

Case Study: Transportation and Logistics

Cloud Migration Delivers Process Modernization to Danzas AEI Emirates

Migrating its enterprise resource planning (ERP) systems – including back-office and core operations – to Oracle Cloud helps this logistics and freight-forwarding provider gain flexibility and achieve a major update of business processes.

Three years ago, Danzas AEI – a joint venture between Al Tayer Group and DHL Post Group – faced a quandary familiar to many IT executives. The company could either do a straight software upgrade of its ERP system or transform its back-office systems by leveraging the cloud.

The two options would cost just about the same, but the first choice would leave the company with highly customized business processes that undercut its operational agility and ability to seize new opportunities in rapidly changing business conditions. Danzas made the bold decision to transform its IT infrastructure via core modernization on Oracle Cloud, laying the foundation for flexibility and future growth.

At a glance

Danzas AEI Emirates LLC is a top logistics and freight-forwarding provider in the United Arab Emirates. The company offers integrated logistics services across verticals including technology, automotive, fast-moving consumer goods, life sciences and retail.

Outcomes

Transforming its enterprise business applications to Oracle Cloud resulted in a number of business outcomes at Danzas, including:

- Modernization of business processes based on industry best practices rolled out across the enterprise
- Increased agility by removing the need to maintain an ERP platform on-premises

Choosing Agility

In 2017, Danzas IT executives were about to lose support for the company's on-premises J.D. Edwards ERP system because Oracle was no longer offering that service. While there was no overarching business objective that demanded transformation, there were some issues with the legacy system.

Highly customized business processes, which had grown organically over the past 15 years, were driving complexity. Danzas' legacy ERP system did not have a procurement capability, so approximately 80 staff members performed all associated processes manually with the help of Microsoft Excel spreadsheets. Financial processes were less than optimal, with month-end closes delayed by cash-reconciliation issues. There was also little ability to manage suppliers.

A simple ERP software upgrade would not allow Danzas to boost agility and renovate old business processes, so management decided to modernize the technology platform to incorporate standard best practices and then roll it out across the enterprise. The objective was to maximize efficiency, better serve customers, grow revenue, and have better controls, governance and security.

- Reduced revenue leakage by automating manual processes for procurement and supplier management, including sophisticated analytics and reporting capabilities
- Created a unified system of auditable records

Migrating to a Modern Cloud Architecture

Danzas chose Oracle Cloud as its new enterprise business platform. The cloud transformation included modules for financials, procurement and supplier management, as well as a platform-as-a-service (PaaS) implementation to allow business process reengineering. All of this would run on a single instance of Oracle Cloud for lower total cost of ownership and unified business processes. The solution features single sign-on, redundancy and recovery as backup.

For the first time, procurement and supplier management were automated and included the ability to analyze spending. Danzas' goal was to

