Report to:	**Cabinet**
Date of meeting:	**23 June 2020**
By:	**Chief Operating Officer**
Title:	**Modernising Back Office Systems (MBOS) - Procurement to upgrade or replace Finance, HR, Payroll and Procurement systems**
Purpose:	**To approve the outline business case for progressing procurement activities to upgrade or replace the council's existing corporate IT systems including business critical Finance, HR, Payroll and Procurement**

RECOMMENDATIONS Cabinet is recommended to:

1. **approve the procurement of a Software-as-a-Service (SaaS) system to replace the current SAP solution, and an implementation partner to support the configuration and roll-out of the new system;**

2. **delegate authority to the Lead Member for Resources to consider the response to the procurement exercise and to award a contract; and**

3. **note the additional information on indicative costs and benefits contained in a separate report later on the agenda (Part II).**

1 Background

1.1 The purpose of this report is to inform a decision based on indicative costs and benefits to progress a procurement exercise to upgrade or replace the council's existing corporate system, which manages the organisation's business critical finance, HR, Payroll and Purchasing processes.

1.2 The current systems which are known as SAP will no longer be supported by the supplier beyond 2025 and the existing server hardware is now beginning to show its age with more performance issues arising. The current systems will also not effectively support the Council's priority outcomes and specifically making effective use of resources.

1.3 A programme board has been set up - Modernising Back Office Systems (MBOS) – to undertake the scoping and defining of system requirements. In the first instance, the systems must meet statutory accounting and HR regulatory frameworks, for example, paying staff and providers, recording VAT and Pay As You Earn (PAYE) and enabling the annual statement of accounts to be produced. However, in addition, the new systems will seek to prioritise supporting a more agile and flexible workforce, providing easy access to data and monitoring information and insight to support effective management decision making.

2 Supporting information

2.1 An appraisal of the strategic business drivers outlined in Appendix 1 has been undertaken to assess the options available to East Sussex County Council (ESCC) and to determine which should be progressed to the outline business case stage. The options appraisal involved engagement with senior stakeholders from across Finance, HR, Payroll, Procurement, Business Operations and IT&D, all of whom are represented on the MBOS Programme Board, and confirmed that there is alignment across stakeholders on both the need to progress this programme as a priority in the short term and on the need for the improvements that it should deliver.

2.2 A summary of the Strategic Case including details of the strategic business drivers, strategic alignment and business outcomes used in the options appraisal are outlined in Appendix 1.

Summary of Options

2.3 The Options Appraisal, offers four practical options for ESCC to upgrade or replace its existing SAP systems. With all options ESCC will require an implementation partner. The implementation partner brings knowledge of the system that ESCC will not have in-house but will require if it is to implement at 'fit for purpose' system within agreed timescales and budget. A procurement of a large system is usually made through an implementation partner, therefore ESCC will be procuring a SaaS system and an implementation partner. In summary, the options and associated conclusions for each were:

Option 1: SAP S/4HANA implementation. Moving to the next generation SAP solution, which is cloud-based S/4HANA, would include a complete re-engineering and simplification of ESCC's in-scope processes.

Option 2: ERP implementation. Enterprise Resource Planning (ERP) is a system software product that allows an organisation to use integrated applications across a range of services, including Finance, HR, Payments, Payroll and Procurement. This option considered the implementation of an ERP system and an implementation partner

Option 3: Alternative Best of Breed. A complete re-design of ESCC's current integrated SAP systems to include separate best fit systems for each service area: Finance, HR, Procurement.

Option 4: Do nothing and utilise the current SAP system with current in-house team.

2.4 Through consideration of these options the MBOS Programme Board agreed to:

- Not consider Option 4 "Do nothing". This is because doing nothing is not considered to be a realistic option since the current SAP systems will not be supported by SAP beyond 2025 and it is not fit for purpose in support future service requirements. In addition, there is increased risk of hardware failure and the system software will become out of date.
- Consider Option 1, the implementation of SAP S/4HANA, however, recognising that a single source procurement would not provide suitable value for money due to a lack of market testing and open procurement nor give the market an opportunity to demonstrate that ESCC requirements will be appropriately met.

- Options 2 & 3 are progressed and merged to enable ESCC to have the widest possible selection of systems through its procurement and therefore the best opportunity to achieve value for money and delivery of ESCC's core requirements.

