Global Retailer – IT strategic transformation and turnaround of ERP implementation

THE CLIENT
Global leading jewellery manufacturing and retail business listed on NASDAQ. Present in 90 markets with close to 10.000 point of sales, 16,700 staff and a turnover of £2bn. The Group is organised as three business regions globally with a main production centre in the Far East.

THE CHALLENGE
Following several years of phenomenal growth (both organic and acquisitions) the Board had recognised IT was becoming a showstopper and there was a need to improve the contribution of technology to the business strategy and operations. Cost of IT was close to double that of competition and it was believed that IT limited, not enabled, future growth.

The IT function was highly regionalised and fragmented without a global roadmap, architectural principles or governance with many regional or local IT systems, vendors and ways of working. 'Shadow IT' programmes dominated and the CIO had been let go. In addition, a major ERP implementation had been launched and was run as three separate projects without overall control and there was a definite risk that the transformation would escalate out of control failing to deliver expected business benefits including a planned go-live of a new production facility.

Historically, IT had failed to deliver several head-office initiatives and there was a lack of confidence in 'Group IT' across the business.

THE SOLUTION
The development and anchoring (with regional presidents and other key executives) of a global strategic plan, business case, and roadmap to realign IT with the business strategy based on the principles of consolidation and harmonisation IT solutions and regaining control by forming a Global IT function. The strategy was adopted by the board of directors, leading to the implementation of a portfolio of initiatives and activities including:

- Re-organisation of IT into a truly global function (demand, planning, development and 'run') with regional IT (300 staff in the US, EMEA, APAC and Thailand) reporting into the CIO
- Recruitment of a truly international IT leadership team to lead and deliver the change.
- Development, delivery, and measurement of the business benefits case associated, working in partnership with the business to deliver a concrete target picture and roadmap of change.
- Regaining control over a business critical £50m ERP programme that had been run without governance, global coordination and largely at time and material by two external vendors.
- Development of strategic partnering relationships with Microsoft and CGI to ensure full commitment to ERP programme delivery

RESULTS
Outcomes included:
- Launch of a global IT organisation, target picture and road map
- Reduction the number of business-critical applications from 300 to 200 (longer term plan 40)
- Improving the ratio of internal / external headcount by 20% (longer term 50%)
- Re-plan and re-launch ERP programme securing the successful go-live of a new production facility