

Customer Solutions Case Study



Customer: Ugu District Municipality

Website: <http://www.ugu.gov.za/>

Country or Region: South Africa

Industry: Local Government

Partner: Axnosis

Company Profile:

The Ugu District Municipality (DC21) is 5 866 km² in extent and it is one of 10 districts of KwaZulu-Natal. The IsiZulu word for 'Ugu' means 'coast'. The area is boarded on the north of eThekweni Municipality, on the western side of the uMgungundlovu and Sisonke Municipalities and the Eastern Cape Province on the south.

The eastern boundary is the Indian Ocean. The district consists of 81 municipal wards, which culminate to six local municipalities. The district municipal area also enjoys a coastline of some 112 kilometres and a total of 39 traditional authorities

Software and services

Microsoft Dynamics Axapta with added Axnosis-developed modules of:

- Core (financials and logistics)
- SRM (relationship management)
- SAM (service and asset management including the Call Centre focus)
- SALT (South African localised toolkit and BEE module)
- SIM (the interface engine)
- Treasury (Loans and Investment Management)



Getting up to date

KZN municipality moves from old unmanageable systems to a single workable integrated solution.

Situation

Ugu supplies the six municipalities with water services which are then disseminated to the communities throughout a very large area. The billing to residents is also carried out through Ugu, as are all other necessary services, maintenance and upgrading of the actual infrastructure throughout the area.

The municipality had DOS-based systems which were old, not upgradable and supported by only one individual, not a company. Existing systems were disparate and not integrated which restricted their use for the management decision-making. It was time consuming to gather relevant and applicable information that was required to process transactions and provide control and for drill down information from reports and individual transactions – the key to effective cost control objectives.

All business process/divisions (Billing, Finance, Stock, Procurement, HR, Call Centre, Planet Assets, Job-Costing, Fleet, Projects divisions, Loans, Investments, Grants, etc.) were working on separate systems and dependant on manual updates to the GL.

Controlling all these aspects separately was not possible and combining these processes into one ERP system was the obvious answer.

For example the call centre was a separate entity and run on two different stand-alone systems for the water and internal IT issues. Comments and complaints were handled manually and had to be logged individually and someone is then allocated to do the work. Controlling, monitoring and providing adequate feedback on all issues was non-existent.

Another example was procurement which also was problematic as it was subjective, rather than objective. Often the same vendors were used and a price/preference points system was not in place. Requisitions/RFQs were handled manually and obtaining necessary approvals timeously was near impossible.

Solution

When the Municipality went out to tender for a new ERP system in 2005, Bytes Technology Group (BTG) won the tender. Finance and Stores modules went live in early 2007.

Subsequently BTG and Ugu parted ways in 2008.

Axnosis was appointed to partner with the municipality in 2009 and it produced a comprehensive plan of what needed to be done to bring the ERP project to full completion and compliance with the MFMA and PPPFA Acts, as well as Auditor General requirements, which had been very difficult to manage in the past. The main purpose of the project was to provide Ugu with a complete business solution that is used to its maximum potential throughout the whole Municipality. AX was also to provide quality and timeous data and information for effective management control of all departments in the Municipality and improving the reporting process for all stakeholders involved.

It was decided to upgrade to Microsoft Dynamics AX 2009 as a first step, with added Axnosis developed modules for specific tasks. Axnosis also took over the day-to-day support of the existing modules at that stage.

This has been a fairly long term project which involved rolling out new modules and new functionality piece by piece and customising the standard AX product as well as the Axnosis add-on modules.

Benefits

The disparity of systems has now been minimised, with interfaces running between AX and some remaining separate systems, which allows for one manageable entity containing all necessary data for reporting and which gives a wide variety of improvements such as better stock control of stores, improved procurement and better service delivery to local citizens.

Compliance has been greatly improved. Reports are simpler to put together and print, particularly in the financial area. Month- end results and year-end reporting can now be done quickly and accurately. Manual signatures and approvals are no

longer needed as there is a complete approval and accountability system built in. Added to which, the rules concerning the use of vendors are easier to maintain, with rotation of vendors and BEE compliance assured.

User adoption has been excellent and staff members have adapted easily to the new system.