

“

*With routes spanning 190 countries, it is of crucial importance that we receive accurate ROI on our digital transformation investments and work towards building a solid foundation for growth and innovation. It has been a pleasure working with Capgemini and we look forward to seeing the results when the project goes live.”*

**Cary Farmer**

*Project Director of Project Horizon8  
Cathay Pacific Airways*



# Cathay Pacific moves to SAP S/4HANA to streamline its Finance and Procurement functions

**Capgemini helps Cathay Pacific to modernize its processes with customized solutions for the aviation industry**

## Modern tools for the flagship carrier

Cathay Pacific is working with Capgemini to implement the SAP S/4HANA solution in a bid to modernize its existing Finance and Procurement functions. The solution is customized for the aviation industry and will help Cathay Pacific to manage a global business.

With routes spanning 190 countries (including remote areas like Alaska with its codeshare partners), Cathay Pacific runs a tight ship. However, rising fuel prices, an uncertain business environment, and competition mean that the company needs to get the maximum return from every dollar invested.

## Overview

**Customer:** Cathay Pacific Airways

**Industry:** Aviation

**Location:** Hong Kong

**Client Challenges / Business Need:** Cathay Pacific wanted to modernize its existing Finance and Procurement process

**Solution-at-a-glance:** Capgemini is implementing SAP S/4HANA to help Cathay Pacific streamline its existing processes

### Results:

- Revamped Finance and Procurement processes
- Enable Driver based planning and budgeting
- Route profitability reporting
- Managing procurement complexities across engineering, fuel, catering and other categories

In the dynamic environment of the aviation business, Cathay Pacific wanted to modernize its existing Finance and Procurement functions by replacing legacy systems with advanced technologies.

The technology landscape will give the company a better view of its operational costs. It will also support strategic sourcing, better negotiation with suppliers, and extensive business analytics for decision-making.

### Horizon8 - Boosting processes

To revamp the existing Finance and Procurement functions globally, Cathay Pacific started a new program titled 'Horizon8'. With Capgemini as the System Integrator, Cathay Pacific is implementing large suite of SAP modules across four tracks:

- Source-to-Pay
- Flight-to-Settle
- Finance-to-Manage
- Budget-to-Monitor

Flight-to-Settle incorporates a new application from SAP, Flight Order that will help Cathay Pacific in cost collection and flight profitability analysis.

Further, Budget-to-Monitor enables Driver based planning and budgeting, as well as allocation of indirect operating costs.

This suite of integrated solutions will help Cathay Pacific to drive transparent information, automate transaction processing, and provide real-time information for making decisions.

### Matching the figures

With SAP S/4HANA, Cathay Pacific will get a better view of its direct and indirect spends, helping it to reduce its operational costs. The company can also manage the differences in procurement across direct operating costs and various categories of indirect costs.

### Results Count: SAP drives efficient cost accounting globally

Cathay Pacific's decision to migrate to SAP S/4HANA resulted in various benefits including:

- Revamped Finance and Procurement processes
- Enable Driver based planning and budgeting
- Timely cost collection of direct operating costs and implementation of indirect operating costs to enable route profitability reporting
- Managing procurement complexities across engineering, fuel, catering and other categories

### The Collaborative Approach:

Capgemini consultants worked together with our Business and Technology teams on the engagement in the midst of a rapidly evolving market context. During this time they also tackled a major SAP product release, moving to SAP S/4HANA from the original choice of SAP ECC6 at the end of the design phase.

The Collaborative Business Experience™ is central to the Capgemini philosophy and a pillar of our service delivery.

### About Capgemini

With more than 190,000 people, Capgemini is present in over 40 countries and celebrates its 50<sup>th</sup> Anniversary year in 2017. A global leader in consulting, technology and outsourcing services, the Group reported 2016 global revenues of EUR 12.5 billion. Together with its clients, Capgemini creates and delivers business, technology and digital solutions that fit their needs, enabling them to achieve innovation and competitiveness. A deeply multicultural organization, Capgemini has developed its own way of working, the Collaborative Business Experience™, and draws on Rightshore®, its worldwide delivery model.

Learn more about us at [www.capgemini.com](http://www.capgemini.com)

### About Cathay Pacific Airways

Cathay Pacific Airways is an international airline registered and based in Hong Kong, offering scheduled cargo and passenger services to more than 110 destinations around the world.

The airline is deeply committed to Hong Kong, where the Company was founded in 1946. It continues to make substantial investments to develop Hong Kong's aviation industry and enhance Hong Kong's position as a regional transportation hub. In addition to their fleet of aircraft, these investments include catering, aircraft maintenance and ground handling companies, as well as the corporate headquarters at Hong Kong International Airport.

Cathay Pacific and its subsidiaries and associates employ over 20,000 staff in Hong Kong. The airline's two major shareholders are both Hong Kong companies listed on the Hong Kong Stock Exchange, as is Cathay Pacific itself.

Learn more about us at [www.cathayair.com](http://www.cathayair.com)

For more information on this project, please contact:

[success.story.in@capgemini.com](mailto:success.story.in@capgemini.com)