GMCS

// SUCCESS STORY

SOCHI 2014 ORGANIZING COMMITTEE

OLYMPIC-SIZE ERP

SOCHI.RU 2014

BACKGROUND

Sochi 2014 Organizing Committee is the organization responsible for the preparation and smooth execution of the XXII Olympic Winter Games and XI Paralympic Winter Games in Sochi.

To ensure effective organization and management of the winter sport competitions Sochi 2014 Organizing Committee decided to implement a comprehensive event management information system.

RESULTS

- Ensured effective planning and management of tangible assets.

- Simplified monitoring of procurement cycle.

- Reduced time to prepare and approve budgets.

- Increased effectiveness of control for budget execution.

- Improved accuracy and promptness of internal and external reporting.

- Reduced time to approve documents.

35,000+
users of ERP system

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WAITING FOR A WINTER'S TALE

Sochi 2014 Organizing Committee had its work cut out for them with a complex and ambitious plan to be implemented in preparation for the XXII Olympic Winter Games and XI Paralympic Winter Games. The plan, constrained by the start of the Games as the deadline, is meant to achieve a high degree of organization and efficient interaction between the various units of the Organizing Committee as well as with the numerous external organizations and companies. A special aspect of preparing for the most anticipated sporting event in 2014 was to construct an enterprise management system analogous to a corporate ERP system.

OLYMPIC REQUIREMENTS

Says a representative of the Sochi 2014 Organizing Committee:

"The work of the Organizing Committee is limited to a few years, and much of the financing of the preparation for the Games is funded by the state budget, so the path of sustained implementation of costly massive IT solutions was initially unacceptable to us. We chose Microsoft Dynamics AX, because the platform could solve the challenges we had and completely corresponds to our "Olympic" requirements.

Implementation of a management information system was carried out in record time even by Olympics terms since it took only four months to launch the pilot phase of the project. This once again convinced us we made the correct decision choosing this platform. In addition, an important factor in the success of the project was the professionalism of GMCS – their experts were able to complete tasks and resolve issues under tight deadlines."

The Sochi 2014 Organizing Committee had chosen Microsoft Dynamics AX as a platform for building the information system

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after exploring options available on the market. When selecting project contractors the committee considered the vendor's experience with implementing and supporting Microsoft Dynamics AX and Microsoft Office SharePoint Server as well as proprietary solutions, experience with state-owned enterprises and the availability of a professional team of specialists with the necessary skills and competencies. In summer 2008, Sochi 2014 Organizing Committee selected GMCS as one of the few contractors for the project.

UNIQUE SOLUTION

GMCS was responsible for automating the following business processes of the corporate management system.

Financial Management

Complying with technical IOC guidelines on finance and Russian legislation, GMCS automated key financial management processes for the following areas:
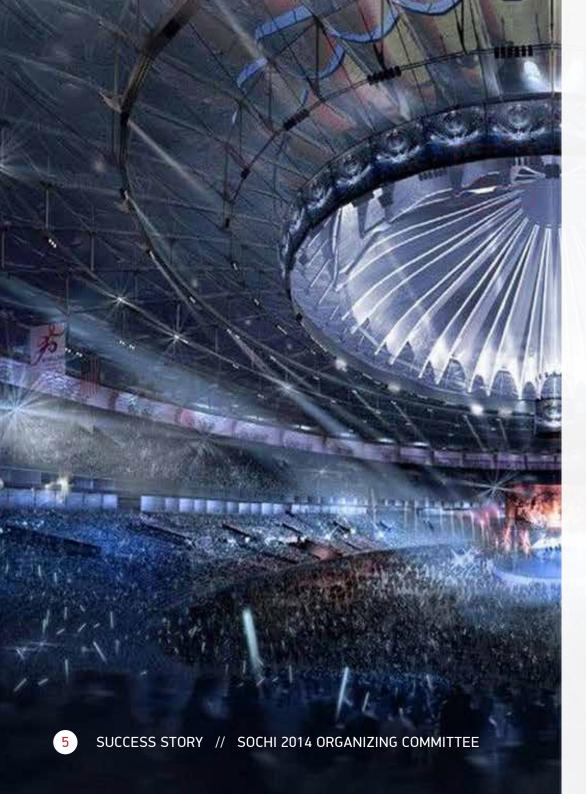
Comprehensive Analytical Modeling

The complex analytical model contains all data necessary for planning, accounting and reporting on the current activities of the Organizing Committee. This model allows the Organizing Committee to conduct budget analysis and forecast the financial status of activities.