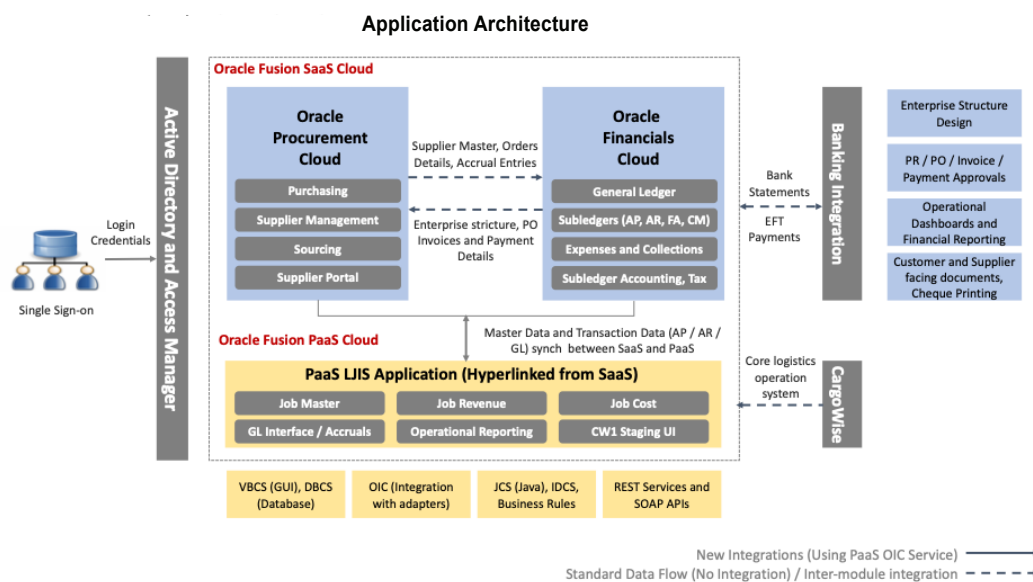


Figure 1

reduce revenue leakages due to its previous lack of analytics. The system would feature integrated financial close processes and a suite of reporting and analytics tools, including days sales outstanding and productivity analysis, to help manage operational cost. Figure 1 shows the Oracle Fusion Cloud Application Architecture and data flow across software-as-a-service and PaaS applications.

Cognizant led the migration, which began in mid-2017. The project dataset covered over 6,500 customers, more than 950 suppliers, 36,000 accounts receivable invoices and two years of general ledger balances. Unsurprisingly, given the complexity of the legacy business processes and the fact that many were still done manually, mapping business processes to design new ways of working was a challenge. Both sides of the project team worked closely to minimize the impact on employees and their need to absorb changes.

Based on global best practices, Cognizant’s [Cloud Accelerators](#) blueprint helped speed the migration. The development team used a combination of agile and waterfall practices driven by each case, another factor in the swift rollout. Phase 1, which included finance and procurement, went live in March 2019. Phase 2, containing supplier management and additional procurement and financial modules, was up and running by April 2020. The third and final phase, now under way, will deliver billing and costing processes delivered via PaaS.

A Host of Business Benefits

Although a simple software upgrade would have consumed the same amount of resources as the cloud migration, it would not have driven the same business results that Oracle Cloud delivers.

