



AXON GROUP

BUILDING ON GROWTH TO STRENGTHEN BUSINESS FOUNDATION

QUICK FACTS

Industry

Professional services

Revenue

£204.5 million (€256.1 million)

Employees

2,000

Headquarters

London

Web Site

www.axonglobal.com

SAP® Solution and Services

SAP for Professional Services solution portfolio

Axon Group plc, listed in the FTSE 250 Index, is a professional services firm that delivers business transformation consulting to clients worldwide. The company supports its clients with benefits-case development, solution implementation, applications management, outsourcing, and benefits realization. When Axon's international growth demanded even greater efficiencies from its business operations, Axon chose SAP® solutions.

Key Challenges

- Amplify efficiency in global financials
- Expand real-time, integrated view of operations
- Improve capacity to drill down into projects
- Strengthen ability to forecast and assess margins at project level

Implementation Best Practices

- Use of consultants with deep industry and systems integration expertise and SAP knowledge and skills
- Assignment of the best people to the project
- Backfilling of functional positions with contractors
- Focus on strategic operational functions
- Participation of all regions with no exceptions
- Endorsement and commitment from executive team

Financial and Strategic Benefits

- Increased efficiency in project controls and accounts receivable
- Improved overall financial reporting
- Enhanced ability to perform detailed analyses
- Enabled better project forecasting and tracking

Why SAP Was Selected

- Clear vision of ongoing innovation
- Comprehensive software functionality
- Ease of tailoring to the needs of offices in multiple locations
- Breadth of solutions for the professional services industry

Low Total Cost of Ownership

- 6-month implementation within budget
- Single global instance
- Minimal customization
- Assessed cost at 0.1% to 0.4% of revenue

Operational Benefits

Key Performance Indicator	Impact
Time for month-end close	-30% to -40%
Time to onboard newly acquired companies	-50%
Operating profit to operating cash	+128%



“SAP for Professional Services helps us plan and manage our projects and client relationships with an eye toward efficient, profitable use of our resources.”

Iain McIntosh, CFO, Axon Group plc

www.sap.com/contactsap

Expanding Globally Brings Challenges

Axon Group plc starts consulting engagements by asking, “How do you want to change your business?” Axon believes this first discussion is as much about vision as it is about the implementation of a software solution.

This approach must resonate with Axon’s clients. The company has been growing rapidly, both organically and through acquisition, to meet the global demand for its services. Iain McIntosh, Axon’s CFO since 2006, says, “The first six months I was with the company it grew 75%. We are now broadly equal in size in Asia Pacific, North America, and Europe.”

Axon’s growth objectives put significant pressure on its operating efficiency. McIntosh acknowledges that while the company did fairly well tracking time and expenses on existing software, its accounting software was unstable. A simple pay-rate change would require bringing the system down for two weeks.

Axon recognized that rapid growth increased the need to improve project and operational efficiency and to find ways to drive profitability. “We entered the FTSE 250 Index in 2007, and we were still running our U.S. operations on QuickBooks,” recalls McIntosh. It was time for a change.

Living the Example

“So we practiced what we preach,” says McIntosh. “We did a thorough assessment of what we wanted to achieve and addressed some difficult cross-functional challenges, such as defining financial excellence and establishing billing rules and revenue recognition methods.” Based on the company’s considerable experience delivering professional services, Axon and its management team knew that SAP had the right software to support the company’s growth.

“Having our own experts on board and keeping our focus enabled us to blueprint and go live in six months,” says McIntosh. He also notes that Axon put its best people on the project and backfilled functional roles with contractors – a best practice the company recommends to clients. And executive management was very involved and supportive.

McIntosh also stresses simplicity. “Don’t jeopardize an implementation by trying to do too much at once,” he advises. To that end, the implementation team focused on core financials, forecasting and reporting functionality, and HR master data.

Axon went live simultaneously across the entire global operation and didn’t allow regions to opt out. McIntosh notes that during the six-month deployment period, the company made several acquisitions. True to their philosophy, the executive team decided to move the acquired

companies immediately to the new software. “We established a standard model for integrating new companies and regions. Since the deployment of our SAP software, we have integrated companies in Australia, United States, Singapore, China, and Malaysia in half the time it would have taken before,” says McIntosh.

Proving the Case

SAP® software provides a global view of the business that benefits cash conversion and capital management. For example, 128% of operating profit was converted to operating cash while deploying the new SAP software.

“We’re quite a simple business, actually,” observes McIntosh. “Forecasting time, expenses, and client profitability across regions is the name of the game.” Contributing to Axon’s success is the ability to do rolling 18-month globally integrated forecasts. “We knew that if each project manager could upload forecasts every month and capture time and expenses accurately, we would be better able to turn billings into cash.” He also notes that Axon has shaved four days from its month-end close.

“We are planning numerous acquisitions in the months ahead,” says McIntosh. “With SAP for Professional Services, I am confident that we will continue to maximize our resources and optimize our operation.”

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