CREATING A SINGLE GLOBAL SAP® SYSTEM INSTANCE
ACCENTURE SHARES ITS JOURNEY AND GUIDING PRINCIPLES

Transitioning from a private partnership to a global public company gave Accenture the opportunity to create an ERP strategy from a clean slate and lay a new IT foundation. At the time, Accenture made the strategic decision to create a single global SAP® system instance and undertook a journey to leverage this instance and determine how to operate on it. From the beginning the approach was less about the technology and more about how Accenture wanted to operate its business. Accenture made decisions that have served it well and gained valuable insights along the way. Today its ERP operations are better, faster and cost-effective than ever. Accenture passes its insights along to others who seek to take a similar journey.
GUIDING PRINCIPLES FOR ACCENTURE’S SAP JOURNEY

A look back at Accenture’s journey to creating a single global SAP system instance reveals several key guiding principles that continue to steer the company today.

Align business strategy with IT and ERP strategies

The first critical step Accenture took on its SAP journey was to align the business and IT strategies. Since Accenture operates globally to support its clients, the company decided that it would need to align and operate its IT in a globally consistent way and to enable IT to provide the applications to support the business. With the IT strategy aligned with the business strategy, Accenture moved forward to define its ERP strategy.

The ERP strategy emerged from dynamic dialogue and interaction with the business at many levels, particularly leaders and internal customers throughout the organization. From these discussions, the decision was made to operate Accenture’s business with a single global SAP system instance. The decision was also made to establish one global governance to develop and operate the ERP. Defining the ERP strategy during these discussions helped establish what Accenture wanted to accomplish with its investment in SAP applications in line with the company’s overall business strategy. The ERP strategy was also developed with the understanding that it would evolve with future growth and change. The resulting ERP strategy has remained flexible enough to evolve with Accenture’s changing go-to-market approaches and changing economic conditions.

Establish one global governance

Accenture’s major businesses—strategy, consulting, digital, technology and operations—are different in many respects, but all rely on shared, global core processes. So, it made sense for Accenture to strive for a single global technology footprint, governed by a single, centralized governance structure. Accenture’s governance structure closely mirrors the way the company works and aligns with how overall governance functions within the company. The governance structure for ERP includes business leaders from Accenture’s Finance, HR, Sales, and Geographic Services in addition to IT leadership. Together, these members are responsible for strategy, planning, programs and projects, and operations.

“The business involvement in the governance was key to making the single global instance of ERP successful,” says Dan Kirner, Executive Director of Accenture’s SAP Program. “We discovered better ways to support the business needs while maintaining flexibility at a low cost.”

Rounding out the governance model is a cross-operations team composed of business process and IT people, which works across three support tiers: tracking service level agreements, measuring production support effectiveness and monitoring benefits.

Standardize business processes

To achieve high performance and efficiency across Accenture’s core functions, the internal IT organization worked with the business to undertake a comprehensive business process standardization effort. Over 18 months, business processes such as record-to-report, order-to-cash, time and expense, and the close process were rigorously standardized across business units and countries to arrive at a set of global business processes and global data model to enable the single-instance ERP. Where necessary, internal IT built upon the standardized processes where the business needed a fit-for-purpose solution. The resulting standardization has driven consistency across the diverse internal functions that use the SAP system today. And it provides much greater visibility into the business at a greater level of granularity. Standard processes also facilitate more rigorous internal control procedures.

Strive for one instance of SAP applications

Many organizations believe they need best-of-breed solutions in each major area of operations. Accenture experience shows that, while the best-of-breed philosophy can be right in some instances, it imposes complexity and reduces flexibility over time. Back in the days of Accenture’s legacy environment, the organization had some 600 global applications, more than 1,500 local applications, multiple networks, many data centers and multiple technology platforms. The internal IT organization knew Accenture had to rationalize and standardize because it saw how burdensome this complexity already was, and IT knew the problems would only keep multiplying over time.

