

Heathrow defies pandemic to deliver largest business transformation in its 75-year history

Capgemini plays key role in transition to new strategic IT platform, built around automated, cloud-based Oracle technologies and solutions, as airport retains its post-pandemic expansion plans

Heathrow Airport is one of the biggest and busiest airports in the world, and one of UK plc's most important and valuable national assets.

Before COVID 19, more than 80 million passengers took almost half a million flights from Heathrow to 203 destinations in 84 countries every year, while the annual value of trade going through the airport was calculated at £188 billion. Just like the aviation industry worldwide, Heathrow was severely impacted by the global emergency, but is already making a strong recovery.

Despite the pandemic, Heathrow's expansion plans remain in place, with the centerpiece being the proposed construction of a third runway. To achieve this vision for Heathrow, aging, legacy IT systems with fixed, labor-intensive processes, data inaccuracies, and growing historic costs built in needed replacing. Doing so would additionally deliver the speed, agility, and flexibility essential to meet today's needs and to maximize the value of investment in the airport's ambitious growth plans.

This transformational project, called the Magenta Program and completed in January 2022, would become the largest business transformation in Heathrow's 75-year history.

Client: Heathrow Airport

Region: UK

Industry: Hospitality and travel

Client Challenge:

Heathrow Airport wanted to transform its IT capabilities in order to enable the full value of its huge expansion plans to be realized

Solution:

Capgemini supported Heathrow to deliver the Magenta Program, a new strategic platform and integrated IT ecosystem built around automated, cloud-based Oracle technologies and solutions

Benefits:

- Modern, secure, fully integrated IT fit for Heathrow's challenges today and in the post-pandemic future
- Multiple productivity and efficiency gains through automation
- Substantial cost savings from the decommissioning of legacy infrastructure and systems
- A transformed user experience
- Eliminated slow, labour-intensive manual tasks
- An exemplary project of agile, collaborative remote team working, completing thousands of lines of activity during COVID-19 lockdowns

Uniquely complex circumstances

In 2019, Heathrow engaged Capgemini, its long-standing strategic IT partner, to deploy its extensive knowledge of the airport, its many stakeholders and users, and the existing IT landscape to help develop the vision, business case, design, and specifications for the Magenta Program. After reviewing their options, the partners decided to create a new strategic platform and integrated IT ecosystem, all built around automated, cloud-based Oracle technologies and solutions. Replacing existing legacy Oracle systems with new Oracle tools ensured that years of valuable familiarity with Oracle would be retained, smoothing user adoption, reducing technical migration complexity and accelerating cost benefits and value realizations.

Despite the impacts of the pandemic, which brought the vast majority of improvement projects at the airport grinding to a halt, Heathrow decided to forge ahead with the build and implementation phases of Magenta, as they became convinced that the Program possessed a business-critical role in both its recovery and the delivery of the next chapter of the airport's illustrious story. Heathrow's in-house transformation team came together with Capgemini and Oracle Consulting to form a remarkable collaboration forged in uniquely complex circumstances, with the airport and its people wrestling with unprecedented challenges as well as new and evolving impacts, such as terminals closing and furlough schemes coming into effect.

Adopting new, highly flexible, and virtual ways of working, colleagues demonstrated exemplary professional standards, working through each of the project gateways and testing processes while constantly innovating to maintain pace and cost efficiencies. Remarkably, many of the implementation teams have still never met.

"Because of the pandemic, we had to fundamentally rethink how we organized ourselves, made decisions, and kept everyone connected remotely," said Stephen Williams, Heathrow Transformation program Director. "Our industry has been severely impacted by the pandemic. We've had severe disruption, loss of resources, and of course a personal toll on so many colleagues; but through it all we still had a business-critical deadline to meet. Everyone from the Board, Executive Team, and throughout the organization rallied behind the Program."

