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## National Executive Development Webinar Series

# Taking ERP to the Cloud: Fast Path to Innovation

Presented in partnership with:



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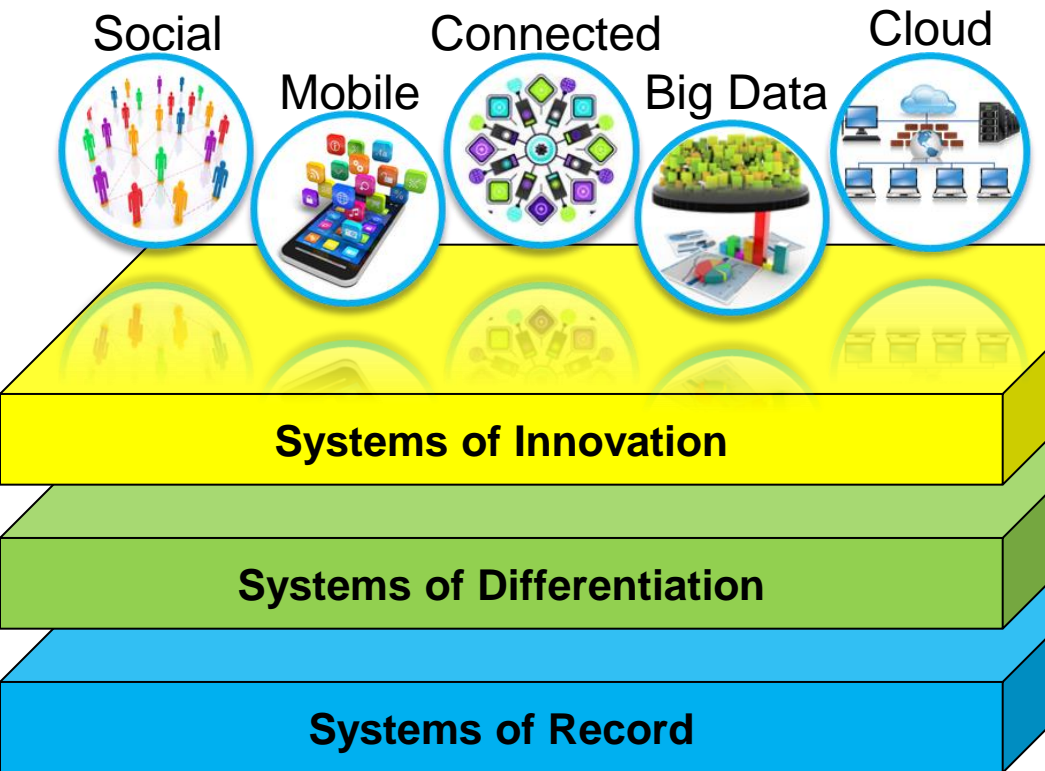


## National Executive Development Webinar Series

- **Michael Conway** – President & CEO, FEI Canada
- **Charles Kichler** – IBM SAP Practice CTO / IBM Distinguished Engineer
- **Bill Ross** – Vice President, Finance, Enbridge Pipelines Inc.



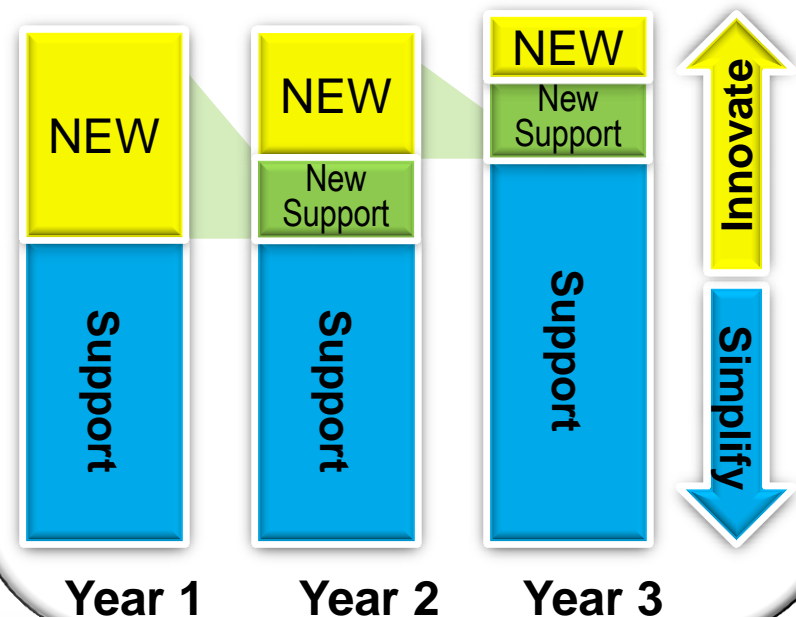
# In order to make room for the innovation, simplification is required.



