

Process Excellence in Action: **Hughes Network Systems**

IDS Scheer Tuned into Hughes Network Systems for SAP Implementation

Headquartered outside Washington, D.C., in Germantown, Maryland, Hughes Network Systems, LLC (<http://www.hns.com>), is the world's leading provider of broadband satellite network solutions for businesses and consumers, with more than 800,000 systems ordered or shipped to customers in 85 countries. Hughes Network Systems (HNS) pioneered the development of high-speed satellite Internet access services and IP-based networks, which it markets globally under the DIRECWAY brand. DIRECWAY terminals are based on the IPoS (IP over Satellite) global standard, approved by both TIA and ETSI standards organizations.

Organization

Hughes Network Systems (HNS)

Industry

High Tech

Challenge

Integrate more than 30 disparate legacy systems into one enterprise software solution.

The Solution

SAP was deployed by the IDS Scheer process implementation consulting team.

Benefits

- ▶ Improved order tracking and integrated business processes with full EDI support
- ▶ Improved productivity and reduced administration costs

The Business Challenge

As a company that relies on the speed of its broadband satellite network solutions to deliver the best technology and highest levels of service to customers, the synchronization of HNS' internal technology infrastructure was of paramount importance. To accomplish this goal, HNS faced many challenges, including supporting and maintaining approximately 30 legacy systems in different programming languages. These disparate systems were comprised of home-grown solutions and boxed software packages – some were integrated with order processing while others were not. Order management required special attention because the warehouses were not integrated with the sales order processing system. HNS dealt with severe inventory shortages on a daily basis. The order processing team would fax over a manually created report each morning to advise the warehouses of items and quantities to ship. HNS needed a unified solution that would reduce the number of legacy systems and integrate all functionality into one enterprise software system.

The Business Solution

HNS turned to the process implementation consulting experts at IDS Scheer North America to help the company implement SAP enterprise software using a phased rollout strategy. SAP is a client server platform that provides uniform appearance of graphical interfaces, enables consistent use of relational databases, and the offers the ability to run on computers from different vendors.

Phase 1 encompassed the following functionality:

- ▶ Sales Organization Structures
- ▶ Product Hierarchy
- ▶ e-Commerce
- ▶ Customer Master Data
- ▶ Pricing
- ▶ Order management
- ▶ Invoicing
- ▶ Collections
- ▶ Accounting close

The project team included a cross functional team from the Consumer Division, Finance, Operations, Human Resources, and IT who were responsible for implementing the next generation of business applications based on SAP. Phase 1, the implementation of the Sales & Distribution (SD) module of SAP for the Consumer Division, went live in August 2000.

The Results

The development and execution of a detailed test plan was key to the success of the implementation. The project team spent nine weeks performing integration testing, going through hundreds of test scripts and repeating them until no errors occurred. All business procedures were documented and then published on the HNS Intranet website for access by all users. Users were trained and prepared for the upcoming changes in processes and systems. In preparation for the shift to the new system, a special hotline was set up, in addition to the regular IT Help Desk. The support staff was specifically trained to answer questions related to the new system.

Over the three-year period since IDS Scheer deployed SAP, HNS experienced the following key accomplishments from the project implementation:

- ▶ Implemented ONLINEwithHNS, a Web-based order tracking application for CD customers and sales representative
- ▶ Integrated business processes, including customer master data, pricing, order management, delivery, invoicing and cash applications
- ▶ Created full EDI (front-and back-end) support, reducing manual order entry
- ▶ Improved productivity, resulting in staff reduction through attrition
- ▶ Reduced administration costs, due to increased order execution accuracy and efficiency resulting from system validations, order confirmations and contract functionality
- ▶ Enhanced market intelligence gained from uniform, data-rich, customer master driven reporting
- ▶ Gained strong sales advantage due to expanded functionality to quote complex pricing schemes

HNS went on to implement the remaining SAP core modules, including Production Planning to replace their legacy production system. The company also utilized the IT Help Desk for two years to help with support and development issues from Phase 1, while they concentrated on implementing the other modules.