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RIIO-T3

ET3 Atypical Non-Load, Non-Lead Interventions EJP Summary

ERP Systems

BAU IT Capex

National Grid Electricity Transmission's Business Plan

December 2024

ERP Systems – Investment Summary

This investment aims to ensure that the ERP systems remain aligned with industry standards, secure, and capable of supporting critical business functions. The ERP system is vital for managing core financial processes, maintaining operational efficiency, and supporting the expansion of the electricity network to meet the growing demand and decarbonisation goals.

Drivers for Digital Investment

The key drivers for this digital investment include:

- System Asset Health: Keeping the ERP system up to date to mitigate security risks and ensure operational resilience.
- Functional Changes: Complying with statutory, regulatory, and compliance requirements while improving the efficiency of finance back-office teams through robotic process automation (RPA) and business process improvements.
- NGET Strategic Enablement: Supporting digital objectives for RIIO-T3 by reducing complexity, minimising future development costs, and enabling advanced analytics and Total Cost of Ownership capabilities.
- SaaS Enablement for RIIO-T4: Preparing for the migration to a SaaS solution by aligning financial processes with industry standards to save on future upgrades and running costs.

Options Considered

Three primary options were considered for ERP Maintenance and Development: maintain and develop the existing ERP system, deliver only mandatory functional changes and migrate the current ERP system a SaaS solution

For Robotics Process Automation (RPA), the options included retain the existing in-house model, disband the RPA team and revert to manual processing, retain a small portion of the RPA team and outsource maintenance and development.

Preferred Solution

The preferred solution is to maintain and develop the existing ERP system while retaining the in-house RPA team. This approach leverages previous investments and ensures compliance with SAP's roadmap, reducing the complexity and costs of future migrations. It also supports our strategic enablement projects and DSAP commitments, enabling advanced analytics, process optimisation, and improved service quality. Additionally, retaining the in-house RPA team allows for continued automation and efficiency improvements, aligning closely with business needs.

Timeline

The implementation will follow a phased approach, utilising both the Scaled Agile Framework (SAFe) and traditional waterfall methodology. The SAFe methodology will be used for small system changes, delivering updates in iterative sprints, while the waterfall methodology will manage more complex deliveries. The proposed delivery timeline spans from FY27 to FY31, focusing on maintaining system asset health, functional changes, and strategic enablement projects.

Conclusion

The proposed investments in the ERP system are essential for maintaining alignment with industry standards, ensuring operational resilience, and supporting NGET's digital objectives. By focusing on simplification, cost minimisation, and performance improvement, NGET is strategically positioning itself to meet future challenges with a robust ERP infrastructure. The integration changes and decommissioning of outdated systems will unlock significant benefits, enhancing operational management and financial decision-making capabilities. This initiative not only addresses current needs but also lays a solid foundation for future growth and innovation, ensuring the continuous delivery of high levels of service performance and reliability.