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Accenture helps NBN Co build supply chain solution for multi-billion dollar broadband network in record time

In only five months, NBN Co and Accenture designed and built the foundational supply chain and asset management solutions necessary to run Australia's A\$37.4 billion National Broadband Network. This included defining the processes and implementing the supporting systems. With construction contractors in the field installing network equipment every day, the company needed to ensure that the suppliers could meet demand, the contractors received the right equipment at the right time and had the systems to register the installation of the network equipment with the associated costs. Working together, Accenture and NBN Co designed and implemented materials forecast and inventory management systems and an asset tracking system to capitalise assets in accordance with their location and material type, both based on E-Business Suite solutions from Oracle. Today, NBN Co has the tools in place that

will help the company ramp up construction and accurately track the network assets and associated costs. The company is well on its way to successfully delivering Australia's first national wholesale-only, open access broadband network to all Australians.

Business situation

NBN Co is responsible for building Australia's largest infrastructure project, the A\$37.4 billion National Broadband Network. The company was formed in August 2009, and by mid 2010, construction teams were in the field building the first parts of the network on the mainland.

It is estimated that as construction peaks, NBN Co and its third party contractors will be installing equipment worth A\$11 million every day, ranging from splitters and connectors worth a few dollars, to core network equipment worth tens of thousands of dollars. Both a supply chain strategy and an asset management system needed to

be put in place quickly – one that would address NBN Co's needs during the construction phase and thereafter. Specifically, NBN Co required:

- A supply chain system that would forecast demand for construction material based on the construction schedule. Suppliers could then be informed of the demand for network components and ensure they were made available at the right time and place, so that network construction could proceed smoothly. The system also needed to manage inventory once received in locations throughout the country.
- An asset management system that would accurately record the network assets and associated cost, in order to capitalise assets based on location and material type.

NBN Co looked to Accenture for assistance. The Accenture team in Australia assembled a number of professionals from Accenture's Supply

Chain and Asset Management groups who brought experience, capabilities and insight into developing world-class solutions to the project. Accenture's team offered more than 20 years of experience delivering Oracle-based solutions to help NBN Co best meet their business goals.

How Accenture helped

Starting in July 2010, a joint NBN Co and Accenture team designed an asset management system based on two Oracle E-Business Suite solutions: Oracle Asset Tracking and Oracle Enterprise Asset Management. The system helps NBN Co log, track and account for network assets. Functionality includes integration with the Geographic Information System (GIS), consolidating the data in a particular location based on material type, and uploading the data into the fixed asset register using Oracle Projects (which was already in use by NBN Co to manage construction related financials).

Because equipment is logged as it is installed by the construction contractors, the NBN Co finance team is able to assign a precise value to the network as it expands, and then properly manage the capitalisation and depreciation of network equipment. The system reporting function aids in the reconciliation and identification of discrepancies between consolidated assets on its fixed assets register and the detailed assets on its GIS.

At the same time, Accenture helped build an Oracle-based supply chain management solution which comprised of three modules from the Oracle E-Business Suite Supply Chain Management (R12) family of applications: Inventory Optimization; Advanced Supply Chain Planning; and Advanced Planning Command Centre. These provide a platform for NBN Co to receive, move and issue equipment, and to forecast equipment requirements based on construction schedules, giving NBN Co control over the procurement and distribution process.

Finally, since NBN Co wanted to understand their options for network maintenance, Accenture conducted an analysis which looked at the costs, benefits and risks related to employing network maintenance teams, versus outsourcing the function to third-party contractors. In the end, NBN Co decided to retain responsibility for the spare-part purchasing function, but outsourced the maintenance of the network to third-party contractors.

High performance delivered

The asset management and supply chain systems were designed and successfully deployed in only six months. Today, NBN Co has the tools in place that will help the company ramp up construction and accurately track the network assets and their associated costs. Specifically, NBN Co has a systems platform designed to:

- support rapid network construction, and help ensure that each asset is available at the right location at the right time
- forecast material demand based on the construction schedule, ensuring availability of components
- manage the daily installation of assets worth millions across the vast country of Australia

With this high-performance supply chain solution, NBN Co is on track to successfully deliver Australia's National Broadband Network – the country's largest infrastructure project.

Contact

To find out more about Accenture's capabilities, contact:
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