

## SAP Customer Success Story mySAP ERP – Auckland City Council



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Peter Blackwell, Manager Business Systems, Auckland City Council

### AT A GLANCE

#### Summary

Auckland City Council has more than 162,000 ratepayers and the council is one of the largest in the Australasian region. In 2004 the decision was made to upgrade its existing SAP environment to mySAP ERP.

#### Industry

Public Sector

#### Web Site

[www.aucklandcity.govt.nz](http://www.aucklandcity.govt.nz)

#### Project Objectives

- Ensure that ACC continues to maximise the value from the investment in SAP
- Prepare the system to further leverage additional advantages from the investment
- Make use of new functions in HR and Funds management

#### Key Challenges

- Internally managed project
- Second go-live in country on ECC 5.0
- First upgrade by ACC since the system's initial implementation

#### Why SAP Solution was selected

- Ensure tight collaboration of existing systems
- Ease of integration and the software's vast set of features and functionality
- Existing relationship with SAP
- SAP's knowledge of the council's existing systems

#### Implementation Highlights

- Upgrade in record time (9 weeks)
- Successfully managed by ACC internal team
- Ratified ACC decision to deliver a low TCO by "keeping SAP standard"

#### Key Benefits

- Extra functionality and flexibility to meet long-term requirements of the council
- The upgrade allows us to look to implement new SAP modules, including HR and payroll functions
- Maximise existing investment and play a responsible role on behalf of ratepayers

#### Implementation Partner

Deloitte & Realtech. However this was essentially an ACC managed and delivered project

#### Solution & Services

mySAP ERP

#### Database

Microsoft SQL Server

#### Hardware

HP/Compaq

#### Operating System

Windows NT

## AUCKLAND CITY UPGRADES CRITICAL SAP SYSTEM IN JUST 9 WEEKS

In the world of local government, they don't come much bigger than Auckland City Council.

With 1937 staff serving more than 162,000 ratepayers and a population of 401,000, the council is one of the largest in the Australasian region. Its range of departments covers everything from roads and traffic to waste management, an art gallery and a zoo.

Keeping such a diverse organisation running smoothly is a complex task. Revenue collection, payroll, purchasing and stock control requirements rival those of a large commercial company.

Auckland City Council's manager, business systems Peter Blackwell described the council as a "widely spread, horizontal organisation covering a multitude of very different activities."

"Unlike large companies in the private sector, we are not able to focus our efforts on a particular area," he said. "This makes our operations very complex but, at the same time, means the job of the IT support team is very interesting."

Mr Blackwell said the 60-strong IT department had developed a set of four "cornerstones" which underpinned the council's activities.

These cornerstones were: Pathway - a core local government support system from GEAC, FileNet - an electronic document management system, Smallworld - a Geographical Information System and spatial information system, and SAP - the council's central financial and ERP system.

“We have a philosophy that when the business wants us to look at new technologies or capabilities, we first look to our four cornerstones to provide it, as they each represent best of breed solutions for the council's business requirements,” said Mr Blackwell. “By doing this we are able to maximise our existing investments in technology thus playing a responsible role on behalf of our ratepayers.”

Auckland City Council first implemented an SAP ERP system in October 2000. The system was designed to underpin the council's financial requirements, supporting everything from general ledger, accounts and purchasing to rates financial management. With the council's annual budget topping \$400 million, the system is critical for daily activities.

Mr Blackwell said the capabilities of the council's SAP system had been gradually extended during 2001 and 2002 to cover plant maintenance and management of the council's many and varied properties around the city.

“There is still a lot more we can do with our SAP system and we are looking at various other functions within the council where it could provide support,” he said.

In late 2004 the decision was made to upgrade to mySAP ERP. The project was designed to ensure that the system continued to provide the level of performance and functionality required by the Council.

Impressively, considering the complexity of the move, the upgrade process was completed smoothly over a period of just nine weeks.

“We received strong support from SAP, as well as our partners Realtech and Deloitte,” said Mr Blackwell. “We undertook all the planning internally, looking to external resources for specific skills and knowledge.”

Before upgrading Auckland City Council's core system, the IT team practiced the upgrade on a second test system used by the council for application development and training work.

“By the time we came to doing the actual upgrade, we were fairly confident it would all go to plan,” he said. “We started on a Friday and had the system back on line for the start of business on Monday morning.”

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Mr Blackwell said the upgrade, the first undertaken since the system's initial implementation, was designed to ensure the council's systems remained current. It would also ensure there was a platform in place to support any future applications

that might be introduced.

“It will certainly give us extra functionality,” he said. “The upgrade allows us to look to implement new SAP modules.”

Modules under investigation included SAP HR and payroll functions, currently being handled by separate, stand-alone systems. The Council believes that moving these functions to SAP would help to position it as an employer of choice for the future.

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“We would be able to streamline functions such as annual leave calculations, recruitment functions and performance reviews for all employees,” he said. “This would make a big difference to how we operate in these areas. However, decisions to move forward in these areas will be based on value.”

Further down the track, the council plans to examine the feasibility of implementing further SAP modules to assist in areas such as funds management and even better financial reporting.

“Overall, the upgrade we have undertaken has given us the foundation and the flexibility to meet the long-term requirements of the council,” he said.