Infosys Builds SAP Digital Platform for Vodafone New Zealand in Record Nine Months

Table of Contents

1. Executive Summary

In May 2021, Vodafone New Zealand (VFNZ) awarded Infosys an SAP project that involved an S/4HANA carve-out project from Vodafone Global and the implementation of several SAP SaaS products (e.g., SuccessFactors, Ariba, Fieldglass, and Concur).

The project was urgent – the SAP S/4HANA carve-out needed to be completed before July 2022 to avoid penalty fees – and also challenging, with several constraints at play. Few enterprises had performed S/4HANA carve-outs, and SAP had not released certified tools to its systems integration partners to accelerate the carve-out process. Secondly, Infosys and the client opted to advance the go-live date to February 2022, given that Vodafone Group gave only two weekends for the cutover, with February being the only date that allowed for contingency. Thirdly, the timeline was put under further pressure when Vodafone Group elected to upgrade S/4HANA while the project was happening, meaning VFNZ also needed to undertake the same upgrade. Finally, the COVID 19 pandemic meant that the project was conducted from July onwards with project participants working remotely – staff from eight countries and ten time zones.

Infosys and VFNZ relied on several initiatives to overcome the challenges.

Governance and leadership performed a critical role, with Vodafone NZ benefiting from the executive sponsorship of its CFO. The CFO sponsorship helped drive momentum internally on the program's priorities, agreeing to put other needed functionalities into the backlog. VFNZ's CIO emphasized quick decision-making, which was a hallmark of the project and helped keep the program on track. Finally, the delivery structure of distributed onshore, nearshore, and offshore teams helped expand workdays across several time zones.

Infosys was both the primary delivery partner and the technology partner for the project and made optimal technology choices, for example, around data migration, to accelerate the implementation. It also used its IP, including its IDEA methodology (project management) and several technological tools (e.g., Infosys iDSS) along with its Cobalt repository of pre-configured templates.

Infosys and VFNZ delivered on the SAP S/4HANA carve-out on time, in February 2022, after just nine months of intense effort by all parties. The scope of the project also included procurement (Ariba), HCM (SuccessFactors), expenses, travel and invoicing (Concur), and contingent workforce management (Fieldglass).

VFNZ also engaged with several other third parties, a business partner, SAP for the carve-out, and Fieldglass' professional service unit.

Vodafone New Zealand is a happy client. The relationship continues: VFNZ has awarded Infosys an application maintenance and support contract for the next five years. The relationship has expanded beyond managed services, and Infosys will work with VFNZ to set up an agile development (DevOps) capability to enhance the ERP.

2.   A Short Deadline for a Carve-Out

Vodafone NZ (VFNZ), the largest wireless carrier in New Zealand, has 2.4 million customers and 3 million connections with consumers and businesses.

On July 31, 2019, VFNZ was sold by its former parent to two PE funds, Infratil and Brookfield Asset Management. It became an independent entity with no relation to its former owner beyond the Vodafone brand and various re-seller agreements. As part of the separation, VFNZ had to switch from Vodafone Group's ERP and other backend systems and do so by July 2022 to avoid penalties.

Initially, the project was predicated on simply mirroring the capability provided by Vodafone Group. The decision was taken to revisit the operating model and tailor the systems to the needs of VFNZ. A significant roadblock that threatened this strategy and created delays was the COVID pandemic and the decision by the New Zealand government to pursue a Zero-COVID strategy.

In January 2021, VFNZ embarked on a program that included reviewing its operating model for finance, HR, procurement, and supply chain, undertaking a selection process for its future ERP system, and a selection process for a Technology partner. Based on the product evaluations, the client decided to implement the SAP RISE suite to support the broader cloud strategy being pursued by Vodafone NZ. After careful consideration, VFNZ took a carve-out-centric approach for finance and SCM with greenfield applications for procurement, HCM, expense and contract lifecycle management, balance sheet, and supplier reconciliation.

In mid-May and concurrent with the product decisions, Vodafone NZ selected Infosys out of four IT services providers. The company took a systematic approach to evaluate how Infosys would lead the project through co-creation workshops. This process took three weeks. VFNZ highlights that while the value for money was a significant vendor selection criterion, it also had to be fully confident that the selected IT service provider would deliver a successful on-time project.

VFNZ relied on several partners: an independent contractor, a Business Integrator, SAP to lead the carve-out and implement Fieldglass, Infosys as Technology partner, dedicated VFNZ Business SMEs, and several contractors set out in early June to transform the VFNZ backend services with new technology and simplified and re-designed processes.

The key parties agreed to target February for the go-live, given Vodafone Group could provide only two weekends pre-July 2022 for the cutover. The only other date of late May left no time for contingency.

The target date came under real pressure when Vodafone Group announced, in July, that it was upgrading SAP S/4HANA from 1909 to 2020 in November 2021. The upgrade meant the VFNZ project team also needed to accommodate the upgrade, which added time and cost, effectively removing every element of contingency in the project plan.