Adapted From: PACE Layering, Gartner, 2010

## Without simplification:

- Budgets disappear
- Innovation/transformation becomes more expensive and time consuming



# Cloud allows us options to “Renovate to Innovate”



## Platform-as-a-Service

- **On-premise ERP on Cloud**
  - Cloud in your data center
  - Hosted IaaS / PaaS



## Software-as-a-Service

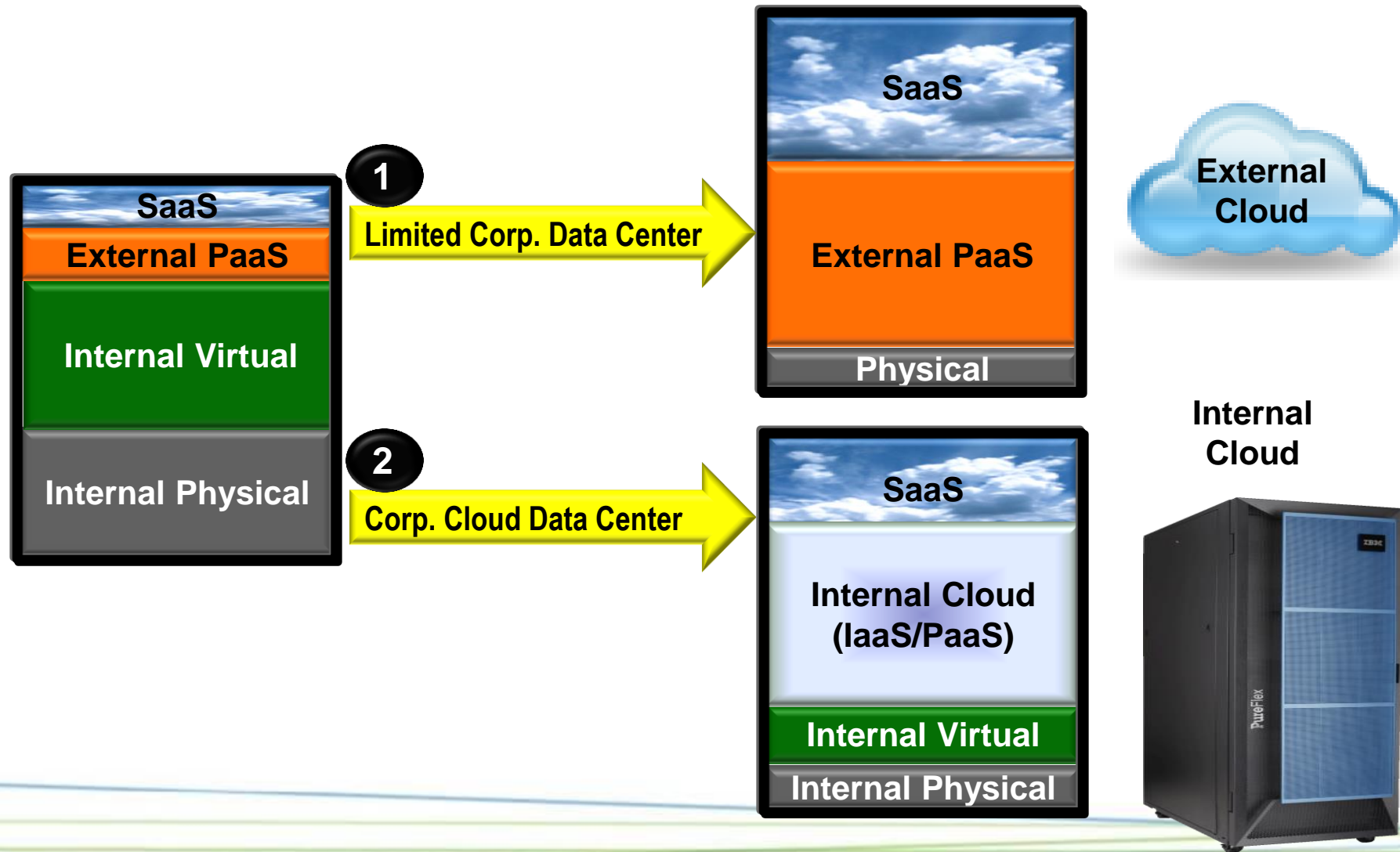
- **SaaS based replacements for typical ERP applications**
  - HR
  - Procurement
  - 2-tier ERP