2.5 It is recommended that a Software-as-a-Service (SaaS) product is procured, rather than an in-house solution, to ensure that the new system is future proofed and that ESCC is able to benefit from the release of new technologies via ongoing software updates, avoiding the need for another major system upgrade with the associated costs and disruption in a few years' time.

2.6 SaaS is a software licencing and delivery model in which the system software is licensed on a subscription basis and is centrally hosted by the provided organisation. Consequently, any replacement system would not be held by ESCC, as per the current SAP arrangement. SaaS is the focus for innovation and investment for major system providers and is specifically designed to meet the needs of an agile and mobile workforce, enhancing self-service business processes and significantly improving the use of management information.

Procurement

2.7 The Outline Business Case seeks approval to progress appropriate procurement activities based on outline costs and benefits identified through soft market testing and included as additional information in a separate report later in the agenda (Part II). ESCC considered both Enterprise Resource Planning systems (these are multifunctional systems that cover all the main functions of a Council and share a single database) and Best of Breed systems (these are specialist systems that focus on singular functions such as Finance or HR and will need to be integrated) The following two options for next steps have been evaluated with further information contained in Appendix 1.

- **Procurement Option 1:** ERP/Best of Breed SaaS solution, including implementation partner.
- **Procurement Option 2:** Direct award for SAP S/4HANA SaaS Implementation for SAP services, procurement of implementation partner.

2.8 The recommendation based on the procurement options appraisal findings is to progress **Procurement Option 1** - An ERP/ Best of Breed SaaS procurement to enable ESCC to fully evaluate its options and drive best value for money through market competition.

2.9 Option 2 is not recommended for the following reasons. Under Procurement Option 2 a lack of market competition is unlikely to deliver best value for money and mean ESCC is unable to fully evaluate its solution options and ensure best fit with its business and technical requirements. Also, a direct award to SAP is unlikely to be compliant with the public sector procurement regulations, unless a suitable framework could be identified. However, as stated above, this would limit market competition

2.10 The current known solution scope of this project, the risks and risk management, dependencies and key assumptions associated with these proposals to procure a new system are described in Appendix 1 and will be further validated and refined during the requirements and procurement stage. Following completion of the procurement activities this

business case will be updated based on the confirmed scope and costs for final approval before contract award and implementation.

3. Finance and Value for Money

3.1 The costs information in this outline business case are indicative only and are included in the additional information contained in a separate report in Part II of the agenda. The scope of this report is to seek a decision to progress the procurement stage of the programme only.

3.2 The high-level benefits associated with the implementation of a new system are in the table below. The benefits will be developed as part of the mobilisation and included within the benefits realisation planning based on the preferred supplier system selected:

Type of Benefit	Detail
Financial Benefit	• Avoided estimated share of £2m capital cost of upgrading the existing SAP hardware, which would be required for an in-house hosted solution. • Improved processes through automation and self-service, and changes to ways of working will create capacity efficiencies and potentially reduce FtE required to manage business processes. • Improved technologies are likely to reduce the number of business support staff required to support a SaaS-based technology.
Non-Financial Benefits	• Ability to procure a fit-for-purpose solution that meets ESCC's requirements. • Implementation of manager and employee self-service will improve processes and reduce inefficient activities for ESCC staff. • Increased flexibility of a subscription licence fee arrangement, which may be flexed depending on the number of users. • Planned upgrades will be undertaken in the SaaS Cloud, future proofing the solution with limited disruption to business. • Improved access channels will increase the ability to interact with the ERP system remotely. • SaaS technologies allow for improved integration between the ERP and other databases, enabling easier integration of financial and non-financial data.

4. Next steps and Timescales

4.1 The detailed timeline for implementation will be developed during mobilisation of the implementation phase with the chosen Implementation Partner and will depend on the chosen new solution. Whichever solution is selected, the aim will be to take a phased approach to the deployment of the system in order to enable greater flexibility and reduce the risk associated with attempting go-live for all parts of the system on a single date.

4.2 To reduce risks of programme slippage there are several key tasks that the programme can initiate early. These tasks will better inform the invitation to tender and the selection process. The early work will improve the discussions with potential vendors and reduce the risk of selected software not meeting all the business requirements.

4.3 The tasks to be considered for early start are:

- Data verification and cleansing;
- Target enterprise architecture for process, data, application, interfaces and integration;
- Reporting verification;
- Business and process requirements;
- Develop and update workforce strategy to align with future state systems functionality.

