Centralized ERP Powers Digital Journey

Carrying 12 million passengers on a network of ten rail routes every year, Rhaetian Railway (Rhätische Bahn, RhB) is the largest train operator in the Swiss Alps.

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Initial situation

RhB opened its first train line, from Landquart to Chur, back in 1889, and now operates a 240-mile rail network set in the mountainous terrain of the eastern Swiss Alps.

Blending into the natural landscape, RhB's rail routes – which include the famous Bernina Express and Glacier Express – all add to the charm of the Swiss canton of Graubünden (or Grisons). As well as carrying passengers and maintaining its network and stations, RhB transports freight and cars, and also operates a real-estate division. The company's structure is complex – and it had an intricate, siloed IT infrastructure to match.

and difficult. For example, even the process of implementing a standardized accounts payable workflow system (a common setup nowadays) was highly complex. RhB's patchwork IT infrastructure was also making it increasingly hard for the company to leverage innovations and enhancements. And, with its existing ERP systems becoming less and less able to meet RhB's requirements, the company found itself shifting more of its everyday ERP functions to periph-

> The company ran two core ERP systems. Making adjustments that affected both systems was **extremely costly and difficult.**

Mishmash of ERP systems
"Our application landscape had grown over time, so we had a huge number of different systems and interfaces," says Silvio Briccola, CFO at RhB. The company ran two core ERP systems. Making adjustments that affected both systems was extremely costly

eral systems. An external report commissioned by RhB only confirmed these shortcomings. "The management board and board of directors could see that we urgently needed a single, centralized ERP system for all our divisions," says Sandro Pfammatter, head of IT, explaining how his company's SAP project came about.

‹ The heterogeneous IT landscape inhibited RhB in terms of innovation and further development.

Objectives

RhB set out its objectives in a digital transformation strategy, which included replacing its existing ERP infrastructure with an integrated, centralized system. By standardizing its systems, RhB aimed to boost efficiency in all its divisions, manage its resources better, make its processes leaner and more secure, and achieve significant and lasting improvements in the quality of its data and information.

Foundation for new features
One of RhB's aims was for its new ERP system to be the foundation for delivering on another of its key objectives. "We're looking to work with other railway

company – ensuring that all the ERP modules were tightly integrated – and one that could connect seamlessly to third-party systems as well. Management endorsement for the project was vital, because about 1,600 employees from all divisions – from Finance and Management Accounting to Purchasing/Sales, HR, Real Estate, Logistics, Rolling Stock, and Infrastructure – would require training on a completely new system. To implement an IT project on this scale, RhB therefore also needed a detailed change management and external risk management plan – both of which formed a central part of the company's project governance.

> ❝ We wanted our new ERP system to be the foundation for working with other railway operators to drive enhancements and innovations that would benefit us all. ❞
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> **Silvio Briccola** | CFO, Rhätische Bahn (RhB)

operators to drive enhancements and innovations that will help tackle the kinds of challenges we all face, be it with rolling stock, infrastructure, logistics, or warehouse management," says Briccola. RhB therefore wanted its new IT solution to be based on best practices that were close to the ERP standard and that other rail companies were already following.

RhB also wanted a software solution that would map processes across the divisions and across the

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Solution

After the evaluation phase, RhB decided to introduce SAP S/4HANA across the company using the greenfield approach. The SAP partners TeamWork Schweiz AG and Orianda Solutions AG - a valantic company won the tender for the implementation at the end of August 2019. The new IT landscape: SAP S/4HANA, SAP Payroll Processing/HCM, SAP Real Estate Management and SAP Single Sign-On are on-premise solutions, while SAP Asset Manager, Business Application Studio and SAP BTP (Business Technology Platform) are operated in the cloud. A total of four years passed before the go-live on April 1, 2023. "We deliberately took enough time for the complex organizational project, in the middle of it was also the new coronavirus period for everyone," explains Silvio Briccola.

> ## Many existing systems are being replaced by a **central ERP.**

Various success factors
Various factors contributed to the success of the project: Among other things, RhB hired four process specialists. These relieved the burden on employees in the areas where the procedures and processes changed the most. External risk management and a large management presence were also essential. presence of the management.

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‹ RhB opted for SAP S/4HANA and a hybrid system landscape.

Benefits

RhB is currently in the optimization phase: it still has a large number of complex interfaces to put in place to harmonize all its peripheral systems with the core. "We've made some improvements already, and we're on the right track," says Briccola. In the meantime, change management remains central to ensuring that employees receive all the support they need.

ERP system is much easier to adapt than the old one. "Thanks to SAP S/4HANA, RhB is equipped to continue a digital transformation journey that will bring yet more opportunities for growth – both for itself and for its peers in the rail industry," says Briccola.

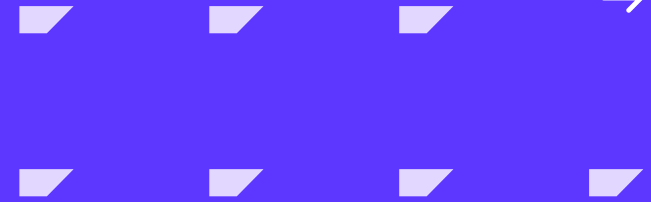> " We now have a complete, highly integrated standard solution. "
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> **Sandro Pfammatter** | head of IT, RhB

Huge progress on digital transformation
The implementation of SAP S/4HANA and other SAP applications signaled a new era for the entire company, from purchasing, logistics, and project management to real-estate management and vehicle maintenance. "We now have a highly integrated, end-to-end standard solution," says Sandro Pfammatter. "And because the system is transparent and centralized," adds Silvio Briccola, "all our business processes are simple to view and track." This makes it much easier for individual divisions to plan. And they now work much more closely with each other than before, because changes to the ERP system affect them all. By the same token, the new

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Benefits

Efficiency
- Management accounting and reporting in one system
- Large amounts of data are processed in real time
- Standardized processes and workflows

Convenience
- Standard solution with a high degree of integration
- High level of transparency
- Individual business processes are traceable

Cost savings
- The system can be adapted easily
- One core system instead of multiple peripheral systems
- Having centralized, standardized data makes it easier to plan

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About TeamWork as a partner of SAP
TeamWork is an SAP consulting partner and value-added reseller headquartered in Switzerland. Employing more than 1,200 people, it has been serving customers successfully around the globe for more than 20 years. TeamWork's Swiss offices are in Bern, Zürich, and Geneva, and it has specialized in SAP projects, both in its home market of Switzerland and across the world, since 1999. Whatever the landscape – on-premise, cloud, or hybrid – TeamWork delivers the best possible result for each customer.

About Orianda as a partner of SAP
Orianda Solutions AG, a valantic company headquartered in Tägerwilen on Lake Constance in Switzerland, has been a leading expert in holistic, end-to-end consulting for SAP asset management and maintenance solutions for more than 25 years. The company applies digital and mobile technologies to business processes to futureproof them, with the help of SAP standard solutions based on the SAP Intelligent Asset Management suite. Orianda explores and identifies the potential of the latest technologies and innovations – always with the customer in mind.

About Rhätische Bahn AG
- Founded: 1888
- Employees: 1,600
- Industry: rail transportation
- Headquarters: Chur, Switzerland

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