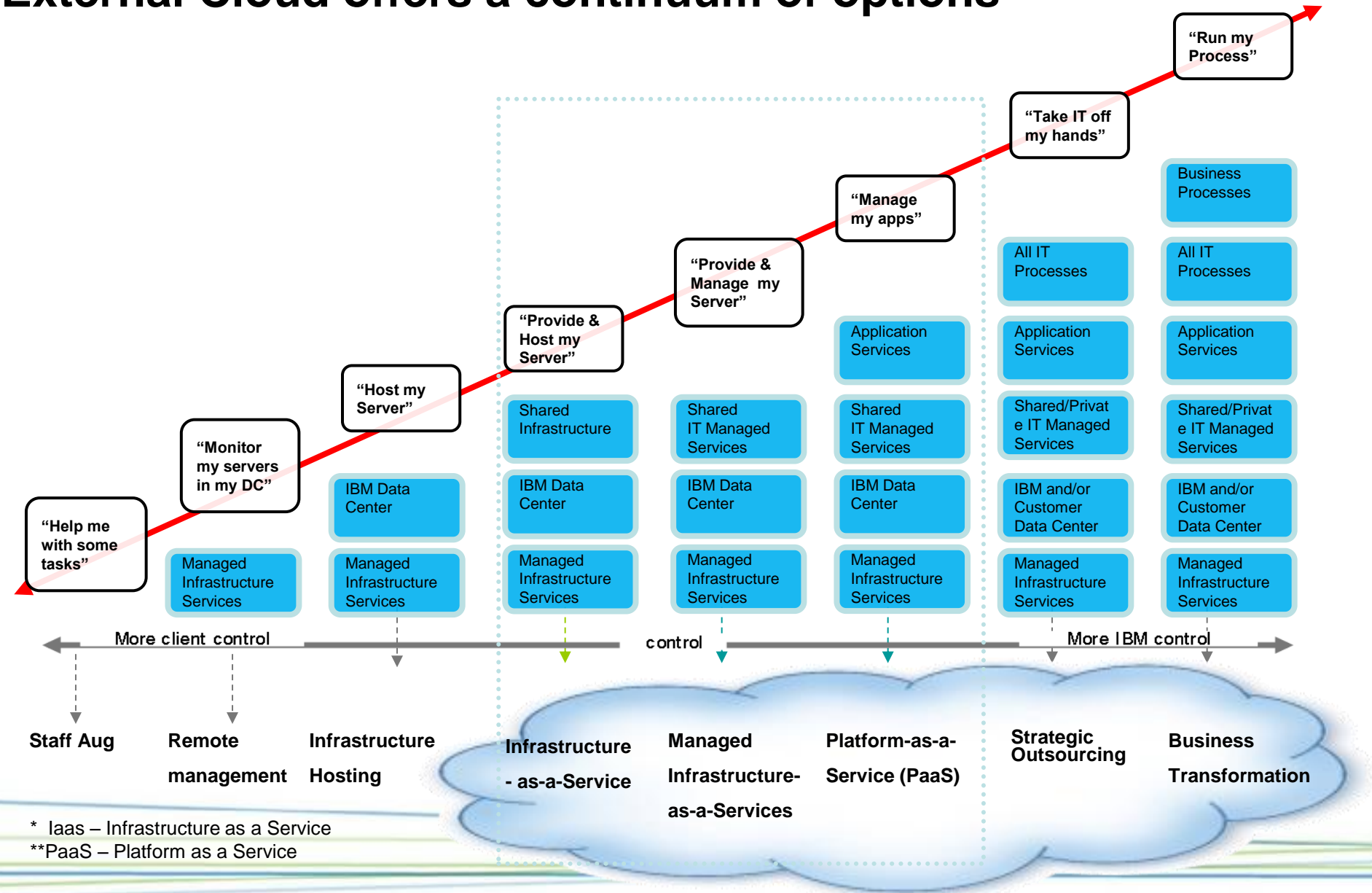
## Everything-as-a-Service

- **Cloud for everything else**
  - Support tools
  - Develop & run in the cloud (cloud-native)
  - Consume Application Programming Interfaces (API's)

