

WHEN NO NEWS IS GOOD NEWS

No fuss SAP upgrade at the Australian Taxation Office brings a sustainable and supported product whilst providing future flexibility.

A person with dark hair, wearing a white shirt, is seen from behind, holding a black smartphone up to take a picture of a bright blue sky with scattered white clouds. The person is positioned in the lower right quadrant of the frame.

CSC



THE AUSTRALIAN TAXATION OFFICE (THE TAX OFFICE) HAS A CONTINUING INVESTMENT IN ITS TECHNOLOGY AND SYSTEMS IN ORDER TO IMPROVE ITS EFFICIENCY AND ITS RESPONSIVENESS TO TAXPAYERS. UPGRADING ITS CORE INTERNAL ADMINISTRATIVE SYSTEMS IS PART OF THIS PICTURE AND IN ADDITION, PROVIDES GREATER FLEXIBILITY FOR FUTURE IMPROVEMENTS.

The background to the upgrade is the Tax Office's role as the Government's principal revenue collection agency with the task of managing and shaping the tax, excise and superannuation systems that fund services for Australians.

The Tax Office endeavours to help taxpayers and their agents understand their rights and obligations and to make it easy for people to comply with the tax law. By following an empathetic, user-based approach, the Tax Office aims to ensure that administrative solutions are designed and built around what works for taxpayers whilst building community trust in its administration and reducing compliance costs.

With this in mind, it is clear that the Tax Office's 22,000 employees are critical to its success and require internal systems which work smoothly and reliably, especially the core Human Resource and Financial systems.

In January 2009, the Tax Office commissioned CSC to partner with the Tax Office to upgrade the SAP HR and Finance systems to the latest version of SAP ECC6.

TO UPGRADE NOW OR LATER - WEIGHING UP THE BENEFITS AND RISKS

The upgrade was triggered by a number of factors:

- The Tax Office's current version, SAP 4.6c, was due to run out of license in

December 2009. The Office would thereafter no longer be covered by the standard SAP support services. Continuing with the old version meant seeking costly special support arrangements and the likelihood of future performance issues.

- Although the upgrade would be "like for like" in the first instance, the Tax Office wanted to be able to take advantage of enhanced capabilities provided by the new platform in the future, such as the SAP Portal.
- The Tax Office also has a series of legacy systems which are becoming increasingly costly to maintain and restrict integration.

In making the decision to proceed with the upgrade, the Tax Office had concerns about the cost and possible risks associated with such a complex undertaking. They identified the need to find someone with the right knowledge to help them to assess the risk and address how the upgrade could be achieved with minimum disruption to the business.

RIGHT EXPERIENCE AND RIGHT TOOLS

The primary focus of the project was to upgrade from SAP ERP 4.6c to ECC6 for Financial and HR processes. As the first step, CSC worked in close collaboration with the ATO to undertake a multi-faceted assessment (qualitative / quantitative review of processes, people and tools) of the

current SAP environment. This resulted in a baseline performance analysis and a low-risk upgrade roadmap, using accelerator assessments and methodologies.

The joint team was able to draw on CSC's invaluable knowledge of the software, the ECC6 version particularly and government specific requirements, as well as its extensive experience managing SAP upgrades and implementations. Several CSC team members had just come off a similar project for the Department of Defence and many had 2 or 3 other SAP upgrade projects under their belt. Fresh and current, this experience meant they were able to take a pragmatic and accelerated approach with full clarity of the path ahead and how to mitigate any risks. In addition, CSC was able to draw on a number of design elements and tools developed for previous upgrade projects.

The team mapped the Accelerated SAP (ASAP) methodology to the Tax Office's own guidelines for systems deployment to ensure it covered all aspects of their testing phases. They developed a comprehensive risk register, checking and rechecking to be certain nothing was omitted - a discipline that paid off as up to 80% of the identified risks were in fact realised - and mitigated as planned.

As a result of the analysis provided, the Tax Office decided to upgrade the Business Warehouse and Employee Self Service products at the same time and to introduce Manager Self Service.