4.4 The table below sets out the key milestones associated with proposal to procure and implement a new system:

No.	Milestone	Completion Date
1	ERP Replacement Project Initiation Document – seeking approval to proceed form CMT	Oct 19 - Complete
2	ERP Replacement procurement strategy – seeking approval for route to market	Oct 19 - Complete
3	Outline business case final approval for software vendor and implementation partner	June 20
4	OJEU Notice published	July 20
5	Invitation to Tender issued	**July 20**
6	Contract signed	**Dec 20**
7	ERP Replacement implementation team mobilisation	Dec 20
8	Implementation (Phases prepare; explore; realise; deploy)	Nov 20 – Sept 22
9	Go Live (Phase run)	Dec 22
10	Retire current SAP and associated systems after dual running	**April 23 onwards**

5. Conclusion and reasons for recommendations

5.1 The purpose of this report is to inform a decision based on indicative costs and benefits to progress a procurement exercise to upgrade or replace the Council's existing corporate system, which manages the organisation's business critical finance, HR, Payroll and Purchasing processes.

5.2 Cabinet is recommended to note the outline business case and to agree to progress a procurement based on Procurement Option 1 above for a Software-as-a-Service (SaaS) system. It is recommended that the response to the tendering process be reported to the Lead Member for Resources and authority be delegated to him to award a contract.

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Appendix 1

Outline Business Case – Further information

1. Strategic Case

The key strategic business drivers to move from the existing SAP system to a new system include the following:

1.1 Business Continuity Imperative - the current SAP systems were implemented in 2004, are out-of-date and will no longer be supported by SAP beyond 2025. The existing hardware was procured in 2011, with a projected lifespan of 5 years and is now starting to underperform, thus increasing the risk of system failure with serious consequences for ESCC. The hardware is also on more costly extended support, with costs increasing every year.

1.2 Efficiency Agenda – there is a drive to deliver efficiencies through improving processes, removing unnecessary bureaucracy and enabling greater staff self-sufficiency through mobile digital self-service for day-to-day transactional services, releasing time in corporate support functions to focus on higher value, more strategic support as business partners to front-line services.

1.3 Flexible Working – with the advent of COVID-19 and the impact this has had on the office working environment, there is a need to support and enable the move to more flexible working across ESCC by providing mobile self-service access to transactional corporate processes.

1.4 Suppliers & Customers - are requesting more and more to be able to self-service and self-access services thereby moving away from the more traditional service engagement and mediation approach.

1.5 A more modern and intuitive user experience – There is a demand for a modern system with intuitive self-service capability. The strategic drive for agile working from different locations requires up-to-date and intuitive digital self-service processes and technologies to enable managers and staff to access information and administrative processes easily on the move.

1.6 Accurate and timely data – There is a need for one version of the truth and data that is simple to extract, enabled by seamless integration between line of business systems and the corporate system. Finance, HR and Procurement currently undertake some data analysis using various tools, but this is time consuming and limited as information is recorded on disparate systems which aren't integrated. In addition, the existing HR and Finance systems are not effectively integrated meaning that there are commonly mismatches between HR data and budget data.

1.7 Flexible working - there is a need to support and enable the move to more flexible working across ESCC by providing mobile digital self-service for staff to access transactional corporate processes.

Strategic Alignment

1.8 The Council has four overarching priority outcomes:

- driving sustainable economic growth;
- keeping vulnerable people safe;
- helping people help themselves; and
- making best use of resources.

1.9 Making best use of resources is the gateway priority through which any activity and accompanying resources must pass. The remaining three priority outcomes guide activities, direct resources and are reflected in ESCC Council Plan activities and targets. As resources tighten, ESCC will need to have an ever-sharper focus on these priority areas, explore clearly the outcomes ESCC wishes to achieve, and monitor success in delivering these outcomes for the county's residents, communities and businesses

1.10 This programme of work and associated procurement contributes to the 'Making best use of resources' priority, which underpins all ESCC activities and is a key measure of success for priority outcomes. It applies to all the resources available for East Sussex, not only within the Council, but across the public sector, voluntary and community sector and private partners, and within local communities. ESCC will work as a single unified organisation to deliver our priorities; ensuring high quality, streamlined services are commissioned and developed in partnership; working to reduce demand for services and focusing on our residents and communities. The key design principles and outcomes set out by the MBOS Programme Board, support and enable ESCC to deliver on its gateway priority and support in parts the outcome priorities.