# Corporations are moving along two paths to the cloud for on premise ERP



# External Cloud offers a continuum of options



\* IaaS – Infrastructure as a Service  
\*\*PaaS – Platform as a Service

# On-premise ERP software on cloud can result in increased innovation, speed and reduction in SAP TCO

Key Deliverables	Traditional Delivery Methodology:	Cloud Accelerated Methodology:
Sandbox development available	Middle of blueprint	Start of prep or upon request
Accelerated implementation	Limited	Extensive especially for testing
Processes and testing templates	None	Starter sets
Support service level agreements	After 'go live'	Day 1 of project
Long-term support start up	Transition after implementation	Leveraged for testing, no transition



# On-premise ERP software on cloud can result in increased innovation, speed and reduction in SAP TCO

Client Examples	SAP on Cloud Client	Oracle on Cloud
Requirements	Implement a <b>consolidated, highly functional, low risk broad ERP Suite</b> with integrated support to execute the executive vision with commitment	<b>Consolidated application suite</b> to better serve their end-clients, expand capabilities, decrease the applications supported, distributed functionality
Solution	Unique single vendor implementation of Transformation, Implementation, Integration, Management, and Cloud Services	PeopleSoft Financial-Supply Chain Management (FSCM) Suite, Oracle Business Intelligence Enterprise Edition, Oracle Audit Controls Governance, other Oracle tools on <b>Managed Cloud</b>
Benefits	<b>Rapid, measureable value realization</b> through accurate, timely information	<b>Streamlined, standardized operations with optimized business processes</b>



# SaaS applications to simplify

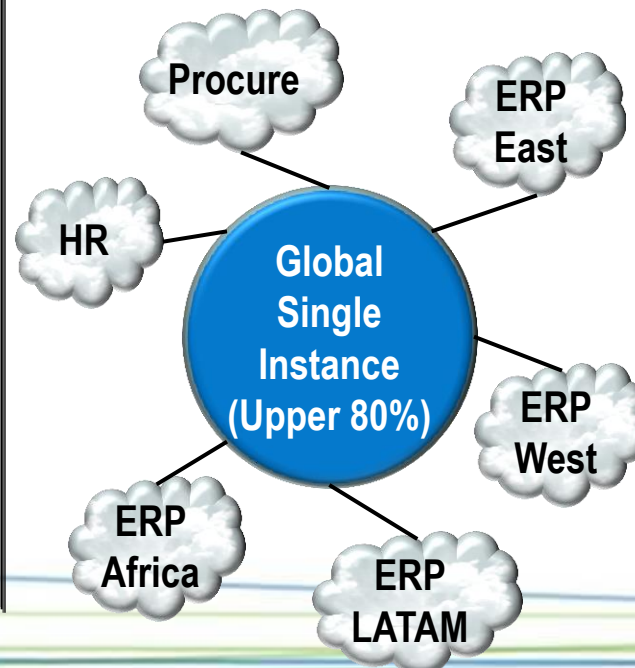
## Simplify an ERP system by streamlining

- Move HR to “HR SaaS”
- Move Procurement to “Procurement SaaS”
- Small “UNITS” to “ERP SaaS”