The combined CSC and ATO team undertook project management, functional analysis, ABAP remediation and development, technical systems administration, hardware relocation and upgrade management, SAP security analysis and design, portal design, configuration and implementation and testing management.

A service-oriented architecture (SOA), SAP NetWeaver 7.0, assures the Tax Office of not only a solid platform today but that future upgrades will be simplified through a roadmap of enhancement packs. This architecture will support cross-functional business processes, reducing the need for custom integration and providing for complete life-cycle management for the SAP application.

In April 2009, the program initiated the BW 3.5 to BI 7.0 upgrade sub-project. With the need for rapid planning and fast decisions on change requests, the joint team demonstrated its problem-solving agility by producing a proposal for the replacement of the legacy Crystal Reports functionality within a very tight timeframe. This made it possible for the Tax Office to move forward with approvals and activate a modified and realistic project schedule.

A BLENDED TEAM

A close cultural fit, co-location and a common set of personal values were key success factors in building a strong project

team for the upgrade. A healthy team environment was established from the beginning, with both the Tax Office and CSC recognising the importance of people to the success of a project and both being proactive to encourage activities to help break down barriers and establish trust.

All three groups, the Tax Office's Enterprise Solutions and Technology (EST) group, the business groups and CSC worked together on site as a blended team. Each was represented at all levels from technical team leaders on the ground to project managers to key stakeholders.

Other partners working alongside the team included EDS for infrastructure, SAP Australia providing specialist product knowledge and performing the Safeguarding Quality Assurance role and Catalyst Interactive who developed specialist training materials.

Each group brought its recognised skills and took a leadership role in their particular area of strength. CSC applied its considerable depth of experience and highly qualified staff skilled in SAP upgrade projects. The team deferred to the domain knowledge of the Tax Office business people, and the Tax Office EST team leveraged their experience in introducing change to the organisation. In addition, the team developed a clearly articulated and demonstrable skills transfer plan to share knowledge and experience.

The team avoided petty issues and politics to focus on delivery. Where problems did emerge, they were recognised by the management team and addressed. Team leads were given ownership to run with their particular area plans. CSC was included in important meetings because it was recognised that openness in raising issues was a necessity.

The working relationship that was established early in the project paid dividends when the team met a barrier in the blueprint phase that contributed to a delay in the go-live date. It also came into play when the Tax Office team members were diverted to 'business as usual' activities and CSC provided a number of experienced resources to bridge the gap. The trust and flexibility were there to enable an effective work-around plan to be put in place that minimised impact to the business.

"BOTH ATO AND CSC GROUPS ARE WORKING CLOSELY AS PARTNERS. IN PARTICULAR, WE ARE BEHAVING HONESTLY WITH INTEGRITY - CALLING IT AS WE SEE IT, TALKING ABOUT HOW IT REALLY IS AND AGREEING HOW IT CAN BE DEALT WITH. THIS APPROACH IS BUILDING TRUST THAT WILL GET US THROUGH THE HARD TIMES."
GREG WOLFE, PROGRAM MANAGER, SAP TECHNICAL UPGRADE PROJECT, AUSTRALIAN TAXATION OFFICE.

CSC'S UNMATCHED SAP UPGRADE EXPERIENCE

We provide the full spectrum of end-to-end lifecycle SAP Solutions and Services in one SAP Practice. Our experience stands for itself:

- Successful 30-year global services partnership with SAP
- Completed over 100 SAP upgrades in 2008
- 4,400 global SAP resources who average more than 12 years SAP experience
- Successfully delivered the largest complex SAP upgrade in Australia with the Department of Defence
- Upgrades complete in as little as 12 weeks
- Dedicated upgrade methodology embedded with accelerators that is leveraged globally
- Quick Start Project Management Toolkit for Upgrades
- Winners of Best SAP Upgrade at the SAP ANZ Awards of Excellence in 2008 and 2009

"CSC made it into the Leaders category as a result of their fine SAP implementation capabilities..."
 Forrester Wave™: Australia/New Zealand SAP Implementation Providers, Q2 2008



SOUND PROJECT MANAGEMENT DELIVERS RESULTS

The Tax Office's SAP Upgrade went live at 8am on 17th November, 2009 and the system was stable as of close of business on the first day. In fact, there were only 19 calls referred to the SAP Help Desk in the first two days from 22,000 users.

