NTT DATA

GLOBAL VEHICLE MANUFACTURER UNDERGOES SAP–SERVICE TAKEOVER

CASE STUDY

SAP
Global Partner

SAP LEAP
Large Enterprise Acceleration Program

THE CLIENT

The client, based in Spain, is an automotive original equipment manufacturer (OEM) belonging to a globally recognisable vehicle manufacturer, originally founded over 70 years ago.

In 2019, the client created a corporate unit dedicated to IT initiatives in software and technology, which NTT DATA has been a part of since its inception, even playing a role in the design, staffing and governance of the unit. This unit's function is to accelerate innovation and reduce time to market. NTT DATA's ultimate aim is to escalate the service to become the corporate software factory for the entirety of the world-renowned vehicle manufacturer.

The first nearshoring opportunity is the client's SAP application, which supports the conversion from Engineering data in the HQ R&D department to manufacturing data at production plant level, with the current team comprising around 60 full-time employees.

NTT DATA's takeover initiative will last six months, from October 2021 to March 2022, with a goal of $1.5m during the 2021 financial year, rising to $4m a year from FY22 to FY24. This initiative will place both the client and NTT DATA as the global software factory for the parent organisation, representing NTT DATA's first opportunity to collaborate with the group's engineering and manufacturing technical

THE CHALLENGE

NTT DATA is currently designing a plan with the aim to take over the technical maintenance of the client's SAP application, a product lifecycle management system. The ultimate goal is to demonstrate to the client's parent organisation the feasibility of the approach chosen, including the technical capabilities and cost-efficiency.

One of the challenges is to internalise all the application's support and ongoing development services. Since these services are currently provided by an external supplier, a successful undertaking would allow for savings in costs related to IT, while simultaneously ensuring business continuity without depending on a third party.

Another challenge in the launch of the takeover is the transition cost. NTT DATA intends to make the set-up cost transparent for the parent organisation, both to accelerate the initiative and make the business case more attractive. The takeover will necessitate an initial investment to capture the required knowledge and scale up the relevant team, and NTT DATA must demonstrate a clear ROI on that outlay if the project is to proceed without delay. There is a possibility of project approval being refused altogether if its financial benefits are not made clear from the outset, so clear and transparent financial planning is essential.

THE SOLUTION

The project solution involves the creation of a methodological framework for service, designed to be scalable according to need and sustainable over the long term. NTT DATA will, over time, build up a comprehensive knowledge and understanding of all the systems that make up the parent organisation's ecosystem. This will include both the systems that relate to the design of vehicles, as well as those that comprise the production control systems.

This knowledge will be gained through self-study techniques, so the best practices to acquire that understanding will be suggested before work commences. Once those best practices are defined and agreed, the roadmap for the service takeover can be defined.

NTT DATA's globally proven best practices help to deliver end-to-end solutions.

THE RESULT

In order to achieve the planned objectives projects in the indicated time frame, NTT DATA will provide technical, methodological and management knowledge to the client and work closely with their own team on all tasks.

During the work definition process, NTT DATA will contribute alongside the client and its parent company in the conception of user stories, as well as in the definition of acceptance criteria of the work performed.

NTT DATA will use the Agile Scrum methodology throughout the project, which will be broken down into Sprint stages, three of which have already been completed. Results of each Sprint will be measured and then presented to the parent organisation's executive committee at Sprint Review meetings. The head of the transition process will provide feedback on the work done in each session at these review meetings.

Nine SAP Cockpit workshops have already been completed, and relevant content within the digital repository has been updated with new technical information.

WHY NTT DATA

NTT DATA has defined the reverse engineering strategy for the client's SAP application. This results in the acquisition of knowledge with high autonomy but little effort on the part of the business area, as well as the current, third-party supplier of the application.

This strategy has been defined from an agile perspective. This allows the team to conduct a live demonstration at each Sprint Review, showing the client how the team has understood the process and how the system works. NTT DATA is able to build a trusting relationship with the client at each of these reviews. As a strategic partner, NTT DATA is then trusted to achieve the client's business goals, specifically in terms of internalising the service and achieving budget savings.

This strategy that NTT DATA have formulated has been created based on a strong level of expertise in long-term services, along with exemplary SAP digital expertise and capacities.

NTT DATA uses leading-edge technologies to develop evolving ecosystems.

WHAT'S NEXT

For the client, the next stage of the project is to apply the working methodology defined by NTT DATA. The client will also coordinate activities with different stakeholders, facilitating availability of and access to information, performing knowledge-transfer activities, and validating and measuring the progress made by NTT DATA.

NTT DATA will execute tasks defined in the proposed best practices plan. They will ensure knowledge acquisition by the team and guarantee service levels. They will define and execute improvement tasks on the client's parent organisation's systems, which will generate added value in all phases of the project. Finally, NTT DATA will coordinate tasks between the different service partners.

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