This is why Accenture strives for a “theme of one” in every area of SAP applications and operations. Less is always more, and one is always preferred. “Having removed duplicative technologies and legacy processes,” says Kirner, “we were able to become leaner and lighter, which translates into a faster and more flexible operation that is more responsive to our business and to changing business needs.” Rationalizing applications enabled a single source of the truth, as opposed to multiple applications with different data.

Wherever feasible, Accenture standardizes, consolidates and strives to come as close as possible to a single instance of every technology tool it uses. Admittedly, this theme is not always achieved in the real world. Nevertheless, Accenture aims high and expects to approximate that vision wherever it can.
Minimize modifications to core SAP code

Accenture's guiding principle is to minimize modifications to the core SAP code. “Many organizations do not think it is possible,” says Andrea Durruty, Accenture's SAP Delivery Co-Lead. “But our organization is global and complex, and we have demonstrated that it is possible.” Adds Accenture’s SAP Delivery Co-Lead Steve Collins: “Having a single instance and minimizing modifications help Accenture to maintain the ability to leverage its investment in SAP applications.” It also provides numerous other benefits, including reduction of operating costs, faster and cheaper upgrades ensuring Accenture is keeping its solution current, and greater flexibility to support the dynamic nature of Accenture’s business (integration of new business areas and acquisitions, organizational restructures, expansion to new locations, etc.).

Start as a fast follower, move to leading edge

Initially, Accenture deliberately chose to be a fast follower of SAP versus leading edge. This was done to manage risk by waiting until new solutions were tested and proven before implementing them. Today, with the fast pace of technological change and Accenture’s growth, Accenture has chosen to be leading edge in implementing SAP capabilities. Now, Accenture often breaks new ground in implementing SAP solutions, such as moving SAP Business Warehouse on SAP HANA® to Microsoft Azure and upgrading to SAP S/4/HANA®.

Treat SAP as an asset

Accenture knew that leveraging a world-class ERP system could become an asset for Accenture to leverage for the future. As such, Accenture treats its SAP system as an asset, and looks at the power that a single global SAP system instance can bring to bear to successfully operate and manage the business. “Instead of having 50 different cars, so to speak,” says Kirner, “we have one high-performance car, and we take care of it.” Despite the inevitability of having to upgrade their ERP software periodically, many organizations hesitate to approach the upgrade task, possibly because of the potential for prolonged downtime or problematic cutover that can severely disrupt an organization’s critical business functions. Accenture prefers to view an upgrade as a key step on its SAP system's strategic roadmap—an opportunity to deliver value to the business and to establish new capabilities sooner than the competition, while maintaining full security at all times. Accenture applies all hot fixes in a separate release on an annual basis at no cost.

Achieve low cost

The way in which Accenture designed its ERP system and business with standard structures, toolsets and business processes leveraging standard SAP application functionality wherever possible produced benefits by driving efficiencies. For example, selecting one instance of SAP applications reduces the number of applications, which in turn simplifies the environment, enabling lower costs. Efficiencies are achieved across functions by having a single source of the truth. It takes less time and effort to bring new businesses online. Even though Accenture has added significantly more capability and increased usage of the SAP system over time, IT costs have been reduced by reducing the number and size of the support team. In addition, about 70 percent— an industry-leading average— of the support team is drawn from cost-efficient locations across the Accenture Global Delivery Network.

Acknowledge that a single ERP does not fit all

Organizations are challenged in deciding when and when not to use an ERP for the business. “One size does not fit all, so to speak,” says Kirner. “There are times when a single instance is a fit and times when a multiple instance is a fit.” Whichever is the case, it is important to have the organization's instance strategy aligned to its business strategy. Different business situations drive the decision. If an organization has diverse business units, for example, it might want to have multiple instances. Multiple instances of SAP applications provide flexibility to address diverse business needs, but compromise on cost, control and process efficiency. If an organization has a situation similar to Accenture’s (one global process, same economic model, one repository for HR, and globally defined business processes), it may want to consider a single SAP system instance.