The Magenta Program

– creating Heathrow's world-class IT platform for growth, embracing:

- Oracle ERP - Finance, Procurement, Projects, and Billing
- Oracle HCM - HR, Payroll, Talent, Learning, and Absence
- Oracle BRM - Billing and Revenue Management hosted on IaaS
- Enterprise Performance Management - Planning, Budgeting and Forecasting
- Supported by integration (OIC), identity (IDCS), Oracle's Cloud Access Security Broker (CASB), Oracle Analytics Cloud (OAC), Oracle Digital Assistant (ODA), APEX and database services (DBaaS) from Oracle's Cloud Infrastructure platform.
- Full automation of Backup and Recovery, using Terraform and Ansible.
- Implemented over FastConnect, a dedicated network to Oracle's Public Cloud Infrastructure.



It is a testament to the strong and collaborative partnership built between Capgemini and Heathrow that we were able to modernize such a complex IT estate so seamlessly during a period of significant change for the aviation industry."

Steven Rice

ERP Cloud Practice Director,
Capgemini.

Secure, rapid, and repeatable cloud deployment

Together, Heathrow and Capgemini delivered three finance workstreams - Projects to Retire, Record to Report, and Source to Pay as well as the Service to Cash workstream and all technical delivery workstreams. This work covered development, integration, data migration, and infrastructure, while Oracle delivered the Hire to Retire workstream. Capgemini led on all technical delivery and played an active role in Heathrow's program management to steer the parallel activities across the multi-year program to a successful conclusion. In addition, the partners used Capgemini's Agile Innovation Approach, leveraging the latest tools and blending Oracle and Open-Source technology for a secure, rapid, and repeatable cloud deployment.

At the heart of Magenta is the replacement of all of Heathrow's back- and middle-office systems with the implementation of Oracle Fusion Cloud Enterprise Resource Planning (ERP), Oracle Fusion Cloud Human Capital Management (HCM), and Oracle Integration Cloud (OIC) to modernize and automate the Finance, HR, Revenue, Service, and Asset Management functions. Oracle's Billing Revenue Management (BRM) platform was also chosen to handle Heathrow's multi million annual revenues and fees received from airlines and retailers. With the upheaval in the airport's day-to-day operations, BRM has played a critical role in enabling Heathrow to manage the implications of constant changes in billing arrangements and therefore income levels.

Oracle Cloud HCM and Oracle Cloud ERP work together to provide a seamless, integrated set of business processes across all HR and Finance functions. Everything from the employee life cycle, to procurement, to revenue generation are brought together into one unified experience, allowing the airport to benefit from automation, improved decision making, and increased operational efficiencies. Oracle Cloud Infrastructure provides an underlying layer of connectivity that unites the new platform with Heathrow's wider digital estate.

Priceless data and analytics

With legacy systems and infrastructure being decommissioned, there is a benefits realization process now underway to confirm the level of cost savings achieved by Heathrow, over and above the transformational benefits of the individual solutions. But early examples of benefits throughout the airport have already been highlighted, with a reduction in back-office roles as automation replaces time-consuming, labor-intensive tasks.

As a result of this project, the project team was recognized with the Outstanding Cloud Implementation award and was named Outstanding Team of the Year for Virtual Cloud ERP implementation at the 2022 Real IT Awards.

Mobile self-service for the thousands of employees constantly on the move, such as security personnel, is already boosting productivity and efficiency, with staff now able to deal with multiple HR issues, like checking a payslip or entering an expense claim in minutes by using an app, rather than visiting a kiosk or making a call. Priceless data and analytics flowing from the Oracle solutions are translated into valuable insights in management dashboards, enabling faster and informed decision making.

Stephen Williams explained: "Our program adjustments to the pandemic made our delivery twice as fast and efficient as we were before the pandemic began. Now we're in a strong position to realize the fantastic capabilities and benefits the new Oracle Cloud platform can provide."

"The transition to the Cloud is a significant undertaking," added Steven Rice, ERP Cloud Practice Director at Capgemini. "It is a testament to the strong and collaborative partnership that Capgemini and Heathrow have built that we were able to modernize such a complex IT estate so seamlessly during a period of significant change for the aviation industry. Since the program went live, Heathrow has already attained significant benefits through IT optimizations, including being able to deliver an improved user experience for its employees."





Heathrow

About Capgemini

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