Delivering success in the cloud for Poste Italiane

Accenture helps Poste Italiane transform its accounting and controlling systems, enabled by SAP S/4HANA® on Microsoft Azure cloud

Future proofing public services

Poste Italiane is a public company that operates more than 12,000 branches and employs 129,000 people across its diverse group of businesses, which today includes postal, banking, telecommunications, and insurance. By 2018 each of those businesses had evolved with its own IT department and highly customized suite of applications, creating an increasingly costly and cumbersome technology infrastructure. At the same time, the competitive marketplace was putting Poste Italiane under pressure to deliver faster, more efficient services to live up to its reputation as a reliable, well-loved public service.

Poste Italiane wanted to consolidate accounting data from its five different SAP® ERP Central Component (ECC) platforms and two legacy systems on to a single platform, so data could be accessed in real time. The aim was both to deliver a new, centralized controlling model across all its businesses, and to simplify, consolidate and standardize all internal administrative, financial, and accounting processes, increasing data quality, reducing costs, and speeding up transactions to give greater oversight and control over monthly closures and other finance processes. The program was to signal the start of a transformation to modernize the entire business. In 2018 Poste Italiane decided to consolidate its Enterprise Resource Planning applications with SAP S/4HANA®, and in 2019 Accenture was selected to deliver the program on Microsoft Azure cloud in a three-year-long collaboration.

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Staggering a big impact transformation

Accenture led a consortium of firms delivering Poste Italiane's SAP software-based transformation, with all parties working side by side. With a majority stake in the project, Accenture owned the governance, accounting, fiscal, finance and technology architecture. Constant alignment with other consortium partners was vital to the smooth running of the project and ensured consistency and high data quality throughout the transformation. This alignment was possible thanks to detailed and closely monitored activity, development and test plans for the system integration and user performance. The plans included mitigating actions that could be rapidly escalated with the client in order to solve and even anticipate obstacles and risks. C-Level Poste Italiane workers that would be directly impacted by the project were closely involved as part of a steering committee, ensuring their constant alignment and attention in case of escalations.

SAP had already created a global template for Poste Italiane's SAP S/4HANA® solution. Accenture used the template to review all business requirements and processes, gathering a team of more than 200 Accenture consortium and Poste Italiane people to meet regularly and deliberate the client's business needs. The process ensured standardized SAP software functionality was used wherever possible to reduce custom development. This was key, given more than 2,000 members of the Poste Italiane workforce would be impacted by the changes. The resulting business and technology blueprints were then finalized with all key stakeholders. SAP delivered quality assurance services along the way, reviewing the blueprint documentation and helping to supervise the architecture design and performance testing to ensure SAP S/4HANA® would be leveraged to its full potential. Microsoft also helped to supervise the architecture design and performance testing on cloud.

When tech meets human ingenuity

Accenture ran a series of comprehensive performance tests, including three simulations with more than 10 scenarios covering Poste Italiane's main business processes. An integration test was run using millions of records, to trial the platform's performance ahead of the go-live. A cutover plan was shared with all internal stakeholders two months before the go-live, with all items clearly defined in the plan, including when which new functionalities would be available on SAP S/4HANA®.

At the start of the transformation, the client requested that the new SAP solution was first deployed in corporate Poste Italiane (made up of its main businesses), to make the biggest impact. The project was therefore delivered in two phases, with the first go-live releasing functionalities across the main postal and banking businesses and 12 smaller firms. A second go-live covered telecommunications, logistics, and digital services firms. Key user teams that had been involved in the program supported Accenture in bringing the platform to other Poste Italiane businesses one year on. Between go-lives the Accenture consortium also delivered more than 300 new functions. When the pandemic struck, the program continued to run smoothly thanks to the strong governance and methodology already in place.

Increasing transparency with centralized services

More than 2,000 Poste Italiane workers are now using the platform to simplify their day-to-day work and gain greater control over finance processes. Poste Italiane now has a streamlined chart of accounts that's reduced in size by 11% and can run monthly rather than quarterly closures. VAT compensation, accruals, and reports are all automated. The client had requested as much standardization as possible, and this was emphasized throughout the project. Any necessary custom development was double checked by the steering committee teams and for all confirmed requirements, SAP then confirmed if a custom development was necessary. As a result, the Accenture-led consortium successfully reduced

customization by 90%, a move that will reduce application maintenance time and costs significantly.

Data is acquired in the new SAP system directly from master legacy platforms, ensuring a higher quality, single source of truth that is more transparent. The process of extracting data is unified and standardized, enabling far more flexible data management and reporting for the procurement, financial controller, real estate, administrative, finance and accounting departments. The SAP Fiori® application enables access to business data across multiple channels. These efficiencies have led Poste Italiane to reduce its administrative workforce

across procurement and sales by 20%, and the reallocation of those people to other business areas in need of resources. These savings, combined with the fact 70% of control processes are now automated and external staff costs have been optimized, has resulted in annual savings of €2 million.

As a result of unwavering stakeholder commitment from Poste Italiane, and excellent oversight and governance by Accenture, the project ran on schedule and was welcomed by Poste Italiane workers who have embraced the many benefits. The final go-live saw core functionality released for Poste Italiane's insurance and other businesses.