### Old: Global – all in



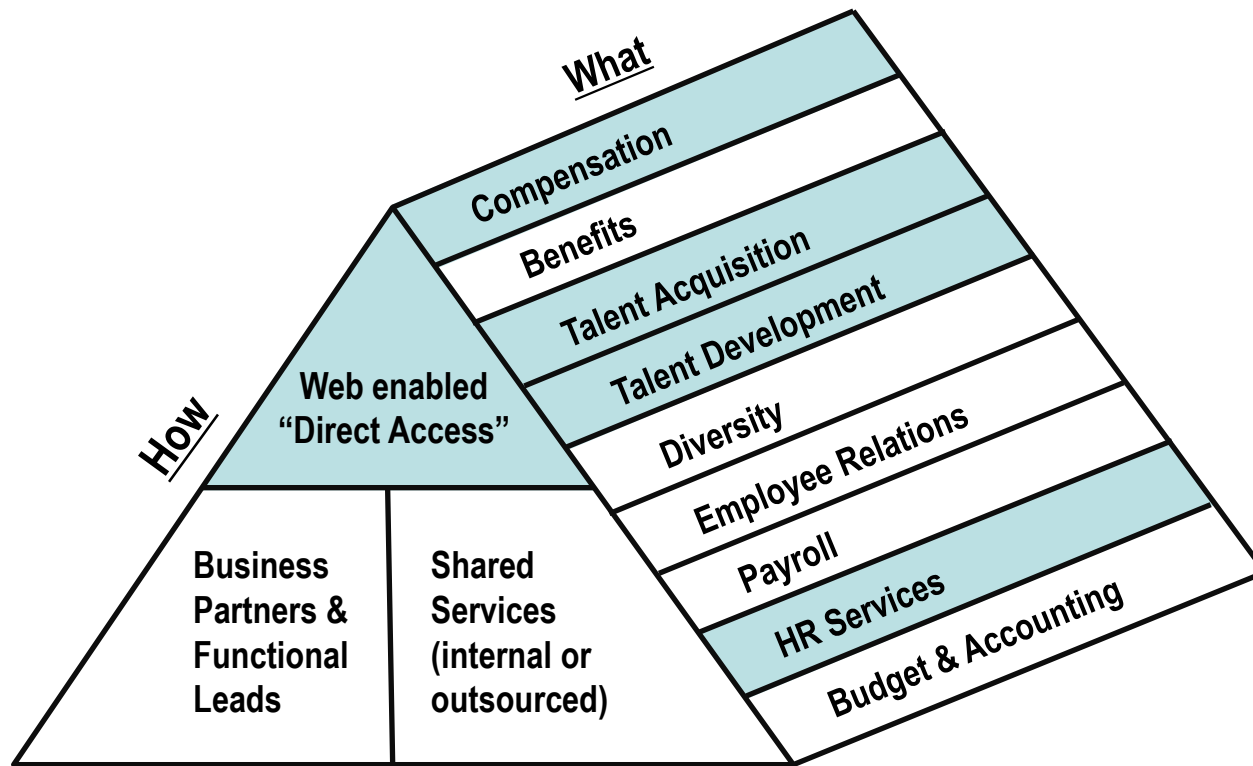
### New: Global – only Majors in



<i>Africa</i>	Algeria Ghana	Kenya Morocco	Nigeria South Africa
<i>Asia &amp; the Middle East</i>	Bangladesh Cambodia China Egypt Hong Kong India Indonesia Israel	Japan Korea Malaysia Myanmar Pakistan Philippines Saudi Arabia Singapore	Sri Lanka Taiwan Thailand Turkey United Arab Emirates Uzbekistan Vietnam
<i>Australasia</i>	Australia	New Zealand	
<i>Europe</i>	Albania Armenia Austria Azerbaijan Belarus Belgium Bosnia & Herz Bulgaria Croatia Cyprus Czech Republic Denmark Estonia Finland	France Georgia Germany Greece Hungary Iceland Ireland Italy Kazakhstan Latvia Lithuania Macedonia Malta Moldova	Netherlands Norway Poland Portugal Romania Russia Serbia Slovakia Slovenia Spain Sweden Switzerland Ukraine United Kingdom
<i>North America</i>	Canada	Mexico	United States
<i>South &amp; Central America</i>	Trinidad & Tobago Argentina Brazil Chile Colombia Costa Rica	Dominican Republic Ecuador El Salvador Guatemala Honduras Jamaica	Nicaragua Panama Peru Uruguay Venezuela

Do all these countries belong in your single global instances?