Budgeting and Forecasting Revenues

Based on the complex analytical model, budgets and forecasts for revenues and expenses became more robust. Tools implemented in the system contributed to the construction of a balanced budget, which is one of the Organizing Committee's priorities. The solution allowed the budget to be created using various principles: descending, rising and mixed. The solution also supports multiple versions of the budget ("must-have", "nice-to-have" and "best") and unlimited versions of the budget plans that are generated by routine adjustments. On the expenditure side, in addition to procurement budgets, the solution provided the ability to plan

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personnel expenses (travel, training, payroll, etc.), mandatory payments to state funds and royalty payments to IOC as well as other benefits.

Treasury

In the organization, as part of the budgeting and treasury function, payments are applied automatically based on payment schedules, purchase requests, requisitions, payroll and other sources, as well as manually. The allocation of available funds as well as control over budget deficit are conducted within the approval request process. Then, payment rosters are automatically generated for approved requests. The Head of the financial unit of the Organizing Committee can adjust these rosters as necessary, changing payment days, the payment amount or other payment terms. In general, the embedded system allowed senior financial managers of the Organizing Committee to manage the consolidated cash flow quickly and in a convenient way. The solution allowed easy control of a large number of daily transactions, and made the necessary changes in the payment schedule promptly so that managers can evaluate the effectiveness of the financial plan.

Budget Control

The new system provided the ability to control the budget post receipt of actual income and expenditure, compare planned and actual results and perform variance analysis. The data was used to adjust the overall budget of the Games as well as evaluate the performance of functional units during prior periods.

Management of Investment Flows

For better investment flows management, a specialized solution was developed to plan and maintain a record of the movement of funds (both monetary and in-kind contributions) allocated
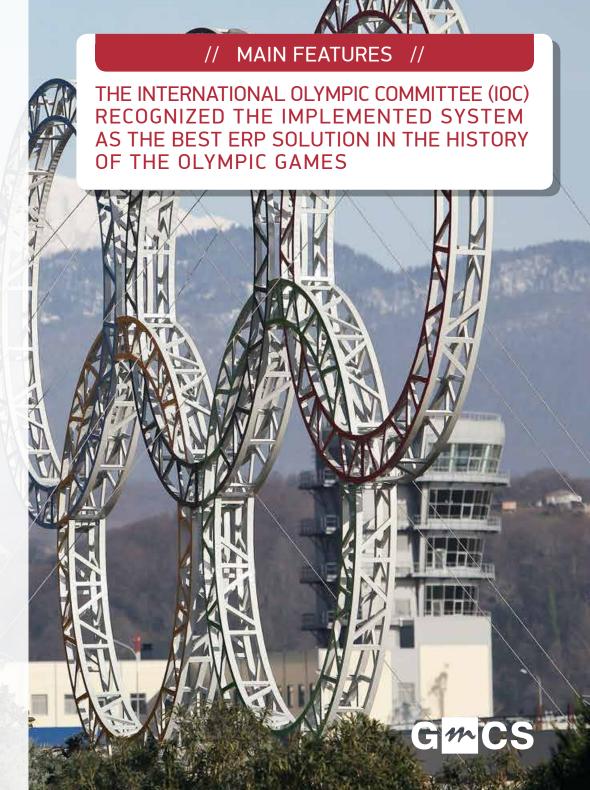
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to the Organizing Committee in the form of subsidies or contributions from sponsors and the International Olympic Committee (IOC), and other income. The system allowed end-to-end control of financial revenues and provided the ability to generate detailed reports on spending earmarked funds for sponsors, as well as reports on the availability of earmarked funds by funding source.

Management of Logistics and Procurement

The system had an integrated approach to procurement and financial planning. It supported both "downstream" and "upstream" financial planning over multiple periods (year, quarter, month). The ability for data to be created automatically in the system meant the Organizing Committee experts were able to quickly make the necessary adjustments and create a financial plan in compliance with the current procurement and action plans (projects, processes and other activities). Based on data collected from the Organizing Committee's functional units, which are then consolidated and transferred to the ERP system, a general procurement plan is formed. The system was able to accommodate different departments' grouping needs into a single item based on one or more characteristics (geographical, functional, time, type of goods and services, etc.). The system also provided detailed information on purchasing lots (view, time, subject, status, supporting documentation, etc.) and was able to track status of tenders. The system gave the Organizing Committee the ability to form tender requests that were connected with planned needs. As a result, transparent control over planned and actual goods and services received in qualitative, quantitative and temporal characteristics was achieved.

For heads of procurement and logistics, they now gained access to customized reports that allow monitoring of procurement activities in detailed, down to a particular procurement item or invoice payment. In addition, the system made it possible

THE INTERNATIONAL OLYMPIC COMMITTEE (IOC) RECOGNIZED THE IMPLEMENTED SYSTEM AS THE BEST ERP SOLUTION IN THE HISTORY OF THE OLYMPIC GAMES

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to control the execution of a procurement plan by tracking the permissible limits during the entire procurement cycle.

