Lessons learned from global ERP implementation
Including how to launch an effective mobility strategy

Niall O'Sullivan
Group Finance Operations Director, Vodafone
Disclaimer

• Information in the following presentation relating to the price at which relevant investments have been bought or sold in the past, or the yield on such investments, cannot be relied upon as a guide to the future performance of such investments. This presentation does not constitute an offering of securities or otherwise constitute an invitation or inducement to any person to underwrite, subscribe for or otherwise acquire or dispose of securities in any company within the Vodafone Group.

• The presentation contains forward-looking statements within the meaning of the US Private Securities Litigation Reform Act of 1995 which are subject to risks and uncertainties because they relate to future events. These forward-looking statements include, without limitation, statements in relation to the Group's financial outlook and future performance. A review of the reasons why actual results and developments may differ materially from the expectations disclosed or implied within forward-looking statements can be found by referring to the information contained under the heading “Forward-looking statements” and “Principal risk factors and uncertainties” in Vodafone Group Plc's Annual Report for the year ended 31 March 2012. The Annual Report can be found on the Group's website (www.vodafone.com/investor). All subsequent written or oral forward-looking statements attributable to the Company or any member of the Group or any persons acting on their behalf are expressly qualified in their entirety by the factors referred to above. No assurances can be given that the forward-looking statements in this presentation will be realised. Except as otherwise stated herein and as may be required to comply with applicable law and regulations, Vodafone does not intend to update these forward-looking statements and does not undertake any obligation to do so.

• The presentation also contains certain non-GAAP financial information. The Group's management believes these measures provide valuable additional information in understanding the performance of the Group or the Group's businesses because they provide measures used by the Group to assess performance. However, this additional information presented is not uniformly defined by all companies, including those in the Group's industry. Accordingly, it may not be comparable with similarly titled measures and disclosures by other companies. Additionally, although these measures are important in the management of the business, they should not be viewed in isolation or as replacements for, or alternatives to, but rather as complementary to, the comparable GAAP measures.

• Vodafone, the Vodafone logo, the ZooZoo name and characters, Vodafone Sure Signal and Vodacom are trade marks of the Vodafone Group. Other product and company names mentioned herein may be the trade marks of their respective owners.
What I will cover today:

Vodafone Background
The Vodafone Journey
   The EVO Programme
   Our SAP Landscape
   Shared Services
   Real Business Benefits
Global Process Ownership
Innovation
   HANA
   Mobility Demo
Lessons Learnt
Vodafone today – a few facts and figures

• Vodafone has over 407 million customers in its controlled and jointly controlled markets
• Vodafone’s networks are available to over 1 billion people
• India – largest market by customer numbers - more than 150 million as at end of March 2012
• 6 million fixed broadband customers
• Evolution from pure mobile play to total communications provider
• Vodafone is a Fortune 30 Company and Number 3 by market capital on the FTSE 100
Vodafone Equity and Brand footprint  September 2013

**Local Markets**
- **UK (100% ownership)**
  - £5.4bn revenue*
  - 19m customers

**Strategic Partner**
- **Spain (100% ownership)**
  - £4.7bn revenue*
  - 18m customers

**Partner Markets**
- **Germany (100% ownership)**
  - £8.2bn revenue*
  - 36m customers
- **Italy (100% ownership)**
  - £5.7bn revenue*
  - 23m customers
- **India (84.5% ownership)**
  - £4.3bn revenue*
  - 150m customers
- **Vodacom Group (65% ownership)**
  - £5.6bn revenue*
  - 57m customers

**Other**
- 20 subsidiaries: Albania, Czech Republic, Germany, Greece, Hungary, Ireland, Italy, Malta, Netherlands, Portugal, Romania, Spain, Turkey, UK, Egypt, Ghana, India, New Zealand, Qatar, and Vodacom Group
- 2 joint ventures: Australia and Fiji
- Associate: Safaricom
- Over 40 partner markets extending our reach beyond equity investments

*Revenue as of 2012 Financial Statements
The EVO Journey
Where we came from...

An International Business with a consultative approach

Multiple ERP solutions

Inconsistent processes

Lack of adherence to global policies for the processes

Local Market with different objectives

An inability to report on a global scale

People with varying levels of skills and knowledge
The EVO programme

Core Business Model (CBM)

A Single Enterprise Resource Planning (ERP) system – EVO SAP

Shared Service Centres – Hungary and India

Vodafone Procurement Company (VPC)
Globally we have moved to a landscape to incorporate a majority of the HR, Supply Chain and Finance requirements for Vodafone, resulting in:

- 25 Systems (ERP, BI, Portal, PI, SRM, SUP, MDM, CRM...)
- 150+ Applications (across the non production landscape)
- ~ 550 Interfaces

140+ Legacy Systems that need to be reviewed and where possible decommissioned
EVO implementation

Original 18
- Release 1-6
- Release 7
- Release 8
- Release 9
- Release 11
- De-scoped

New
- Arcor

Total users: 85,000+

Convergence of Tiger onto the EVO platform
Vodafone Shared Service Centres

- **Budapest**
- **Ahmedabad**
- **Pune**
- **Cairo**
The EVO Benefits

Savings to date of:
• €2,125m

Future Savings of:
• €557m per financial year

We will increase the Shared Service Centre Penetration:
• > 60% in Finance
Moving from market focused to global process focused
Key accountabilities of the Global Process Owners

- Vision & Strategy
- Performance Management
- Process Standardisation
- Process Level Master Data
- Compliance
- Continuous Improvement
- Right Location
How we are moving towards ‘world class’

There are many benefits derived from what we at Vodafone are doing, here are the top six:

- Moving from labour arbitrage to skills arbitrage
- Building resilience into the Shared Service Centre
- Platform for deeper penetration
- Reduction of costs
- Finance function showing leadership
- Move from Geographical support model to Process support model
Our continued innovative approach
Delivering Innovations to the Business

Usability:
- Getting the casual user away from the PC

Mobility:
- Drink our own champagne
- Leaders in the technology

Squeeze the asset:
- Reporting
- Speed

In-Memory HANA

Real-time Replication

EVO-BI

VIP (OHP)

EVO

EVO MTE

EVO CC

Timesheet

LeaveRequ...

SAP BI

EVO Tasks
Demonstrating mobile innovations
Lessons learned
What have we learned?

Have a **strong internal team**

- Respected from within the business
- Experience of managing large scale projects
What have we learned?

Maintain a **good user experience** (make it look good)

Usability and simplicity is key...

Your new and improved...
What have we learned?

Run it **like a business**
(finance, HR and legal team)
What have we learned?

Have a **structured** approach to **learn** from **mistakes**
What have we learned?

Celebrate victories along the way

That awesome moment when you’re really happy and you have no idea why
What have we learned?

Strong support from the top
What have we learned?

Communicate the benefits clearly
What have we learned?

Understand that your suppliers are not a charity.
What have we learned?

Be **brutally aware** of the facts
For any questions...

Contact:
Niall O’Sullivan
Group Finance Operations Director
c/o:
matt.twilley@vodafone.com
0044 7825 938283