Audit of the key ICT project ERP systems D/ar program
Defence group

Key facts

The existing SAP systems of the civil Federal Administration as well as those of defence (D) and armasuisse (ar) have to be replaced by 2025. SAP products will continue to be used to assist the support processes.

With planned costs of CHF 444.9 million, the "ERP systems D/ar" (ERPSYSVAR) program is developing the mission-critical enterprise resource planning system (ERP system). At the time of the audit, actual costs amounted to around CHF 82.4 million. For the civilian support processes, the modernisation of the SAP systems will be carried out simultaneously by the SUPERB23 program.

The mission-critical ERP system must work in all situations. The Armed Forces must be able to decouple this system from the civilian system quickly and operate it as efficiently as possible on its own. With the present audit, the Swiss Federal Audit Office assessed the ERPSYSVAR program and its risks in terms of target achievement.

ERPSYSVAR program is professionally managed

ERPSYSVAR professionally implements the processes for managing a program. The collaboration with the SUPERB23 program for the coordinated development of the civil ERP system works well. Both programs benefit from the mutual exchange of information during the conception phase.

However, the majority of the ERPSYSVAR program objectives are not specified in a measurable way. In addition, the forecast total costs in the internal reports have not been compared with the ICT key project reports. As a result, the program cannot objectively assess the achievement of objectives and progress over the entire period. For effective management, it is necessary to refine the objectives with quantifiable indicators.

The Armed Forces are expected to have to make fundamental decisions over the duration of the program up to 2026. The Armed Forces Staff must set out the necessary considerations concerning costs and benefits and clarify the consequences for the program activities.

Joint ERPSYSVAR and SUPERB23 implementation strategy comes with high risks

The joint implementation strategy chosen involves high risks due to the very close dependencies between the two programs in terms of content and timing.

Both try to achieve a common denominator with regard to processes and their technical implementation. The procedure for a common process and technology core was defined and decided in the Federal "ERP ICT 2023" strategy. However, no proof of benefit in terms of optimal performance has been provided to date. Nor have the benefits been compared with the possible disadvantages, such as the future coordination burden or the reduced flexibility for system adaptations. In addition, the current approach may run counter to the strategic objectives for the two-system landscape. For example, process interfaces between

the ERP systems could impede or even prevent autonomous operation and mission-critical adjustments to the ERP system D/ar.

The Confederation is centralising master data management in order to harmonise data and processes. The scope of the common master data is a decisive element in deriving the greatest possible benefit. It can also be used to simplify processes, for example. Decisions on the optimal use of master data have yet to be taken by the responsible bodies at federal level. The ongoing work on master data management in both programs aims, among other things, to identify the optimal use of master data. Where necessary, ERPSYSVAR should request decisions by the responsible bodies at federal level.

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