Having a single instance does not necessarily mean the impossibility of having applications to support diverse business needs. Where one SAP system instance does not meet an organization’s needs, the organization needs to add on to it. Accenture has one instance of SAP applications, but supports legal and regulatory items through items that bolt on to its one instance, such as one instance of time and expense, and local tax bolt-ons for compliance. Too often, however, the one-size-does-not-fit-all situation leads to organizations developing multiple ERPs, which creates complexity and problems over time.

To guide its decision making, Accenture relies on its application strategy, which is to leverage global solutions (by capability) where possible to respond quickly to Accenture-wide changes and to operate efficiently as a global organization. This strategy includes three guiding architecture principles to help make the right decisions: 1) Allow one “solution” per business capability (as defined by the business), 2) Couple solutions loosely to enable the flexibility to make changes without significant collateral impact, and 3) Look to leverage solutions Accenture already has, then consider buying something; build when a vendor product that meets the core requirements is not available.
Accenture’s internal IT organization moved the company to a single-instance global SAP platform in 2004 for its internal business functions—starting with Finance, followed by Human Resources; Sales; Denied Party Screenings; Governance, Risk and Compliance (GRC); and others. Other capabilities have been added over time along with business acquisitions as well as SAP system upgrades and updates. “From a Finance function perspective, a single SAP system gives us one set of processes across Accenture globally and great internal controls that enable us to keep a keen eye on the business,” says Collins.

Today, Accenture’s ERP system integrates most of its internal business functions and users, powering the core functions of the organization. It is supported by a single support model as well. “Having a single instance provides the platform that allows us to implement analytics and business intelligence capabilities very quickly by leveraging a single repository of critical business information,” says Dave Malcom, Managing Director, Global IT Internal Audit Lead. “This would be extremely difficult to accomplish in a multi-instance ERP environment.”

For Accenture, a single SAP system instance:

- Enables Accenture’s single economic model and standard global processes (including the ability to better leverage shared services) to provide the business with access to consistent, highly accurate information that drives decision making across the enterprise. The result is better decision making all around.

- Served as the catalyst for reduced IT costs that could be reinvested to support Accenture’s digital agenda. IT costs fell by 64 percent, IT spend per person was cut by 73 percent, global applications fell from 600 to 246, and local applications dropped from 1,500 to 249.

- Enables Accenture’s HR and Financial processes to work in an integrated way.

- Enables robust internal controls and reporting through deployment of a consistent risk management process integrated into the business processes and technology from client bidding through delivery resulting in minimal control issues.

- Provided a single platform and common processes that in turn enabled Accenture to leverage shared services for business transactions and reporting. An SAP solution support transformation transitioned a team of 250 specialists across four countries into the Accenture Global Delivery Network. The transformation reduced Accenture’s cost to serve for SAP solution support activities by more than 30 percent.

- Enables Accenture to inexpensively and effectively leverage SAP new business capabilities, such as treasury, product costing and analytics.

- Enables internal IT to keep pace with operating and economic model changes.

- Provides the ability to enable enterprise change and support future business growth.

From the start, Accenture’s approach to a single global SAP system instance has really been about governance and a mindset that it was possible to attain flexibility, quality, system performance and cost-effectiveness. “Many organizations believe that attaining a single instance involves making significant trade-offs,” notes Kirner. “But Accenture’s experience has shown that we can attain high flexibility, quality and performance at a low cost. Today we can position Accenture for the future better, faster and cheaper.”

Accenture’s journey to a single global instance has been transformative, but is also an ongoing one. Regular and proactive SAP software upgrades enable Accenture to improve operational cost-effectiveness to continually gain value from its ERP as well as be ready for future needs as Accenture becomes a more diverse business.