Business Outcomes

1.11 More modern, intuitive and efficient systems and processes are required to deliver the MBOS Programme Board's ambition and desired future ways of working. In summary, the programme aims to deliver a new system which achieves the following high-level outcomes:

- **Efficiency** – Eliminate repetitive processes and greatly reduce the need to manually enter information. The system will also streamline business processes and make it easier and more efficient to collect data, no matter what service a user is working in.
- **Scalability** – To have the ability to add new functions as the scale of service delivery changes over time.
- **Cost Savings** – With real-time, one source, accurate information the future solution will reduce administrative and operations costs. This will enable services to proactively manage operations, prevents disruptions and delays, breaks up information logjams and helps users make decisions more quickly.
- **Flexibility** – Modern systems are robust, flexible, and configurable. The future solution will be tailored to the unique needs of services. The business will be able to adapt to the ever-changing needs of a changing population and subsequent format of service delivery.
- **Security** – An improved new system will enhance the accuracy, consistency, and security of data, all through built-in resources and firewalls. If there are any restrictions on data, it can then also be enhanced by managers of the solution.

- **User experience** – The new system will enable ESCC to save time on transactional activity and spend more time on developing insights into user, customer, supplier & partner needs and performance. Superfluous processes will become automated, allowing users have more time to work on other pressing projects and tasks. They'll also be able to work easier since the solution will be designed for ease-of-use.
- **Workforce competencies** – New systems with increased automation, self-service and data analytical & interrogation tools will start to change the competency requirements of ESCC the organisation as it moves from a transaction base to data intelligence led organisation.

- **Integrated access to information –** The new system will ensure there are no more issues with being unable to access data spread across separate databases; all data will be able to be accessed through a single Reporting and Business Intelligence solution which will be integrated across all platforms, keeping data consistent, accurate, and unique. This will enable ESCC to know our customer, their needs, and our service performance, all in one place.

2. Procurement Option Analysis and Appraisal

2.1 The following two procurement options for next steps are evaluated here and the full financial and non-financial benefits and costs for the recommended option are shown in the next section and in the additional information contained in a separate report later on the agenda (Part II).

2.2 The option of 'Do Nothing' – stay with the current SAP system was considered by the MBOS Board and decided it was not an option for consideration because the SAP application will be out of support in 2025 and ESCC cannot run the business risk of managing an unsupported accountancy system. ESCC must procure a replacement or it is placing its financial governance at risk.

Procurement Options Considered

No.	Option	Description
1	Vendor neutral ERP/Best of Breed SaaS Procurement including integration tool.	ESCC-only OJEU process to procure both the SaaS subscription licences and Implementation Partner services that best meet ESCC requirements and drive best value for money. ESCC-only framework process to procure the integration tool to facilitate integration with business systems.
2	Direct award for SAP S/4HANA SaaS including integration tool	Direct award to SAP for S/4HANA SaaS subscription licences and procurement of Implementation Partner services via a procurement framework.

Procurement Option 1 (A&B) – Vendor neutral ERP/Best of Breed SaaS Procurement

Consideration	Description

Consideration	Description
Benefits	• Drives best value for money through market competition. • Improved understanding and comparison of qualitative improvements available from each solution option. • Improved understanding and comparison of suppliers' implementation approaches to best inform planning to minimise disruption for ESCC. • Improved understanding and fit with ESCC's business & technical requirements. • Public SaaS removes requirement for in-house infrastructure and associated costs. • Flexibility of SaaS subscription licences enables improved scalability (ability to flex subscriptions to accommodate changes in requirements). • Future-proofed. ESCC will be able to benefit from the release of new SaaS technologies via ongoing software updates. • Potential opportunity for ESCC support staff to broaden their skills and experience and learn a new system other than SAP.
Dis-benefits	• Business disruption. • Procurement challenges to evaluate Tier 1 versus Tier 2 verses 'Best of Breed' solutions – cost versus complexity. • Increased cost and time required for ESCC to run a restricted OJEU process to ensure adequate contract duration. If ESCC changes to an alternative system: • Increased support costs as existing SAP support 50% discount will end in December 2020 and costs will continue to be incurred during implementation. • Loss of ESCC's SAP knowledge, which has been built up over 15 years. • Increased business change and training costs.
Risks	• Possible additional unknown hidden costs that may be incurred from switching from SAP to an alternative system, such as data migration, archiving and historic information comparisons. • If a non-SAP solution is selected, current knowledge held in ESCC Support Staff will be lost. • Change of working practices will reduce productivity during implementation. • Will require increased network capacity to send and receive data across the internet.

