Business challenge

The remit of Defence Business Services (DBS) includes both providing business services to the Ministry of Defence (MoD) and managing its enterprise applications. To improve efficiency and reduce costs, DBS decided to unify and converge its IT landscape.

Transformation

DBS worked with IBM and Deloitte to re-architect its contracting, purchasing and finance (CP&F) and planning, budgeting and forecasting (PB&F) systems, and create a central data analytics platform.

Business benefits:

Reduces
costs by replacing four separate CP&F systems with a single Oracle application

Provides
sophisticated financial and operational analytics for users throughout the MoD

Establishes
a versatile platform that enables DBS to deliver innovation projects rapidly

Ministry of Defence
Streamlining shared business services and unlocking innovation with enterprise applications and analytics

The Ministry of Defence (external link) is one of the largest and most important departments of the government of the United Kingdom, employing more than 190,000 forces service personnel and 58,000 civilian personnel. It works to keep the nation secure and prosperous and maintain its global reach and influence by protecting UK citizens, territories, values and interests at home and overseas.

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James Courtney-Holt
CIO Finance & Commercial Lead
Defence Business Services

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Supporting defence services

When we think about national defence, it's natural to focus on the bravery and dedication of forces service personnel: the UK's Ministry of Defence (MoD) employs more than 190,000 people in the British Army, Royal Navy, Royal Air Force, and Strategic Command. Yet we should not forget the vital contribution of the MoD's 58,000 civilian personnel, who provide a vast range of supporting services to help keep the nation safe.

In common with all large modern organisations, the MoD depends on the efficiency of a host of business services, such as finance, procurement and human resources. Instead of the Ministry and individual forces each running their own accounting, purchasing and HR departments, the MoD operates a central shared services model, delivered by its Defence Business Services (DBS) division.

DBS is responsible for the end-to-end delivery of these services, including not only expert staff and well-designed business processes, but also the underlying technology. Over the years, as DBS's remit expanded, it inherited many disparate IT systems and data sources from different agencies within the MoD, ranging from large enterprise applications and databases to small custom-built tools and spreadsheets.

Managing this complexity was becoming a full-time job for the DBS team, and the maintenance burden made it difficult to deliver service improvements. The organisation wanted to move towards a more modern, efficient operating model, and recognised that standardising and converging its IT landscape would be a vital first step.

"DBS is looking to simplify its system landscape for a number of reasons," explains James Courtney-Holt, CIO Finance & Commercial Lead at DBS. "It will allow us to make best use of our core Oracle and Cognos software and enable DBS resources. It will allow the internal DBS team to take full responsibility for the support and change of our systems. And it will prepare us for a move to cloud services in the future."

Rethinking IT to streamline business services

DBS launched a major, multi-year initiative to rationalise its systems landscape and drive new efficiencies. With support from IBM® Services® and Deloitte (external link), DBS aimed to transform three main areas of its IT: the enterprise applications supporting its contracting, purchasing and finance (CP&F) processes; the financial systems supporting planning, budgeting and forecasting (PB&F); and the databases and analytics tools that provide management information (MI) to users across the MoD.

Contracting, purchasing and finance

To increase the efficiency of its commercial and financial processes, DBS decided to replace a number of separate systems with a single Oracle eBusiness Suite application (external link) that would handle the entire end-to-end workflow. Over four major releases, a joint team from DBS, IBM, Deloitte and other MoD departments worked closely together to implement a seamless procure-to-pay cycle in the new system, and then augment it with additional functionality for

contract management and integration with the Government eMarketplace (GeM)—a new supplier catalogue that is being adopted across many UK government departments.

By moving to a single system for CP&F, DBS has been able to retire three of its existing ERP platforms, as well as a number of smaller auxiliary systems and manual processes. This has fundamentally simplified system maintenance and reduced operational costs, while giving DBS staff more time to focus on improving service quality and developing new features. The project also provided an opportunity for data cleansing, which has led to a significant improvement in data quality and given decision-makers greater confidence in the system.

"We are also looking to share data with other Defence MI systems via APIs so that wherever the DBS data is ultimately consumed, it is taken from our warehouse as the 'single source of the truth'."

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Planning, budgeting and forecasting

Several years ago, DBS replaced a business planning system that had reached end-of-life with a new platform based on IBM software. Since then, the DBS and IBM teams have completed several upgrades to enhance the functionality, including a recent upgrade to the latest version of IBM Planning Analytics.

The PB&F solution now supports both in-year management of the budget and forecasts for the current financial year, and an annual budgeting cycle with a ten-year horizon for longer-term planning.

In addition to the plan and forecast data, the system also includes current financial data, making it easy for users to analyse variances between expected and actual results. DBS provides access to a wide range of tools to help users at different levels of the organisation interact with this data—from workflows to help department managers contribute their budget data, to powerful Excel-integrated analysis tools for power users in the finance team.

Management information

In parallel with these projects, DBS has also created a centralised data warehouse for management information (MI), drawing data from its accounting operations and CP&F systems, as well as the PB&F platform and several other data sources.

Using IBM Cognos® Analytics, users can access and visualise financial and operational information and automatically generate reports on cross-functional data. The platform breaks down data silos and helps to eliminate the need for manual spreadsheet-based reporting—saving hours for analysts throughout the Ministry.

MoD decision-makers increasingly trust the data warehouse to provide robustly controlled data from well-governed source systems. This reduces the need for departments to maintain their own figures and helps to ensure that decisions are taken based on consistent, accurate information.

"We are looking to expand our Finance and Commercial analytics capability," says James. "Within the next 12 months, we will have expanded the warehouse to include HR, Payroll and Project data. We are also looking to share data with other Defence MI systems via APIs so that wherever the DBS data is ultimately consumed, it is taken from our warehouse as the 'single source of the truth'."

Delivering value in challenging times

The most recent phases of the DBS transformation initiative have taken place during the COVID-19 crisis. During the UK's first lockdown, the entire project team had to switch to working from home, which created challenges around access to systems. Nevertheless, thanks to the flexibility and dedication of the joint DBS, IBM and Deloitte team, the project never lost momentum. DBS has continued to hit all its key performance targets and deliver each release of new software and functionality on time.

"The relationship between DBS and the IBM team has been really important in our success," says James. "Even when we've been working on a project-by-project basis, we've never lost sight of the broader, longer-term goals that we're trying to achieve. We have employed joint working to ensure DBS resources have played a full role in the changes we have delivered. I'm pleased that both DBS and IBM have managed this as a strategic partnership."

In addition to significant savings on IT management and maintenance, the results include significant improvements in system performance and availability, with fewer incidents reported and less unplanned downtime. The increase in stability means that DBS staff can spend less time fixing IT issues, and more time enhancing existing services and developing new features.

"In the past we have been guilty of pursuing change at the expense of the long-term sustainability of our systems," says James. "The move to an 'evergreening' approach with regular system upgrades and the emphasis on exploiting commercial off-the-shelf functionality will provide a firmer foundation for our customers to exploit and will maximise the investment we have made in our key Oracle and Cognos systems."

Solution components

- IBM® Services® for Enterprise Applications

- IBM Cognos® Analytics

- IBM Planning Analytics

- Oracle eBusiness Suite (external link)

- Deloitte (external link)

Take the next step

To learn more about IBM Services for Oracle, please contact your IBM representative or IBM Business Partner, or visit ibm.com/services/oracle

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