

IBM to Lead SAP S/4HANA Project for Department of Defence

Agreement will implement the market-leading SAP S/4HANA Defence and Security Industry Platform, underpinning its organisation-wide transformation

Canberra - 22 Jul 2019: The Department of Defence today announced that it has awarded IBM (NYSE: IBM) the contract to implement the initial phase of the market-leading SAP S/4HANA Defence and Security Industry platform.

Commencing immediately, the 18-month contract worth AUD\$95.5M, is the first phase of an extensive multi-year journey to modernise the department's information systems and to optimise processes.

According to the agreement, IBM Services will implement SAP S/4HANA, providing a single, trusted view of critical information, enhancing the Department's operational effectiveness and delivering significant cost savings.

A Defence ERP Program spokesperson said that: "The ERP program plans to roll out initial capability in 2020 followed by a larger release in 2022. The program will progressively deliver solutions that will affect every Defence member and transform the way we do business. It will provide a near real-time view of critical information across the Department to better inform decision making."

The platform will initially enhance the Department's logistics, land maintenance and engineering capabilities, replacing a wide range of existing end of life systems. It will provide Defence personnel with an integrated platform to significantly improve productivity and effectiveness in their operations, ensuring the right equipment is in the right place, at the right time.

The program of work aims to deliver on the key recommendations from the Government's First Principles Review of Defence which tasked Defence with ensuring it is fit for purpose and able to deliver against its strategy with the minimum resources necessary.

IBM was selected due to its extensive global experience working with Defence agencies across the world on similar implementations. IBM plans to work with delivery partners including COSOL, Dalmation 6, DASC, DXC, Ernst & Young (Plaut), Fujitsu, Infosys, KBR, Noetic, Southern Cross, Synchrony Global, TAMS, XKG and Veritec.

David La Rose, Managing Director IBM Australia & New Zealand, said the agreement comes one year on from last year's Whole of Government announcement, demonstrating continued momentum for IBM in delivering greater innovation and cost savings to the Australian government and its agencies.

"This is a testament to our 40-year partnership with the Australian Government, and more than two decades of working with the Department of Defence. It is another example of the confidence in IBM's ability to transform and deliver highly complex and world-first initiatives. We look forward to helping the Department of Defence drive greater efficiencies, trust and innovation that will benefit all Australians."

"Making the best-informed decision is key for the Department of Defence," said Damien Bueno, President and Managing Director, SAP Australia and New Zealand. "With SAP S/4HANA, Defence can leverage embedded intelligence and deliver real-time insight to critical business operations. As the foundation of an organisation-wide transformation, SAP S/4HANA will help optimise the value of important defence investments and resources, in addition to underpinning future innovation."

“This decision builds on the 20-year strategic relationship between SAP and the Department of Defence, delivering critical infrastructure to the organisation. IBM and SAP also have a long partnership delivering innovation programmes together for customers. We look forward to working together on the success of this transformation that will support Defence in its important mission of serving and protecting Australia,” said Bueno.

The contract was signed in July 2019.

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For further information on IBM Services please visit <https://www.ibm.com/services>

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