

Forestry Commission – Technology Assessment (ERP readiness)	
Date	Meeting 23 September 2025
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Purpose:	For Approval
Business Case Name:	ERP Readiness
Budget Requirement	TBC

Executive Summary

Across the three organisations we have several corporate platforms which are at different stages of their lifecycle. This challenges some of the underlying enablers in the FC Corporate Plan, reducing our ability to work more closely together now and in the future. KPMG were engaged to conduct a review of our systems and make recommendations on a preferred route for improvement. Their review is based on the nuanced requirements of Forestry England (FE), Forest Research (FR) specifically and the FC as a whole. This paper is a summarised position of the detailed reports that have been submitted for review.

KPMG's findings have identified that there are no simple options for combining our existing systems. They have noted that whilst the systems aren't without faults, many of the critical issues stem from siloed data rather than absent system capabilities. They looked further at what options could bring our systems closer together without full integration. Critically, the review is impacted by the expectation that the FC will move to join the Synergy cluster in future.

The review considered the options that we face and the challenges from our current corporate systems, while recognising the potential impacts of Synergy. Action is needed now, but the final design and timeline for transition onto the Synergy Oracle Fusion platform is not yet clear and could be as long as five years in the future, if at all.

Six options were proposed at the outset and the case was made, detailed in supporting documentation, for recommending **Option 4 - Optimise the As-Is & Align with Synergy**. This option supports the overarching principle for change and moves us towards greater

alignment across all parts of the FC. It recognises that Synergy is the expected end state but provides some short-term benefits through the optimisation of current systems and improved infrastructure, while also allowing for Synergy readiness activities.

Recommendations

The Executive Board is asked to agree

- In principle adoption of **Option 4 - Optimise the As-Is & Align with Synergy** as the preferred option for the Technology Assessment and ERP replacement, subject to project initiation approvals.
- To adopt a formal Project Management approach to future work. The first action will be to swiftly progress to a full Project Initiation review, including cost, resourcing, benefits and timelines. The project plan will contain options and decision milestones at which the project will be reviewed and progress to the next stage confirmed.

Implications

Relevance to Business Strategy	Identified as an enabler in the FC Corporate Plan. Future Defra strategy on inclusion in Synergy cluster.
Financial	HR and finance systems within scope. Impact on operational functionality of the FC, FE & FR finance and reporting systems. Full cost of project yet to be determined.
People	Staff disruption and uncertainty across all parts of the FC must be assessed and managed.
Risk	Formal project management processes must be implemented to identify and manage key risks during the project initialisation stage.
Equality Impact Analysis	None as a direct impact of this paper
Health & Safety	None as a direct impact of this paper.

Appendices: KPMG – Forestry Commission Technology Assessment

1. Background

The Forestry Commission (FC) and Executive Agencies, Forest Research (FR) and Forestry England (FE) commissioned KPMG to review the existing corporate systems across the FC. The scope was to review systems and make recommendations on options to 1) align internally and 2) consider the potential impact of the Defra Synergy Cluster and transition onto the Synergy Oracle Fusion platform.

The parts of the FC operate on separate ERP platforms and are at different stages of their lifecycle. FE & FC operate on two systems, eFinancials and iTrent, with a project underway to replace time expired eFinancials with Financials. FR operates on Business World (BW) an integrated ERP which provides both financial and HR systems. These solutions meet the needs of both agencies, but limitations have been identified within both systems which create inefficiencies. There is also no mechanism to consolidate data or a central reporting scheme across the whole FC.

Initial scoping identified that while the goal was closer alignment, there are some unique requirements across the different organisations which are not catered for by an out of the box ERP platform.

A second critical condition is that the FC is included as part of the Synergy cluster - meaning adoption will be expected to help deliver Defra's Shared Services Strategy and its' assumed benefits. **The case for Synergy and the implementation of Oracle Fusion is outside the scope of this paper.**

Two points to note:

- While the timing of the implementation of the Oracle Fusion system is still unconfirmed. It is unlikely that FC would be able to make a strong enough case to be excluded from the cluster.
- Funding for this transition is available for deployment within this Programme only and any future transition to an Oracle system of our choosing will necessarily be self-funded. *Deferring the planned Oracle transition as part of Synergy runs the risk of losing investment and misalignment with DEFRA.*

All parts of the FC are in scope for Phase 2 of the Synergy Programme, including FE. The current migration is planned to occur in late 2027-2028. However, the sequencing of ALB deployments within Phase 2 is not yet confirmed, and Phase 1 has encountered delays. Depending on our position in the rollout, the actual go-live could be as late as 2030. Importantly however, programme engagement and preparatory activity will begin well before any go-live date. FC could be asked to start participating in design workshops next year. This participation may inform some of the options that we consider for the internal alignment and should be revisited at each key project milestone.

Whilst Synergy is the assumed end position, the review by KPMG sought to validate this through the design activity and ensure that it caters for all parts of the FC. If Synergy was not on the horizon, the recommendations from the analysis would be different and likely come down to implementing a new group-wide ERP solution or adopting one of the existing systems across the group. Regardless of the final destination, the work proposed under option 4 will better align all parts of the FC for a single FC-wide ERP solution.

