On track: the ERP transformation supporting a multi-billion-euro transport infrastructure project

Big transport infrastructure projects have a track record for delays and cost-overruns.

Their complexity and duration – sometimes more than a decade – plus numerous stakeholders and long, convoluted supply chains, make them particularly challenging.

ERP software is vital to the success of many transport projects. It was of particular interest, therefore, to interview a CIO at a large company that is responsible for delivering a multi-billion-dollar transport project.

The three-year Oracle ERP software project, began in 2019. It is part of a bigger technology transformation aimed at creating a new and streamlined IT infrastructure for the company s transport project.

The ERP project aims to increase the company s efficiency, and to build software that is easier to adapt to changing business requirements. The business case for the ERP also included estimated business requirements for the software, estimates for savings from the new software, the cost of the project and the people needed to run it.

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Building the business case

"It was more difficult to sell the invest-to-save case," the CIO told us. "We would have to spend some money upfront on refactoring the [IT] architecture. Internally, the HR and procurement functions are heavily involved in ERP.

"Downstream, it was our suppliers who reap the benefits from a more automated system – no labor-intensive invoices, or transactions."

CIO of transportation company

One of the project's many challenges is that the requirements for the ERP have changed many times, mainly due to the size and complexity of the transport project the company is delivering, the CIO said. "During that implementation stage, the scope has increased significantly and there are multiple partners being brought in, so the project has changed in both size and complexity."

The old ERP systems could not handle the complexity of the business processes required in the ERP transformation.

"If you look at it in terms of CMMI [Capability Maturity Model Integration, a method for improving business processes] we are operating at level three, moving on to level four," the CIO said. "It is one of the very few programs of this size that has this level of maturity."

Transformation timetable

The ERP transformation – a combination of software run in the cloud and on premise – has three stages. The first is to transform and replace technology. The second is to automate workflow. The third is to optimize and consolidate data sets into a single source.

Unsurprisingly, the project was delayed by the pandemic. However, the CIO has kept the company s business leaders on board by giving them regular updates on the project − in particular its financial benefits, and non-financial benefits such as better-quality data, which reduces human errors.

"Something that was really important to our stakeholders was the ability to detect security and fraud issues. In such a large national infrastructure program of billions of [dollars], fraud and security issues are high up in the agenda. An integrated transformed ERP platform delivers more robust, secure environments."

One sign that an ERP project is going well is when different parts of the business stop asking for alternative software to the ERP, reducing the "shadow IT" used in the company, the CIO said.

The biggest risk around any part of the ERP transformation, he added, is the "ability to obtain knowledge" – in this case, finding and hiring people with sufficient knowledge of the platform and the "technology stack", and getting enough project funds for recruitment.

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Boardroom sponsor

A business sponsor and "senior responsible officer" from the company's C-suite manages the ERP project and leads a project team, including executives from the company's HR, finance and procurement departments. The project team liaises with external stakeholders involved, including construction industry and technology suppliers.

The company picked Oracle as its new ERP supplier for the breadth of software functionality, ease of use, and the wider availability of IT professionals with Oracle skills compared to the previous ERP supplier.

There just seems to be a lot more Oracle skills out there and Oracle providers out there to deal at our level," the CIO told us. "We wanted it to be a slightly different take on transformation. The transformation was not just about the technology, it was more about the people and the processes and the ways of working.

What is the CIO s advice for his peers who are grappling with their own ERP transformation projects?

Speed read:

- Learn lessons from failed past ERP projects: most fail because they over promise and under deliver

- The infrastructure company picked Oracle for the breadth of its ERP software functions, ease of use and because more IT professionals in the market have Oracle ERP skills

- One indication that an ERP project is going well is when different parts of the business stop asking for alternative software to the ERP, reducing the "shadow IT" used in the company

"I would probably want to look at the lessons learned from failed ERP transformations. Why do they fail? From my experience, they fail because they over promise and under deliver. The second reason they fail is because the business loses faith in them, or the business sponsor changes at the top."

Oracle is committed to supporting IT leaders on their ERP transformation journey. Visit our **ERP transformation self-assessment tool** to receive tailored advice on how to make your ERP cloud modernisation a smoother journey with Oracle.