SAP at Accenture

The Journey of Running Accenture on a Single Global Instance

High performance. Delivered.
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 instance of SAP 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 cheaper 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 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. Accenture's business strategy is to collaborate with its clients to help them become high-performance organizations leveraging Accenture's strategy, digital, technology and operations solutions on their behalf. 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 instance of SAP. 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 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, 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 resources, which works across three support tiers to track service level agreements, measure production support effectiveness and monitor benefits.

Standardize business processes

To achieve high performance and efficiency across Accenture's core functions, Accenture's 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. The resulting standardization has driven consistency across the diverse internal functions that use SAP that 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, a large number of 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 of practical business. 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, SAP Delivery Co-Lead. "But our organization is global and complex, and we have demonstrated that it is possible." Adds 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." 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.).

Be a fast follower of SAP capabilities

Another way Accenture is able to maintain its single instance is by deliberately choosing to be a fast follower of SAP versus leading edge. Given that quality is a high priority, Accenture prefers to manage risk by waiting until new solutions are tested and proven before implementing them.

Treat SAP as an asset

Accenture knew that implementing a multifunction ERP system could become an asset for Accenture to leverage for the future. As such, Accenture treats SAP as an asset, and looks at the power that a global single instance of SAP 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 Ferrari, 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 strategic roadmap—an opportunity to deliver value to the business and to establish new capabilities sooner than competition. Accenture applies all hot fixes in a separate release on an annual basis at no cost.
Achieve low cost

Accenture has been able to keep its SAP costs low. Low cost is achieved in a variety of ways. Efficiencies are achieved across functions by having one source of the truth. Business process and other standardization also help reduce cost. It now takes less time and effort to bring new businesses online. Selecting one instance of SAP applications reduces the number of applications, which in turn simplifies the environment, enabling lower costs. Even though Accenture has added significantly more capability and usage of the SAP system over time, IT costs have been reduced significantly by reducing the number and size of support team. Moreover, about 70 percent—an industry-leading average—of the support team is drawn from low-cost locations and is supported by a large network of support staff across the business. Standardized structures, toolsets, business processes and functionality using SAP and Accenture's use of a relatively low number and virtualized high-powered servers contribute to reducing the support required.

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 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 instance.

Having a single instance does not necessarily mean the impossibility of having applications to support diverse business needs. Where one instance of SAP does not meet an organization's needs, the organization needs to add on to it. Accenture has one instance of SAP, but supports legal and regulatory items through items that bolt on to its one instance, such as one instance of Time & Expense (T&E) 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 in order 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 in order 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 upgrades and updates. "From a Finance function perspective, a single instance of SAP 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 Todd Harding, Accenture Finance and Operations Executive.

Today, Accenture's ERP system integrates the majority 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 of SAP 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 Bob Kress, Managing Director, Global IT Audit. "This would be extremely difficult to accomplish in a multi-ERP environment."

For Accenture, a single instance of SAP:

- Served as the catalyst for reduced IT costs. Accenture was able to reduce IT costs as a percentage of net revenue substantially from 2001 through 2012: IT costs as a percentage of net revenue 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 operations specialists across four countries into the Accenture Global Delivery Network across five countries to become part of an organization of more than 7,400 skilled SAP resources. 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 global single SAP 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 are able to position Accenture for the future better, faster, and cheaper."

Accenture's journey to a global single instance has been transformative, but is also a never-ending one. Through regular upgrades, SAP continues to enable Accenture to improve operational cost-effectiveness to support Accenture's evolving business continually gain value from its solution. Keeping SAP current keeps it flexible to grow with Accenture over time and provides a strong foundation for high performance for the long term.
About Accenture

Accenture is a global management consulting, technology services and outsourcing company, with approximately 289,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world’s most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. The company generated net revenues of US$28.6 billion for the fiscal year ended Aug. 31, 2013. Its home page is www.accenture.com.