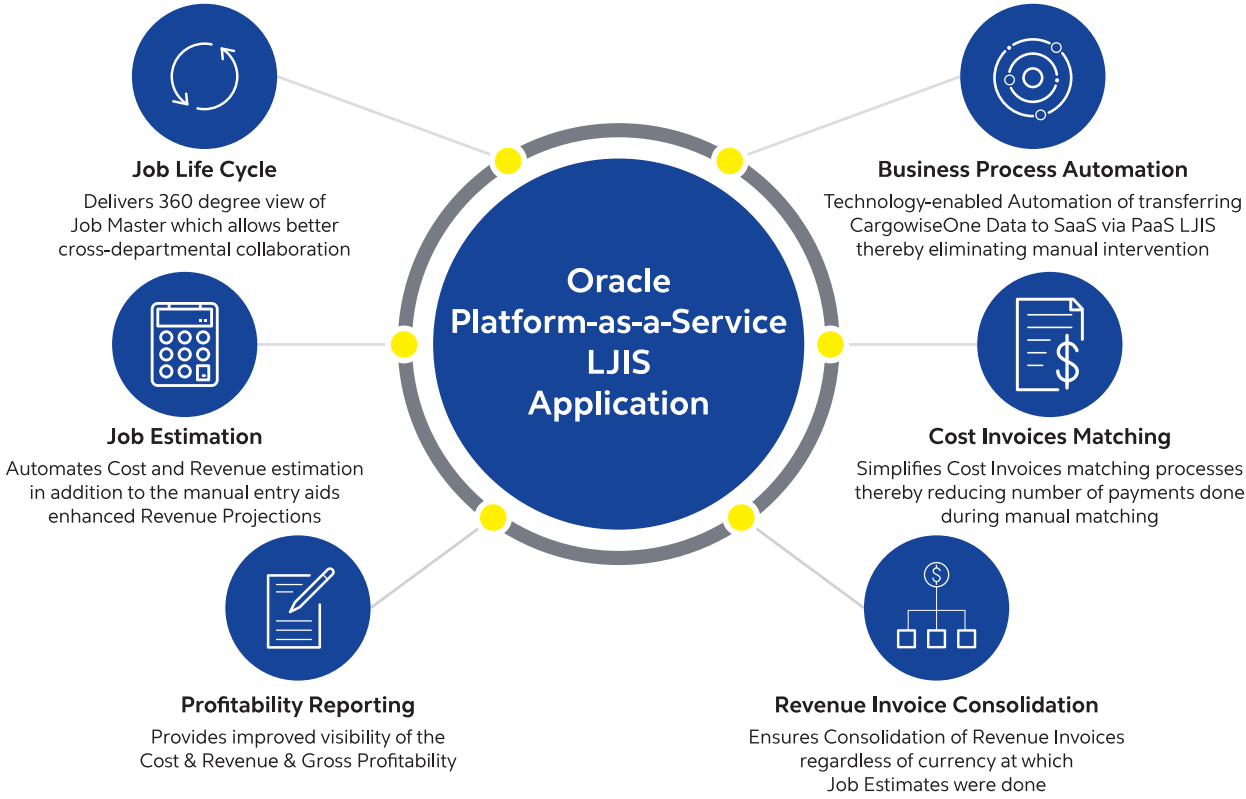


Figure 2

Figure 2 shows the business benefits Danzas has achieved thanks to the Oracle PaaS/core operations systems implementation. One of the most dramatic changes: the renovation and automation of the procurement and supplier management functions. The procurement team can now make data-based decisions on whether a supplier is charging a fair rate and other performance metrics.

With the automated solution, as soon as an approval is given the system flags purchases that will need to be billed back to a buyer; everything is workflow driven. Each approval has its own audit trail, organized by category. The staff can now do sophisticated supplier qualification and classification, as well as automatically log in and create invoices. Order communication processes are all automated, as are procure-to-pay processes. Automation has driven significant cost savings while increasing compliance and controls.

The Oracle Cloud system enables flexibility and agility. Previously, the entire accounting function was performed manually. Now, that process is significantly streamlined with a best-in-class system of accounts – another major improvement – and the finance team can easily analyze, reconcile and close data.

The cloud transformation project has major employee experience benefits as well. Staff can work from mobile devices on activities such as approvals. While any cloud migration brings change to an organization, Danzas employees have adapted to the new system and way of doing things. It helps them do their jobs more easily and efficiently. Now, with much of the hard work complete, Danzas is ready to embrace the future with a modern cloud infrastructure that will give the company the agility to take on new opportunities wherever they may come.

“We would like to place on record that we are very happy with the dedication, professionalism and project management skills of the whole team. I am confident that this will further strengthen our partnership and open more opportunities. Thank you all for the great teamwork, dedication and flexibility during the implementation of this project. This has helped us go live without any major issues.”

– **CFO, Danzas AEI Emirates LLC**

About Danzas AEI Emirates LLC

Danzas AEI Emirates LLC (a joint venture between Al Tayer Group and DHL) is a foremost logistics provider in the UAE. With state-of-the-art facilities in Dubai Cargo Village, Dubai Airport Free Zone, Jebel Ali Free Zone, Dubai Investment Park and Sharjah, Danzas offers its wide customer base a superior service quality and local knowledge to satisfy their supply chain requirements with the latest transportation solutions by ocean, road and air, as well as warehousing and distribution. Over the last 25 years, Danzas has provided integrated logistics services to a wide range of industries such as Technology, Automotive, FMCG, Life Sciences and Retail.

About Cognizant

Cognizant (Nasdaq-100: CTSI) is one of the world's leading professional services companies, transforming clients' business, operating and technology models for the digital era. Our unique industry-based, consultative approach helps clients envision, build and run more innovative and efficient businesses. Headquartered in the U.S., Cognizant is ranked 194 on the Fortune 500 and is consistently listed among the most admired companies in the world. Learn how Cognizant helps clients lead with digital at www.cognizant.com or follow us [@Cognizant](https://twitter.com/Cognizant).



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