

Audit of the DTI key project ERP systems D/ar programme

Armed Forces Staff

Key facts

The existing SAP systems of the civil Federal Administration, as well as those of defence (D) and armasuisse (ar), have to be replaced by 2027. The Federal Council decided that SAP products will continue to be used to assist the support processes.

With planned costs of CHF 468 million, the "ERP systems D/ar" (ERPSYSVAR) programme is redeveloping the mission-critical enterprise resource planning system (ERP system). At the same time, the processes are to be standardised. At the time of the audit, actual costs amounted to around CHF 247 million. The programme has been running since 2019 and, according to the current schedule, is to be completed by 31 March 2027.

According to the dispatch¹, the mission-critical ERP system must function in all situations. To this end, the Armed Forces must be able to decouple this system from the civilian system quickly and operate it autonomously. In this audit, the Swiss Federal Audit Office (SFAO) assessed how the ERPSYSVAR programme is implementing the objectives as well as the status of planning for the integration of SAP into the overall ICT architecture of the Defence Group (Group V). The audit showed that the technological changeover to SAP S/4HANA appears realistic. Less encouraging is the fact that Group V and armasuisse have not yet succeeded in finding a solution that would support the processes in exceptional circumstances.

The reconstruction on SAP S/4HANA technology is proceeding as planned

The programme is planned in three stages and was in the second stage at the time of the audit. With stages one and two, the S/4HANA SAP system is being developed for normal operation. In this way, the programme is implementing the technology change in particular and providing Group V and armasuisse with a system for normal operation. In the third phase, the infrastructure for autonomous operation will be set up.

The planned stage one and stage two milestones have so far been achieved on schedule. The programme has reached an important milestone with the completion of the concept phase for the reorganisation of all support processes by 31 December 2022. The realisation phase was approved and the planning foresees going live on 1 January 2025 with the SAP system for normal operations. With this step, the technology change will be completed and Group V will be able to handle its day-to-day business with a new, modern system.

¹ Dispatch of 13 December 2019 on the guarantee credits for the "SUPERB" and "ERP systems D/ar" programmes for the modernisation of support processes of the Federal Administration and of mission-critical SAP systems in the DDPS

Still unclear how autonomous operation will be ensured

Due to modified requirements for the security of the SAP system in normal operation, the Armed Forces have decided to assign SAP to the so-called ICT basic services². In future, operation will therefore be ensured by the Federal Office of Information Technology, Systems and Telecommunication (FOITT). However, the Armed Forces still need a system to support logistics processes autonomously even during operations. This solution is intended to ensure continuity right through to combat service support, including availability, robustness and resilience in all situations. At the time of the audit, it had not yet been conclusively clarified what the solution approach would look like and what effects it would have on the previous and future programme work. The architectural situation, which has been unclear for some time, is now to be decided in June 2023.

The SFAO noted a lack of transparent communication on these important directional developments. Since these were key aspects in the dispatch, the SFAO drew the Chief of the Armed Forces' attention to this deficiency as part of the audit. In addition, the SFAO formulated a corresponding recommendation. Furthermore, the SFAO recommends to Group V that the ERPSYSVAR programme be ended once the system has been commissioned for normal operation. A new project should be set up to further develop a system for mapping mission-critical logistics processes once the solution approach and architecture have been defined.

Operation by the service provider FOITT: the new starting position opens up additional potential benefits and synergies

The analysis of the potential benefits and synergies is still in progress, as is the development of a corresponding implementation control. On the basis of the assessments presented so far, a greater savings potential is not to be expected. This is because Group V was already able to achieve optimisations through process automation with a previous project.

However, in the course of the takeover of operations by the FOITT, it will be possible to achieve additional potential benefits and synergies in the medium term. The SFAO has issued a recommendation in this regard.

Original text in German

² Basic ICT services are needed to carry out daily, non mission-critical work