# SaaS based HR: Renovate to Innovate at a N. Am. Bank



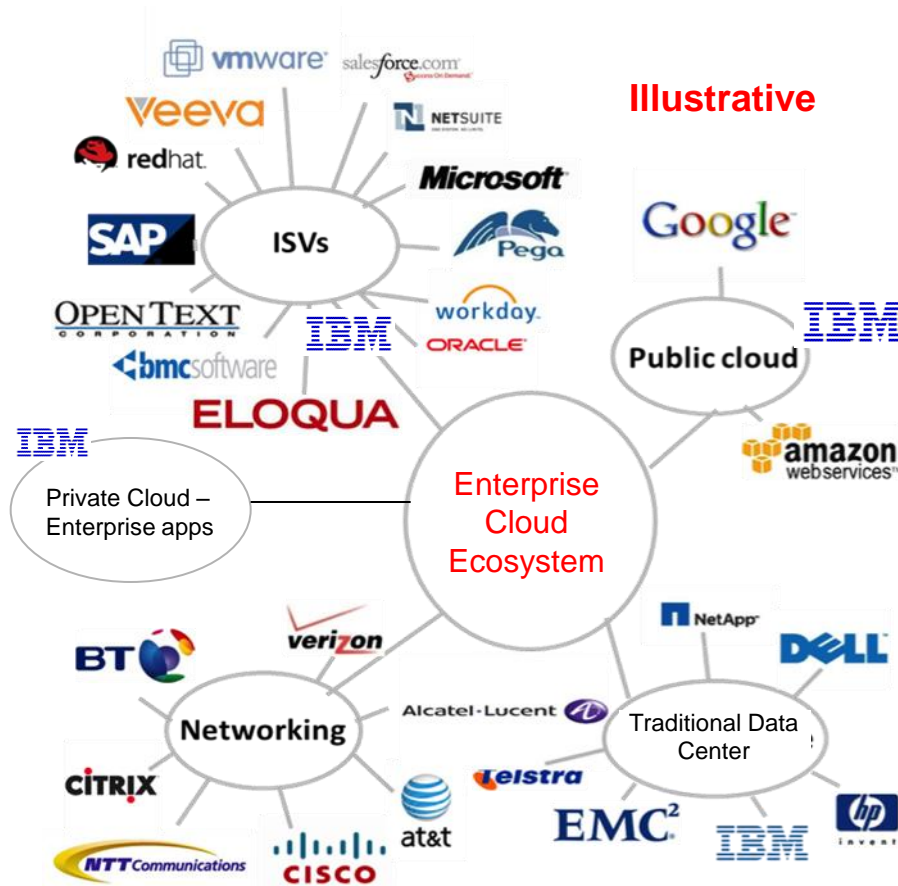
## Objective: "Operate"

- HR process simplification and standardization
- HR data standardization
- Next generation "Direct Access" to web-enabled HR tools and reports
- Improved HR service management

 Primary Focus

Yields simpler, faster, easy/no upgrades, simpler integration

# Everything-as-a- Service: Building cloud native using a rich ecosystem of API services, organized in the Cloud, promotes the agile enterprise



## Implications of the API Economy

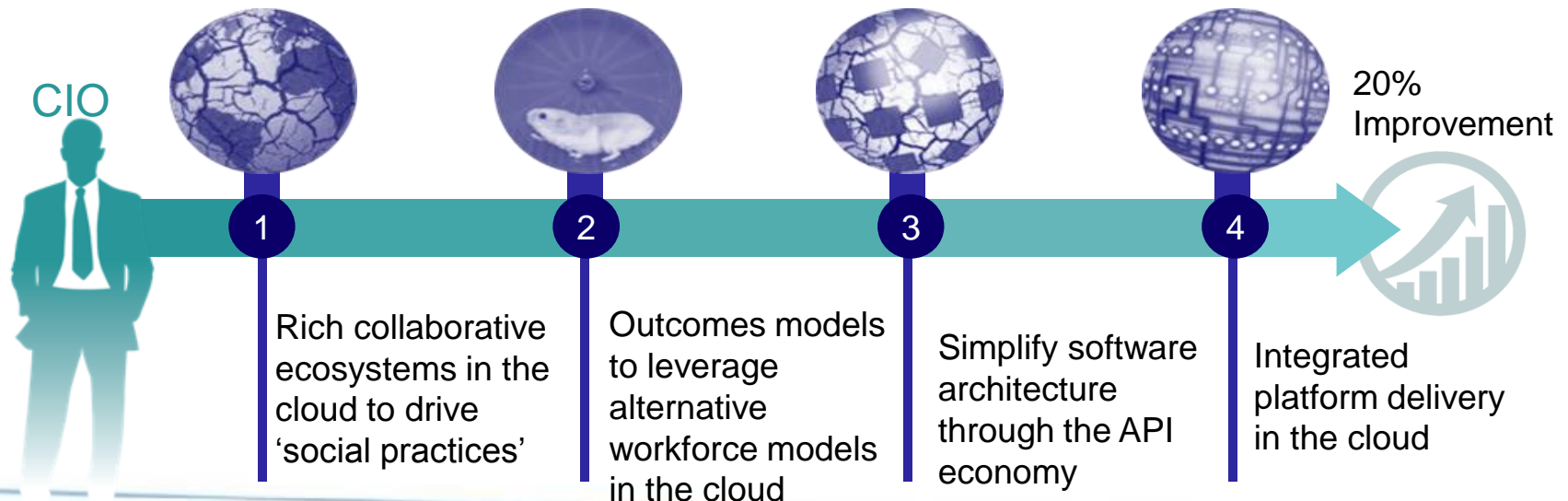
**For clients:** a cloud strategy is required which identifies:

- Business models promoting innovation in the front and back;
- Governance requirements for a cloud-enabled operation;
- Application, data and infrastructure options and alliances;
- New capabilities required in software delivery and catalogues;
- Investment case and a roadmap for change.

# Everything-as-a-Service: A major Financial Institution will deliver greater productivity, cycle time improvements, innovation and customer satisfaction

## Context

1. The institution is a top bank globally with over \$750 billion in assets
2. The (CEO) is committed to transform the bank to create a customer centric, innovative institution, and cost-effective institution
3. The CIO and his IT team is undertaking over 50 strategic initiatives (and over 2,000 projects in total) to support business and IT transformation

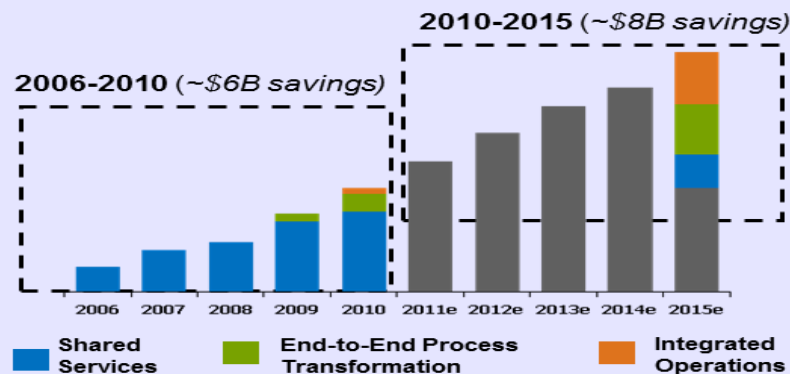


**Internally IBM's Global Integrated Enterprise has yielded \$5.0B in OPEX reduction and \$2.8B in productivity gains (and now we're going cloud!)**



- Created **globally integrated support functions** – HR, IT, Finance, Marketing/Comms, Legal, Real Estate, ISC, Sales Ops, Govt Relations
- Established **IBM Enterprise Process Framework** with owners for 15 processes
- **Simplicity** is the guiding principle
- Launched enterprise-wide program to provide **common global processes**, based on SAP
- **Consolidated systems, created common platforms and standards worldwide**

**Cumulative Enterprise Productivity Savings**



Impact:

- **Shared Services reduced spending by \$5.3B** from 2005 through 2011
- **Process redesign & integrated operations contributed \$2.8 B** in productivity gains
- **First release of Blue Harmony in China in 2011 integrates data from multiple legacy systems into a single instance, managed within SAP**



# Summary



- Run ERP on Cloud architecture (IaaS / PaaS)



- Leverage SaaS applications

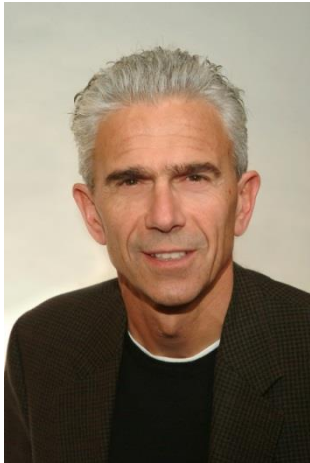


- Go cloud-native and API based systems

# Q&A



# Thank You



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