Overall, the scope of the project included:

- Finance, supply chain, and inventory management supported by S/4HANA Private Cloud

- Document management relying on OpenText

- HCM based on SAP SuccessFactors

- Reporting, using SAP Analytics Cloud

- Contingent workforce management supported by SAP Fieldglass

- Expense management, travel, and invoicing process (SAP Concur)

- Sourcing, procurement, and supplier management (SAP Ariba)

- Contract life cycle management (procurement and sales), using iCertis

- Balance sheet and supplier reconciliations (OneStream)

- Guided training (SAP EnableNow)

- Integration and B2B (SAP CPI)

- The re-design, simplification, and documentation of all backend processes

- Insourcing of all finance, HR, and procurement transaction services previously carried out by Vodafone Global

- Documenting business standard operating procedures

- Designing and implementing a best practice control environment.

3. Achieving the Program in Nine Months

The client and Infosys focused on governance, organization, and execution to achieve their February 2022 target.

Vodafone NZ set up a steering committee with three executive sponsors, including the company's CFO as Chair. The level of executive sponsorship highlighted the critical importance of the program across the business. It also contributed to cementing the relationship with Infosys and other stakeholders. Infosys worked with the different business areas to prioritize functionalities required for the initial go-live and build a backlog for post-go-live. Finally, the steering committee focused on timely decision-making to keep the project on track.

Setting up an optimum proper delivery organization was the next priority. Infosys and the client leveraged a follow the sun approach of onshore, nearshore, and offshore personnel, expanding the working day. Due to COVID-related restrictions, all delivery was remote, including onshore. With this organization in place, VFNZ could conduct onshore functional workshops in the morning, technical workshops in the afternoon, and have India running configuration and development during the evening. Infosys scaled up its delivery organization to meet the shortening timelines. Working hours were extensive.

In addition to the global delivery organization, other decisions helped speed up the project:

- To overcome the S/4HANA 1909 to 2020 upgrade project scheduled by Vodafone Global, Infosys agreed to continue development work in 1909 and port it to 2020, when the upgrade went live

- Infosys ran several activities concurrently, such as configuration, development, and progression testing

- It used a set of pre-configured templates (e.g., for SuccessFactors) from its Cobalt repository

- It opted for data extraction from Vodafone Global's systems through an initial assessment of relevant data (e.g., data, tables, reports, objects, configurations, and customization source code). Infosys relied on its Infosys iDSS tool and SAP SDT for data migration.

The project successfully went live on February 25, 2022, just over a month before the end of Vodafone's financial year. Meanwhile, other streams of work continue with go-live planned for Q2 2022.

4. Gaining Control Over Systems

A. Primary Objective Achieved and More

The program's primary objectives were to meet the July 2022 deadline, avoid penalties, deliver systems tailored to VFNZ and deliver financial benefits. In all of these dimensions, the project was a complete success.

The program also brought several soft benefits:

● The deployment of Fiori brought a better UI, which will deliver an improved user experience over time.

● With the deployment of a local chart of accounts, and control over their own systems, VFNZ will progressively improve both reporting generally and analytics which will lead to improved business insights

● The carve-out also brought a direct operational change. Vodafone Global had set up a 'data entry and processing factory' in India, with VFNZ losing visibility and control over its core financial business processes. Within the project's scope, VFNZ insourced these services by hiring local personnel and rebuilding its business process knowledge.

Overall, Vodafone NZ highlights it has regained control over its IT and business operations.

B. Lessons Learned

The project was strenuous, with internal and partner teams working long hours over nine months. Such work intensity has its consequences on personnel. Several areas, such as design documentation, had to be completed post-go-live.

Looking back, VFNZ wished it had been more prepared with additional SAP-educated staff to deal with the underlying project complexity introduced with the SAP cloud platforms. For instance, identity management was highly complex, and the SAP applications lacked native integration, e.g., between Fieldglass and Ariba, which Vodafone NZ had not anticipated.

C. Infosys as a Strategic Partner

VFNZ highlights that it selected Infosys for its deep technical expertise. This decision was vindicated, particularly when the program was forced to do an unanticipated upgrade and sustain such a level of intense pressure for so many months.

In spite of this pressure, the realities of COVID, and the compulsory Christmas shut-down, all the primary objectives were met. Infosys' teams displayed a positive attitude and flexibility in adapting the schedule when required. Infosys worked closely with the client to accompany rising workloads. Vodafone NZ recognizes the project was a true challenge and believes it could not have met the target deadline without Infosys.

5. Next Is Agile Transformation

VFNZ has demonstrated its trust in Infosys by awarding a five-year contract for SAP maintenance and support.

The telecom services provider's transformation ambitions with its back-office applications are only just beginning. Vodafone NZ is now considering adopting agile methodologies for development and enhancement activities: Infosys will be its primary partner for this transition to agile.

Infosys will continue to play a critical role in Vodafone NZ's IT transformation.

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