer,
Gough Group**

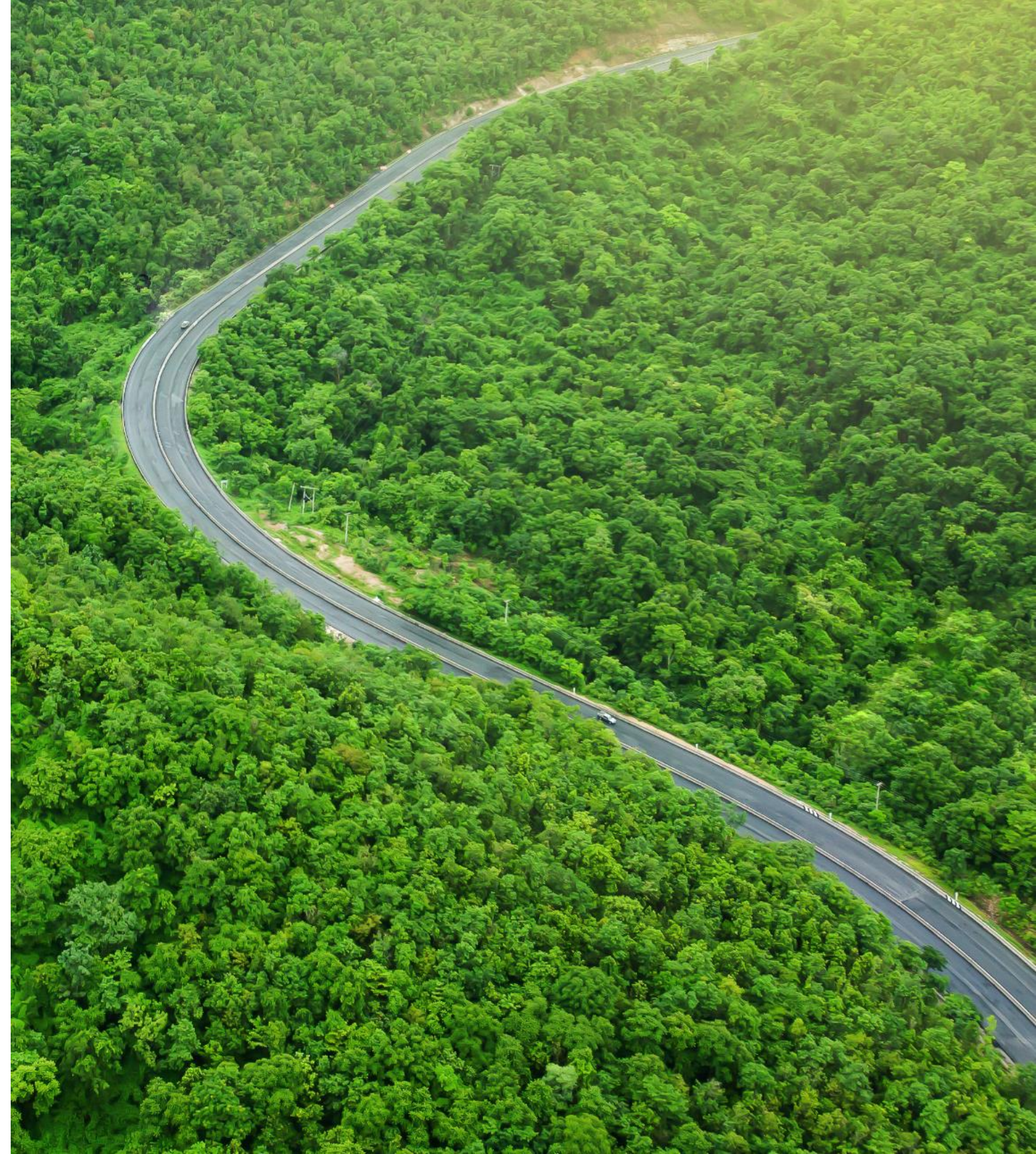
A compelling reason for action

DXC is the largest independent Microsoft Dynamics systems integrator in the world.

In Australia, New Zealand and the Pacific, it has a team of over 480 people supporting over 1,200 customer sites across the region.

Most importantly, DXC was the first partner in the region to implement Microsoft Dynamics in the cloud and in 2020 the first partner to implement Dynamics 365Commerce for Retail.

DXC continues to work closely with Microsoft research and development teams, with Microsoft licensing DXC proprietary apps for integration into the core Dynamics 365 solution.



About DXC Technology

DXC Technology (NYSE: DXC) helps global companies run their mission-critical systems and operations while modernizing IT, optimizing data architectures, and ensuring security and scalability across public, private and hybrid clouds. The world's largest companies and public sector organizations trust DXC to deploy services across the Enterprise Technology Stack to drive new levels of performance, competitiveness, and customer experience. Learn more about how we deliver excellence for our customers and colleagues at www.dxc.com.

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