Procurement Option 2 – Direct award for SAP S/4HANA SaaS

Consideration	Description
Benefits	• Less complex procurement process which is limited to the selection of an Implementation Partner, potentially from a framework. • Retention and further development of ESCC's existing knowledge of SAP. • Lower training requirement for the business and support staff. • Future-proofed. ESCC will be able to benefit from the release of new SaaS technologies via ongoing software updates. • SaaS infrastructure removes requirement for in-house infrastructure. • Enables use of latest SAP technologies to implement improvements in accuracy and timeliness of information.

Consideration	Description
	• Ability to re-purpose current licences to offset against SaaS licence value. • Lower risk of additional unknown hidden costs compared to switching from SAP to an alternative system.
Dis-benefits	• Limits choice of implementation partners to framework agreements. • Lack of market competition unlikely to deliver best value for money. • Lack of understanding and comparison of qualitative improvements available from other solutions (including available latest SaaS technologies). • Lack of understanding and comparison of suppliers' implementation approaches for different solutions to best inform planning to minimise disruption for ESCC. • Less clear and validated fit between this solution and ESCC's business & technical requirements due to a lack of comparison with alternatives.
Risks	• Potentially less value for money deal on software costs as ESCC will not benefit from market competition. • Loss of an opportunity to validate ESCC's requirements and to select a best-fit system at a time when this option will involve a complete change of system to S/4HANA. • Will require increased network capacity to send and receive data across the internet. • Procurement may be challenged.

3. Scope of the Project

3.1 Existing functional footprint - The scope of this project is to replace the current systems provided by SAP as set out in the table below:

Function	In-scope	To be confirmed	Out-of-scope
Finance	1. Record to Report 2. Order to Cash 3. Purchase to Pay 4. Budget Planning (Budget & Forecasting) 5. Projects 6. Asset Accounting 7. FMS – Schools 8. Capital accounting	9. Treasury Management	
Procurement	10. Purchase to Pay 11. Contract Management 12. Sourcing		
HR & Payroll	13. Hire to Retire 14. Employee self-service 15. Manager self-service 16. Recruitment 17. Expenses 18. Payroll	19. Organisation Structure 20. Learning Management	

Function	In-scope	To be confirmed	Out-of-scope
Property	21. None	22. Plant Maintenance	23. Fleet Management
Business Intelligence	24. Data Analytics 25. Dashboards		
Technology enablers	Equivalent functionality to the following SAP features: 26. Solution Manager 27. Systems Interfaces 28. Business Process Integration 29. Workflow 30. Electronic Forms 31. Integration to business systems 32. Multichannel Access 33. Mobile Working 34. Security & Authentication		

3.2 New functionality – To be agreed through the business requirements activity. The existing SAP contract management module is currently not licenced. A potential requirement for improved contract management, including mid to lower level spend, has been identified to inform better procurement decision making and drive better value for money.

3.3 Other related software tools – ESCC currently have other software products that are used in conjunction with the SAP system (e.g. Winshuttle which is in operation in Accounts Payable and Accounts Receivable). A review of the functionality provided by these solutions will be completed to inform the specification for the new system. It is proposed that ESCC will procure, through an existing framework, an integration tool that will ensure effective integration of the replacement system with existing business solutions.

3.4 Users - The full scope of users of the existing SAP system, including external customers of Business Operations.

3.5 Interfaces - Implementing the existing SAP integrations and known future services' integrations.

3.6 SAP hardware - The existing hardware has reached end-of-life and is on expensive extended support, with costs increasing every year. This programme includes implementing a future solution, whether SaaS or in-house, to host the upgraded or replaced SAP system for ESCC.

3.7 Data archiving - There are currently sixteen (16) years of data held in the existing system. An approach for archiving past data will need to be agreed and implemented as part of the solution. The new system including an Archiving solution will need to be GDPR compliant.

3.8 Surrey County Council SAP Hardware – The Surrey County Council (SCC) SAP system is currently hosted on the same hardware as ESCC and SCC faces the same technical imperative to upgrade their hosting arrangement. This work for SCC is out-of-scope for this programme.

