

## Case Study:

*Australian Nuclear Science and Technology Organisation (ANSTO)  
Business Process Review*



## A NUCLEAR POWERED ROAD MAP

### Summary:

**Lodestone's IDEA methodology shows ANSTO the way ahead**  
ANSTO needed to optimise its business processes and subsequent utilisation of SAP to drive business efficiencies. Using its proven IDEA methodology, Lodestone identified the changes required and developed a Road Map which would enable ANSTO to move forward.

### The company:

#### **Nuclear technology for better health**

ANSTO produces radiopharmaceuticals to help in the diagnosis and treatment of a range of illnesses. Typically these products are injected into patients prior to a CAT scan to help identify potential problems within a targeted area. ANSTO is also involved in solving a wide range of industrial and environmental problems requiring nuclear and engineering know-how and is recognised as an international centre of excellence in nuclear science and technology.

### Project outline:

#### **Getting the most out of SAP**

Lodestone was engaged by ANSTO to conduct a strategic review of their business processes and make recommendations on ways to improve these. The purpose was to identify key changes needed to address a range of issues being experienced by the organisation and to enhance and improve ANSTO's existing SAP system in-line with best practice.

### Background and challenges:

#### **A non-optimised SAP environment was impacting the business**

SAP had been deployed at ANSTO progressively between 2001 and 2003. Despite having access to a broad range of relevant functionality, many key processes were handled outside SAP, due in part to a limited budget during the initial implementation, limited internal resources, and some resistance to change. This resulted in inefficiencies and cost burdens. Other core issues included inaccurate master data as well as a lack of or out-dated procedures and documentation, a lack of change control and in some cases, inadequate end-user training. The impact on the business was considerable as planning and reporting capabilities were significantly reduced due to poor data integrity, which in turn generated negative perceptions of SAP... in all, a vicious circle.

### Project objectives:

#### **Review, recommend, plan**

To conduct a thorough strategic review of the 'As-Is' business processes to:

- Identify problems and the necessary changes needed to alter current processes to best practice.
- Provide detailed documentation covering the key areas of the business processes.
- Estimate the high-level time and cost of implementing the recommendations and identify the related external and internal resourcing requirements.
- Estimate the potential benefits and savings resulting from the implementation of the recommendations and to prioritise these based on a detailed cost / benefit analysis.
- Develop a two year Road Map detailing the implementation approach, time-line and interdependencies between recommendations.



## **Solution:**

### **The difference was sound IDEAs**

Lodestone utilised its proven IDEA methodology to drive the work to a successful conclusion. Key components of the methodology utilisation were:

### **INSIGHT**

Over 40 workshops were conducted with a large number of business process owners and managers from a representative cross section of the organisation. Business processes were defined and documented and key issues and potential improvements identified.

### **DESIGN**

57 recommendations were derived from the workshops. A detailed cost / benefit analysis provided quantified figures used to prioritise the recommendations. The identified benefits, such as process improvements, increases in efficiency, reductions in operational costs etc., were qualified with business process owners and managers and quantified in terms of potential savings, projected yearly benefit, discounted benefit, Net Present Value (NPV), Return on Investment (RoI), and payback period.

### **EXECUTE**

The recommendations were then prioritised into three distinct project phases within a two year Road Map, based on the detailed cost / benefit analysis.

In addition to the Road Map, Lodestone also provided ANSTO with a Master Validation Plan detailing how the recommended changes should be implemented in a compliant manner and in-line with Therapeutic Goods Administration (TGA) regulatory requirements.

### **ACHIEVE**

The Road Map and implementation plan was fully approved by the Executive Committee, who fully endorsed the subsequent project to implement the solution outlined in the Road Map.

SAP modules analysed:

Finance and Controlling, Project Systems, Payroll, Materials Management, Plant Maintenance, Production Planning, Quality Management, Sales & Distribution, and Human Resources.

### **Outcome:**

#### **The highest quality deliverables to ensure success of the next phase**

- The project, which ran for four months, was delivered on time, on budget and within scope.
- The Road Map and its recommendations were unanimously approved, as was funding for the recommended subsequent project to implement the Road Map.
- The As-Is process documentation produced formed the basis for the blueprinting phase of the subsequent project.
- The deliverables produced were universally recognised to be of the highest quality, as underlined by the positive feedback received from the client.

### **Feedback:**

#### **“Lodestone’s methodology and know-how made the difference.”**

“Lodestone was able to use its detailed SAP know-how to accurately determine the root-cause of the issues being experienced by the organisation, and to make solid recommendations on how to address these. The Road Map was clear and concise and allowed us to focus our attention on the areas where we could achieve maximum benefit and return on our SAP investment. The cost / benefit analysis allowed us to see the benefits that could be achieved in financial terms and provided a framework for us to benchmark and measure these going forward.”

**Frank Burton**, ANSTO Project Manager.