Analytics and Reporting

In order to monitor specific activities performed by the Organizing Committee, over fifty management reports were implemented in the system, all developed in compliance with the IOC. In particular, specifically for the top management of the Organizing Committee, GMCS had developed a package of additional report which allowed these managers to analyze current activities quickly and effectively.

Document Flow

The use of electronic documents within the new system reduced document coordination time and improved document control. A notable feature is the workflow for electronic approvals, which allowed complex nonlinear flow configuration for any document based on various conditions such as authorization amount and purchase volumes. The system also allowed the re-routing of workflow to accommodate temporary "stand-in" personnel when the primary approvers are not available.

The application of electronic documents fitted well as part of the Organizing Committee's "green office" program.

FORWARD TO A RECORD!

The system was launched in spring 2009. The solution united the Moscow head office of the Organizing Committee with the Sochi location into a single information space.
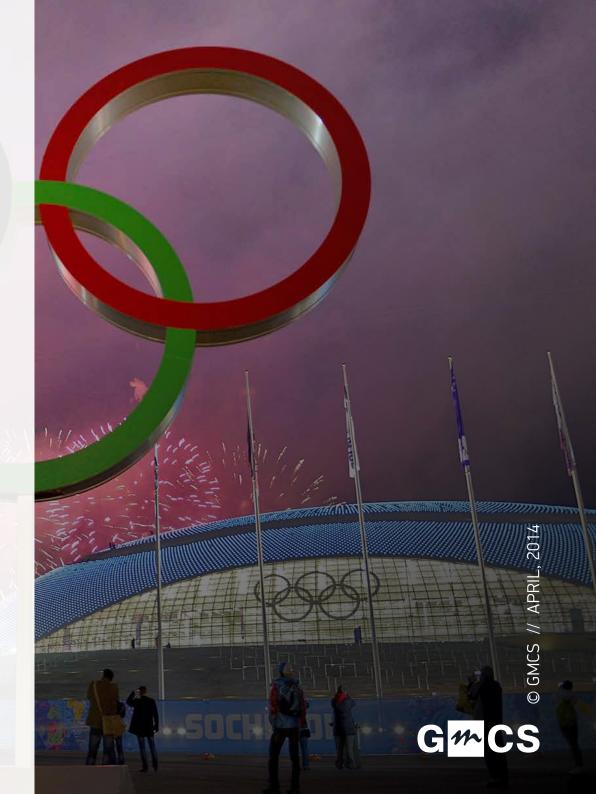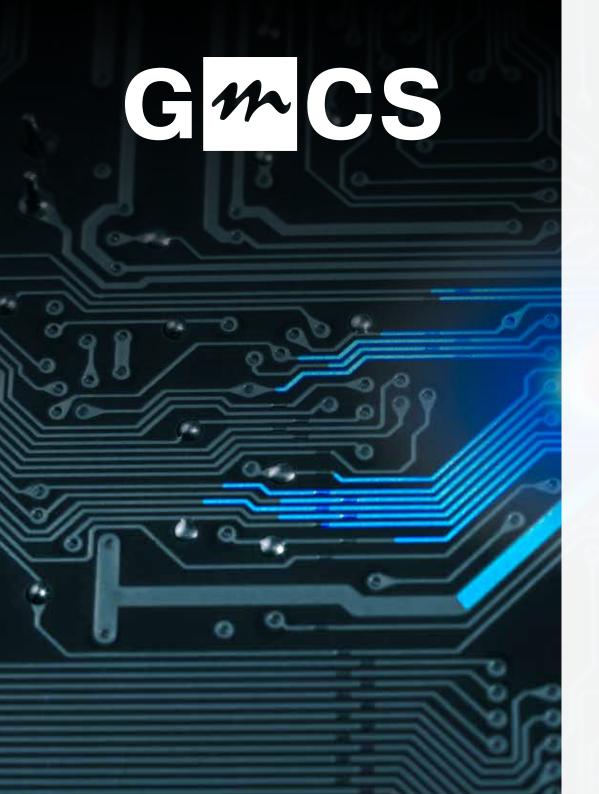
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Since the start of the project prior to the Olympics, the number of ERP systems users has grown from 50 to more than 35,000.

After major parts of the project were completed, GMCS continued to work with the Organizing Committee in the areas of technical support and system development.

Highlights of the continuing engagement included:

- Migrated system to a new version of Microsoft Dynamics AX.

- Implemented WMS-system based on Microsoft Dynamics AX in the main logistics and distribution center of the Organizing Committee.

- Ongoing work to optimize payroll procedures.

- Ongoing work to optimize performance of the database management system included in ERP system.

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GENERAL INFORMATION

GMCS – a leader in business applications implementation, software development and application management.

GMCS helps customers accelerate their digital transformation using technologies and solutions from leading suppliers, as well as the company's proprietary solutions

The company is headquartered in Moscow, branches - in St. Petersburg, Penza, Perm and Kazan.

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