

DUPONT INTEGRATES LEGACY SYSTEMS TO CUT COSTS AND IMPROVE COLLABORATION AND PRODUCTIVITY



Headquartered in Geneva, Switzerland, DuPont is one of the world's most innovative companies. Operating in 70 countries, with a workforce of more than 60,000 people and revenues in 2006 of more than \$27bn, it offers a wide range of products and services in markets as diverse as agriculture, electronics, transportation and apparel. The DuPont product portfolio includes many internationally recognised brands such as Teflon®, Tyvek® and Kevlar®.

PROJECT BACKGROUND

In 1997, DuPont agreed a \$4bn, 10-year IT outsourcing contract with CSC. This remains one of the largest such deals in history and includes many challenging technological projects, including integrating DuPont's many global businesses into a single global SAP implementation.

DuPont's global strategy was to move to a unified SAP environment (DSAP). It had used CSC's extensive enterprise resource planning (ERP) expertise, and specifically its SAP skills, throughout the transition to this new environment. However, as DSAP migration projects had been driven by business unit priorities rather than an overarching plan, some hadn't migrated at all, and some were left with a mix of new and legacy applications.

Each strategic business unit (SBU) of which there were 11, covering 47 legal entities in 18 different countries across Europe had its own IT operations and strategy, and many were relying on applications that were approaching obsolescence. Supporting these disparate systems and multiple interfaces into key business processes was a costly and complex management headache for DuPont.

In 2003, the DuPont management team initiated the Legacy Application Migration Programme (LAMP) to move more core applications onto DSAP. Migrating this mass of applications to the SAP environment would be a monumental task, but as Rose Burkhardt, DuPont IT program manager explains, "There was no question that the migration had to be done."

PROJECT OBJECTIVES

The goal of the LAMP project was to move the 47 European legal entities making up the European organisation to an integrated SAP environment covering:

- Legal reporting (VAT, Intrastat and ESL)
- Corporate and business reporting
- Inter-company processes
- Transfer price management

After a six-month assessment, and realising the size of the task at hand, DuPont issued a tender in November 2003 for a vendor to deliver the entire migration project, setting several very specific and challenging requirements:

- A fixed price, requiring extremely skilful planning and resourcing
- A fixed 12-month timeframe, demanding equally impressive programme, project and change management skills
- Stringent quality control standard

As a major strategic project requiring extensive organisational change management, DuPont also placed an extremely strong emphasis on the skills and location of the proposal team.

INGENIOUS

DuPont wanted to migrate away from ineffective and costly legacy applications and consolidate its strategic business units around the world into a global SAP environment (DSAP).

PURPOSEFUL

CSC provided guidance and expertise to create a single transactional backbone across DuPont's European business units helping them to migrate more core applications to their global SAP environment. This was delivered to an extremely competitive budget and within a tight timeframe.

PASSIONATE

Eliminating legacy applications and further integration with the global SAP environment has enabled DuPont to cut support costs, improve its collaboration and strengthen its position as an innovative and customer-focused company.

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SOLUTION BENEFITS

- Elimination of costly-to-maintain legacy applications
- A more flexible and transparent system that has enhanced productivity and collaboration
- A scalable infrastructure that is easier and cheaper to maintain
- Extra levels of protection and reporting, improving compliance with regulations
- CSC's World Sourcing framework enabled a 24/7 approach that overcame major challenges to deliver on time and on budget
- CSC's expertise in change management helped staff to prepare for change, maximizing ROI

CSC's SOLUTION

Its existing strong relationship with DuPont, its 20 years' experience of SAP outsourcing and nearly 3,000 specialist SAP personnel, as well as significant expertise in legacy applications and organisational change management combined with its competitive price lead to CSC being awarded the contract.

CSC was able to offer such a competitive bid and convince DuPont of its ability to deliver in part due to its innovative World Sourcing model. By using standard global processes, procedures, tools and methodologies, this model enables CSC to seamlessly bring together the best resources from around the world to meet clients' needs. In the case of LAMP, this strategy enabled CSC to take a 24/7 approach to problem-solving that enabled the project team to meet the challenging deadlines needed to keep the project on track.

To deliver LAMP, CSC built a global team combining local (European), near-shore and off shore resources, including DuPont team members and stakeholders. The centre of the operation was a project room at DuPont headquarters in Geneva; configuration and technical analysis were conducted near-shore in Spain; and development and unit testing were conducted off shore in India—a first for DuPont.

It was critical for DuPont staff to understand the new environment and its benefits, and be ready to start using the new SAP system immediately. As well as providing technical expertise, CSC helped to drive this change in organisational behaviour by working closely with project team members from DuPont to ensure excellent communication and training of end-users throughout the programme.

Despite the scale and complexity of the project—and the introduction of Sarbanes-Oxley during implementation—with CSC's help LAMP was implemented quickly, efficiently, on time, and on budget.

BENEFITS DELIVERED

Moving from a myriad of siloed legacy applications to an integrated SAP system has transformed DuPont's complex European ERP environment that has delivered:

- A simpler infrastructure that is easier to manage
- Increased flexibility and transparency
- Improved productivity
- A more collaborative way of working, enabling DuPont to remain an innovative and customer-focused organisation

CSC delivered the project on time and to budget, maximising DuPont's return on investment.

By leveraging CSC's expertise in change management, DuPont was also able to:

- Prepare staff for the change, minimising downtime and disruption
- Define roles and proactively answer questions, building support and preventing resistance to change from developing

The success of the project further strengthened the relationship between CSC and DuPont.

In December 2005, DuPont extended its recordbreaking outsourcing contract with CSC by a further seven-plus years at an estimated value of \$2bn.

"The biggest benefit is that business units already in the strategic environment can leave the legacy environment completely, which saves time and costs."

Rose Burkhardt, IT Program Manager Dupont

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