

**NTT DATA**

**WORLD-RENOWNED  
AUTOMOBILE  
MANUFACTURING  
CONGLOMERATE  
TURNS TOWARDS SAP  
ARIBA SOLUTIONS**

**CASE STUDY**



**SAP LEAP**  
Large Enterprise Acceleration Program

## THE CLIENT

The client is a world-renowned automobile manufacturing conglomerate, with approximately 50 manufacturing entities across more than 25 countries. With one of the highest sales volumes in the world in both 2020 and 2021, the client has research and development (R&D) centres across Asia, Europe and the US.

In March 2020, the client and NTT DATA reached an agreement to collaborate on both the research and development of information and communication technology (ICT) infrastructure. The joint goal of the collaboration was to promote the establishment of technologies to create a smart mobility society. The client also has plans to create a project that will establish a demonstration city, in which all goods and services that support people's everyday lives will be connected. The client is promoting efforts to realise a smart city.





## THE CHALLENGE

This project presented challenges for both the client and NTT DATA. The client had been working with two other major companies to introduce a SAP S/4HANA solution and domestic procurement-related systems. These connected to SAP and consisted of multiple, custom-developed systems. As a result, the overall systems had become increasingly complex. The client had to streamline operations and reduce costs by renewing the system using a packaged solution that seamlessly connected to SAP S/4HANA. The client lacked the technical skills to do this alone and required external support.

Another challenge came from the development period. Originally planned to last for two years, the client has since established a policy which limits development periods to one year when using packaged solutions. This means the project must be completed in half the intended time. To work within this timeframe efficiently, knowledge of the procurement workflow and existing processes and systems, and very strong software product implementations skills are required. As such, being able to create a highly efficient, multi-disciplinary team was essential.

To further expand the scope of the project, NTT DATA presented the feasibility of using SAP Ariba to tackle the client's smart city procurement. However, this makes the procurement workflow more complex due to the increase in the number of commercial references that must be handled. Its procurement is to be started from January 1st, 2023. To ensure the implementation of SAP Ariba by NTT DATA, as well as expanding the project scope, a full proof of concept (PoC) was built in order to showcase the capabilities of both the solution and NTT DATA.



**NTT DATA works with clients to come to the best digital solution for their business transformation needs.**

## THE SOLUTION

The client's smart city involves the procurement of goods which will accumulate to several billion US dollars. These items will be diverse and complex, and the requirements cannot be met in a one-year development timeframe. NTT DATA first proposed three basic policies relating to the implementation of SAP Ariba.

The first of the policies is a Fit to Standard implementation with minimal customisation, which will include no add-on development. The adoption of SCRUM for implementation and development will realise short-term releases that are flexible should changes arise to either requirements, demands or both. The last of the three policies is to balance the quality, cost and delivery (QCD) and prioritise releases, minimising the development for interfacing with the existing system employing robotic process automation (RPA).

**With over 25 years of experience, NTT DATA puts the client first to overcome, optimise and transform.**

Four implementation process flows have also been proposed. A temporary, path-only pattern will cover all accounting scopes, while front-end processing is taken care of by SAP Ariba, leveraging existing systems behind the scenes. This path consists of the temporary use of some peripheral systems to gradually approach the main path. This main path pattern, meanwhile, lays down the way the process should be, covering all accounting scopes with direct integration of a fully-functioning SAP Ariba architecture, with the sole exception of inventory code issuance.

In terms of expenses, the third pattern is a blend of main path expenses with temporary path assets. This will mean that only cost purchasing is realised by the main path, while assets are realised on a temporary path by RPA. This option will require the feasibility of switching from the current authorisation and payment system to be demonstrated to the client's accounting department. The fourth pattern uses existing systems for both tangible and intangible assets, with only catalogue-based purchasing as the scope. Described as main path expenses with existing system assets, this solution covers only catalogue-based cost purchasing within its scope, thereby including catalogue products valued below \$1,000. This pattern presents the challenge of making decisions on a product-by-product basis.

## THE RESULT

As a result of the NTT DATA plan, the customer expanded the procurement scope to include the client's smart city.

Between April 2022 and January 2023, five scrums, consisting of 15 sprints, will have taken place. Before the project began, the scope extended to the creation of a new procurement system to handle IT and indirect materials. Once the project began, it expanded to include procurement of goods relating to the client's proposed smart city construction. From January 2023, with all the build- and test-phase scrums completed, the project moves into a Hyper Care phase.





## WHY NTT DATA

There are a number of reasons why NTT DATA was the best candidate for this project. In-depth understanding of existing scratch systems, SAP Ariba and other automation tools meant that NTT DATA had the knowledge required for all of the client's requests.

Similarly, NTT DATA has long experience of procurement-related projects, a necessary skill when engaging in detailed discussions with key stakeholders. An NTT DATA company based in Japan has profound technical and operational knowledge and excellent consulting skills, both of which are unique to the market.

NTT DATA was able to provide PoC support to demonstrate its ability to realise the client's wishes. By utilising LEAP investment funding, NTT DATA was able to work closely with the client in support of the PoC, while still leading the conceptualisation process. Daily communication and ongoing demonstration of results proved NTT DATA superior consulting skills, leading the client to trust in NTT DATA's ability to successfully design, test and implement such a complicated SAP Ariba implementation.

NTT DATA has built a tight bond with key client executives over a prolonged period of working together closely. A mutually trusting relationship ensures transparent and successful communication between both entities. As a result, NTT DATA positioned a dedicated sales team in a city near the client's Japanese headquarters, so as to be as responsive to the client as possible.



## WHAT'S NEXT

Moving forwards, NTT DATA will be expanding the scope of items to be procured using SAP Ariba. This must fully support items other than indirect materials and catalogue items, so as to correspond with the smart city's procurement. This includes everything related to the necessary equipment itself, construction, installation and more. This will be undertaken in conjunction with an upgrade to the overarching solution architecture, as well as the transformation from an RPA connection to SAP-native connectivity.

NTT DATA will ensure continuous operation and maintenance support, pursuing a global rollout across the client's entire group operations. It will also look to expand to other solutions, including implementing a tool for budget control and to improve visualisation of any data that's been analysed. The introduction of SAP SuccessFactors for global talent management is also on the agenda, along with plans to automate and improve UX.

Finally, NTT DATA will collaborate with the client to introduce a digital platform—a connected site solution—and the Internet of Things in the new smart city.





NTT DATA



**SAP**  
Global  
Partner