"I HAVE BEEN A CONSULTANT FOR MANY YEARS AND HAVE DONE 20+ GO LIVES AND UPGRADES IN 8 DIFFERENT COUNTRIES. THE SAP 4.6C TO ECC6 GO-LIVE AT THE TAX OFFICE HAS BEEN THE MOST SMOOTH AND WELL ORGANISED UPGRADE I HAVE EVER WORKED ON. THIS IS A CREDIT TO THE TAX OFFICE TEAM AND YOUR SYSTEMS INTEGRATION PARTNER, CSC."

HANS DE ZEEUW, TECHNICAL QUALITY MANAGER, SCM CONSULTANT SAP AUSTRALIA

The BI upgrade had been completed and went live in June with minimal Help desk calls or issues.

From a business perspective, the new SAP platform meant:

- Reduced support costs
- Improved management processes
- Reliable, robust continuity of business
- Enhanced views of business data

From a manager's and employee's point of view, the self serve portal:

- Encouraged them to make more use of information available such as trends in the workforce like leave and absences to manage the business better
- Made it easier to process transactions in relation to their employment.

By retiring the old legacy systems such as the Crystal Reports, and consolidating around the central SAP platform, the business now has:

- Easier to use common systems with the same look and feel
- More cost effective support and less training required.

"AFTER A VERY SUCCESSFUL JOURNEY WE HAVE WHAT APPEARS BY ALL ACCOUNTS TO BE A VERY UNEVENTFUL PRODUCTION RELEASE - BUT THAT'S THE WAY WE LIKE THEM! THE TEAM WORKED VERY HARD FOR MANY MONTHS LEADING UP TO THIS FINAL AND MOST HIGH PROFILE RELEASE. ALL THIS HARD WORK AND SOUND MANAGEMENT HAS PAID OFF! "

MIKE BORUCINSKI, ASSISTANT COMMISSIONER FOR SAP UPGRADE PROJECT, AUSTRALIAN TAXATION OFFICE

GREATER FUNCTIONALITY NOW AVAILABLE

With the upgrade complete, the Tax Office now has the option to take advantage of over 400 functional improvements the team identified and recorded during the project as being available under the new platform. Implementation will proceed in line with business priorities.

Plans are also underway to implement the SAP Learning Management System (LMS) in 2010. A single system will enable staff to more readily see what is available to them and the Tax Office to manage learning in a more efficient way.

THE TEAM'S IMPRESSIVE PROJECT TECHNICAL PROFILE

- 5 SAP migrations from Windows 2000/32bit/SQL Server 2000/SAP R/3 4.6c to Windows 2003/64bit/SQL Server 2005/SAP R/3 4.6c
- 5 SAP migrations from Windows 2000/32bit/SQL Server 2000/SAP BW 3.50 to Windows 2003/64bit/SQL Server 2005/SAP BW 3.50
- 6 upgrades from SAP R/3 4.6c to SAP ECC 6.0 in 10 months
- 5 upgrades from SAP BW 3.50 to SAP BI 7.0 in 4 months
- Implemented SAP Enterprise Portal 7.0 to replace SAP ITS/SAP Workplace for delivery of ESS/MSS and BI Reporting to 22,450 Australian Tax Office employees
- Rolled out the SAP GUI for Windows 7.10 to replace SAP GUI for Windows 6.20 in under 3 months to 5000 desktops with minimal user impact
- Implemented SAP Solution Manager 7.0 - Service Desk, Maintenance Optimiser, Wily Introscope and Diagnostics for End-to-End Root Cause Analysis and System Landscape components
- Provided assistance for the build of the disaster recovery site following the migrations and upgrades
- Completed a number of SAP R/3 4.6C and SAP BW system copies to support the business-as-usual process whilst all the upgrade activity was taking place.

To find out more about how CSC can help your organisation, visit csc.com.au or email talk_to_us@csc.com.au.

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