

The Company

Skanska USA Building Inc. is a leading national and local provider of construction, pre-construction consulting, general contracting and design-build services to a broad range of U.S. industries including life sciences, health care, education, high-tech, aviation, transportation and sports and entertainment. Skanska USA Building also provides pharmaceutical validation services to clients. The company, part of the Skanska AB global group of companies, is headquartered in Parsippany, New Jersey, and has approximately 4,100 employees.

The Challenge

In November 2002, Skanska embarked on the construction industry's largest consolidation effort. Having acquired numerous companies in the previous 12 years — ranging in size from \$100 million to \$1 billion and comprising the \$3.9 billion Skanska of today — CIO Chris Stockley was charged with migrating all the companies onto the J.D. Edwards application platform already in use by a few of the organizations.

At the outset of the project, Skanska hired a small number of highly trained conversion and migration specialists. That group was soon supplemented by a combination of consultants and direct hires. But with the consolidation completed, Stockley and his IT management team turned their attention to rolling out sustainable application support. Knowing that it would be difficult to recruit, hire and retain the caliber of IT professionals required to manage and maintain the environment, it became clear to Stockley that direct hiring wasn't the best decision.

Driven by a desire to have his IT team spend its management time in areas that support Skanska's core functions, Stockley took a familiar path toward outsourcing — Skanska was already outsourcing phone, WAN, firewall and spam filtering services. Having had experiences with both good and great outsourcing partners, Stockley was convinced that culture and relationship alignment between the partners were key factors in the success of the engagement, assuming that the requisite technical qualifications were in place.

In 2003, Stockley began what would eventually become an eight-month process to find his ideal partner — one that would think and act the same as Skanska. To facilitate hiring a team of people that could work in ways similar to their in-house staff, Skanska's IT team dissected their own operations to see how they functioned and then looked for the same qualities in an outsourcing partner. Skanska had created checklists to sort out basic IT capabilities. Stockley likened the lists to resumes. He placed greater importance on the interpersonal characteristics of his potential partners and looked for an outsourcing firm with both best-practices standards as well as flexibility in creating a solution.

Building an IT Structure for a World Leader in Construction

How Skanska's IT Group Maintains its Focus by Outsourcing ERP Management to OneNeck

A ONENECK IT SERVICES CASE STUDY

The OneNeck Solution

OneNeck delivered exactly the kind of flexibility in human and technical resources for which Skanska and Chris Stockley were looking. Having demonstrated that they possessed the technical capabilities and experience accumulated through their management of complex J.D. Edwards environments, OneNeck made the decision to win Skanska's confidence and their business.

At the point in the bidding process when OneNeck believed they were going to win the contract, they quickly shifted gears to a position of "How can we help?" Stockley admits that OneNeck knew they would have to take a bit of a risk to get a leg up on the project, but that it would be beneficial in meeting the aggressive deployment schedule. Consequently, OneNeck started transition planning even before the contract was signed.

"OneNeck and Skanska have blended very well, and there's great mutual trust. In fact, we're starting to act like a single organization. Overall, OneNeck is providing a consistently superior experience to Skanska."

Chris Stockley, Senior Vice President and Chief Information Officer,
Skanska USA Building Inc.

OneNeck also brought a high degree of flexibility to the negotiations, proving to be flexible on several levels. For one, Skanska wanted to relocate its data center to a subcontracted facility in a different state, even though they were asking OneNeck to manage and maintain the environment. Although OneNeck usually hosts applications and collocates hardware in its own data center, they crafted a custom solution comprising staffing power and overlapping responsibilities that met Skanska's needs. Yet, it still retained the layers of control essential to OneNeck's successful management of the environment. OneNeck also kept a sharp eye on the relationship aspects of the partnership, pushing the Skanska relationship into Stockley's coveted "great" category.

The Benefits

According to Stockley, the relationship with OneNeck has evolved to be better than expected, and more. The two organizations have blended very well, and have established a high degree of mutual trust, enabling them to act like a single organization. OneNeck has shown a great sense of partnership, even to the point of critiquing their own work in review meetings without fear that it would have a negative impact on their relationship with Skanska.

And for OneNeck, Skanska has turned out to be the model customer: a complex IT environment with a high degree of risk due to the business-critical nature of the applications under management by OneNeck. As an ERP outsourcer, OneNeck looks for customers such as Skanska — big-picture thinkers who have an excellent long-term vision for their business.

"Our partnership with OneNeck is the result of a relationship-oriented decision process for us. Experience has shown us that corporate culture and relationship alignment between the partners are key success factors. That's why OneNeck's commitment to respond quickly, regardless of circumstances, was important even in the proposal phase, as we believe small things tell the character of an organization. We saw their willingness to be flexible and move forward quickly as hallmarks of what we have now: a great relationship."

Chris Stockley, Senior Vice President and Chief Information Officer,
Skanska USA Building Inc.



Skanska USA Building Inc. Facts

Organization	• Skanska USA Building Inc.
Industry	• Construction-Related Services and Project Development
Business Challenges	• Consolidate 20 companies acquired through acquisition on a single JD Edwards ERP platform
User Environment	• 550 Users • 26 Locations
Application Environment	• J.D. Edwards EnterpriseOne ERP • Accounts Receivable • Accounts Payable • General Ledger • Fixed Assets • Job Cost • Service and Contract Billing • Change Management • HR Benefits Administration • Payroll
Technical Environment	• Enterprise/Database Server(s) • IBM iSeries 860 12 Way Deployment Server • Compaq ProLiant DL380 Dual 730 Mhz Intel Pentium III Citrix/Terminal Servers (7) • HP ProLiant BL20p G2 Quad 3065 Mhz Windows Terminal Servers (8) • IBM eServer Blade Center HS20 [867821x] Quad 1999 Mhz



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