

SAP Cost Reduction Initiative for Global Logistics Provider

Highlights

- Our client needed to reduce costs for procurement and back office functions without spending too much time and money to achieve the results.
- Created a catalogue of system interfaces that allowed for a plug-and-play approach to the implementation of the standard template.
- Our client now has the needed cost reductions, and got it within its time and budget constraints.

Customer Profile

Our client is a global logistics provider. This industry faces multiple challenges, including ongoing changes in technologies and changing customer needs.

Business Issues

- Our client needed to reduce costs for its procurement and back office financial functions by enabling shared service centers. Existing roll-out costs were too high to justify the business case. Targeted areas included Finance, Controlling, A/P, A/R, and Material Management.
- The commonality of business processes, the integration of the solution into existing country IT landscapes, and the speed of delivery were key elements of the project.

UST Approach

- UST Global created a catalogue of system interfaces (21 for 14 countries) that allowed for a plug-and-play approach to the implementation of the standard template. Complementing the interfaces with a data translation layer to reduce local, in-country effort minimized application support time for post go-live.
- Implementation time and cost was reduced by over 50% by tailoring the methodology to reduce project preparation and blueprinting to four weeks per two-country block. This allowed for a distributed delivery model, rapid identification of the necessary legal requirements per country, and expedited testing of the new country solution with minimal business disruption.
- Reduced the need for local country IT involvement in the initial data conversations by performing system reviews and system landscape maps as part of a qualification exercise. Data conversion and subsequent system retirement was performed in accordance with local statutory requirements as identified by a central audit office. This approach mitigated the main risk of solution integration and time of delivery - post implementation support required was two weeks during the first month-end close.

Benefits/Results

- Our client now has the needed cost reductions for its procurement and back office financial functions.
- The need was met within our client's budget and time constraints.