4. Risks and Risk Management

4.1 The table below sets out some of the risks associated with the proposals to procure a new system:

No.	Risk (There is a risk…)	Mitigating Actions
1	…that there is an unclear strategic ambition for the programme, impacting the ability to gain consensus and ensure buy-in for a preferred direction of travel	Strong engagement as part of developing the options appraisal, business case & procurement with senior leadership and the impacted business stakeholders
2	…of the existing SAP hardware failing, increasing the risk of system failure with serious business continuity issues.	Implementation of a SaaS solution removes this risk for the Council. Mitigation during implementation period of new system to be managed by IT&D as part of business as usual.
3	…that dependencies on integration with Departments systems are not effectively identified and included within scope, impacting the delivery of end-to-end processes with directorates and benefits realisation	Focus on ensuring all integration requirements are identified and included. Departments representatives keep abreast of directorate initiatives status to ensure dependencies are effectively managed
4	…that there is a capacity issue in ESCC to be able to meet their required time commitment to deliver the programme.	Careful transition planning & management including backfill to free-up staff time to focus on the programme.
5	…that a move to a subscription payment model is not financially viable for the Council if the required revenue budget is unavailable	Indicative capital and revenue costs to be shared with Finance at the outline business case stage. Finance Business Partner involvement to ensure early inclusion of figures in budget planning.
6	…that there will be a drop in the level of service for ESCC and other customers during the implementation and early life of the new system	Effective business change management and communication with customers to manage expectations throughout delivery of the programme

5. Dependencies

5.1 The table below sets out the key dependencies associated with the proposals to procure a new system:

No.	Dependency	Description
1	Resource capacity and availability	• Appropriate resourcing arrangements are required in the corporate teams to be able to meet the required time commitment to deliver the programme. This must include backfill but also knowledge transfer to develop the capacity in advance of the programme commencing. Services absorb the additional capacity demand to provide

		cost free capacity to the programme
2	IT&D capacity and availability	• Appropriate IT technical capacity is provided to the programme in a timely manner according to the agreed implementation plans
3	Availability of required funding (revenue & capital)	• Availability of required funding to deliver the preferred solution, including required revenue and capital budget split (based on whether SAAS or licence ownership approach). The current SAP revenue budget has been reduced based on a 50% discount of SAP support and maintenance costs, which will end in 2020.
4	SAP support availability	• The current SAP support team provide the required programme resources in a timely manner according to the agreed implementation plan.

6. Assumptions

6.1 The table below sets out the key assumptions associated with the proposals to procure a new system:

No.	Assumption	Description
1	Networking costs	Of the existing costs, there will be an increased cost for networking due to the volume of data being transferred to and from the cloud.
2	SAP in-house costs	Several current costs will no longer be required, as they will be replaced by the SaaS licence fees. These include Energy & facilities, Server Hardware Maintenance, Virtual Server Maintenance, Storage Area Network, Software Maintenance & SP Backup infrastructure support costs.
3	SAP Software Maintenance	It is assumed that the cost for SAP Software Maintenance will rise from £350k to £500k in 2021/22
4	Business Support Team	No saving has been assumed as efficiencies once a SaaS solution is in place
5	Related SAP Software	The following existing SAP-specific software will not be required once the new solution has been implemented: • Intelicorp • Winshuttle • Arch • Asperia • SNP
6	Supplier Implementation Costs	These are based on soft market testing with SAP; Oracle; Unit4; Workday; Advances & Midlands & Microsoft.
7	ESCC Implementation	A detailed resource profile for the implementation period has been created, and roles allocated to either Backfill, external agency or

No.	Assumption	Description
	Costs	external consulting resources. The assumption is that most internal resources are provided at no cost. If internal costs are allocated to the programme an additional £1m will need to be added to the internal implementation costs.
8	Potential Operational Savings	No operational savings will be identified until a preferred supplier has been selected
9	Potential Efficiency Savings	Through the implementation of improved processes and increased manager, employee, customer and supplier self-service, an assumption has been made as to the level of savings that could be made from those significant users of the current SAP system. However, the realisation of these savings will be determined by ESCC's appetite to undertake further transformational change, over and above recent initiatives. The working assumption is that it is 1% efficiency saving across the organisation.
10	Solutions Assessed	Cost of solutions are based on soft market testing with SAP; Oracle; Unit4; Workday; Advances & Midlands & Microsoft.
11	Capital Costs	It is assumed that the Capital Costs include the cost of implementation plus hardware for the relevant options.
13	Payback Period	This is the time taken for cumulative savings to exceed the total Capital Costs
14	Existing SAP costs	It is assumed that the following costs will be required for one-year post implementation to ensure continuity and access to the existing system and data: • Energy and Facilities • Server Hardware Maintenance • Virtual Server Maintenance • Storage Area Network • SAP Backup Infrastructure
15	Testing Tools	To be included in the implementation costs of the implementation partner.