2. Options Appraisal

KPMG have produced a recommended option for FC, FR and FE to consider, including the next steps and high-level costs and time to deliver.

ASSUMPTION 1: If Synergy is the recognised end position, this narrows the choices and options for what FC should pursue in-advance of Synergy. The timing is uncertain as is the detailed system specification and impacts of delays should be considered as part of the options. These risks, timing and specifications, must be considered in the project management.

Several different options were considered, including:

1. Do nothing.
2. Consolidate onto Business World.
3. Consolidate onto Financials.
4. **Optimise the As-Is & Align with Synergy.**
5. Adopt Oracle Fusion Cloud.
6. Adopt an alternative ERP solution.

Options 1, 5 and 6 were ruled out in the early stages of the assessment – *details are outlined in the KPMG presentation.*

Options 2 and 3, consolidation into one of the existing systems, were considered. But on the basis of the assumption that a move to Synergy is the expected end state, these were ruled out – *details are outlined in the KPMG presentation.* They do remain as viable options to explore should Option 4 be rejected, and this should be considered as part of the decision milestones.

Option 4 - Optimise the As-Is & Align with Synergy is the recommended way forwards. It is detailed as a package of enhancements to the current state encompassing people, process, and technology & data improvements. Option 4 is a readiness programme that incorporates activities that will better align us to the Synergy programme. Should we choose, it will put the FC on a good footing to be one of the early adopters, if desired.

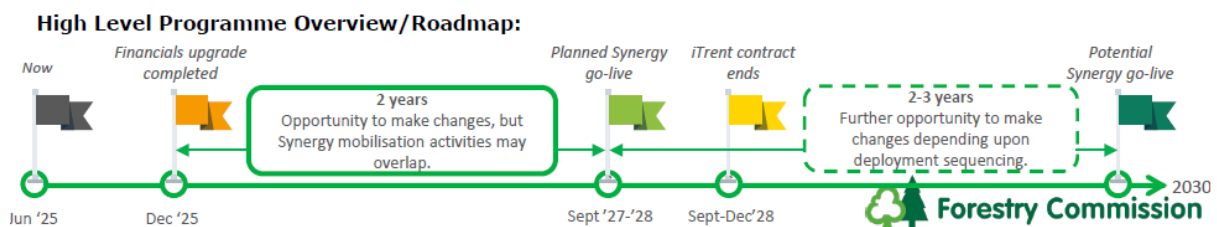
It is the 'no regrets' option, as completion of the programme provides us with a decision point to adopt Synergy early, or pivot to ERP consolidation if Synergy is delayed. The

technology enhancements and process optimisation in Option 4 will complement either scenario, and the planned investment will continue to support business development and optimisation.

With limited time, the focus must be on changes that are achievable, deliver early returns, and lay the groundwork for Synergy. These options remain open to FC by pursuing Option 4 – Optimise and align, as the scope of work is beneficial to any system migration.

3. (Option 4: Optimise and align) – Project details

A high-level timeline, similar to the one presented by KPMG will need to be developed. It will identify current assumptions and dependencies for the project. Note that some of the initial dates have already slipped, but it is included for illustrative purposes.



For completeness, the details of Option 4, with system specifications and summarised benefits are included in this paper.

The KPMG recommendation is described as optimisation of the current finance and HR systems and includes the following:

- FC, FE, & FR retain their current systems.
- A shared middleware layer (e.g., iPaaS) to synchronise data and processes.
- A shared Data Warehouse to standardise and consolidate data.
- A central, but segmented, reporting suite.
- Critical readiness activities completed to begin alignment with Synergy.

The benefits of this approach are outlined as follows:

- Less disruptive than ERP consolidation, and quicker to achieve.
- Remediate most data and reporting challenges and is reusable post-Synergy.
- Reduces future change effort and strengthens position for early deployment and benefits realisation.
- Provides optionality to pivot to ERP consolidation if Synergy is delayed, outcomes are supportive of any ERP migration.

This paper recommends that the FC progress to the implementation of Option 4 - Optimise and align. It also recommends that we undertake additional due diligence work to provide evidence of the full extent that we will adopt the recommendations.

4. (Option 4: Optimise and align) – Resourcing

The full cost of development and implementation is difficult to assess at this early stage. KPMG has presented an indicative summary of the cost, time and effort of the key components of this recommendation. For the Synergy readiness activities, duration and resource commitment vary by activity.

These resource estimates are based on previous KPMG experience with clients of a similar size and are based on assumptions discussed during the review. It must be noted that the full scale of the commitment (both financial and staff resource) is potentially substantial, and the assessment of returns is unlikely to deliver a strong ROI, but intangible benefits may be greater.

The following indicative resourcing plan is included as an example of potential cost should the full project be implemented as recommended. Costs presented exclude the cost of staff either current or employed specifically to deliver the project and are estimated from between £08.M and £2M.

High-level investment case

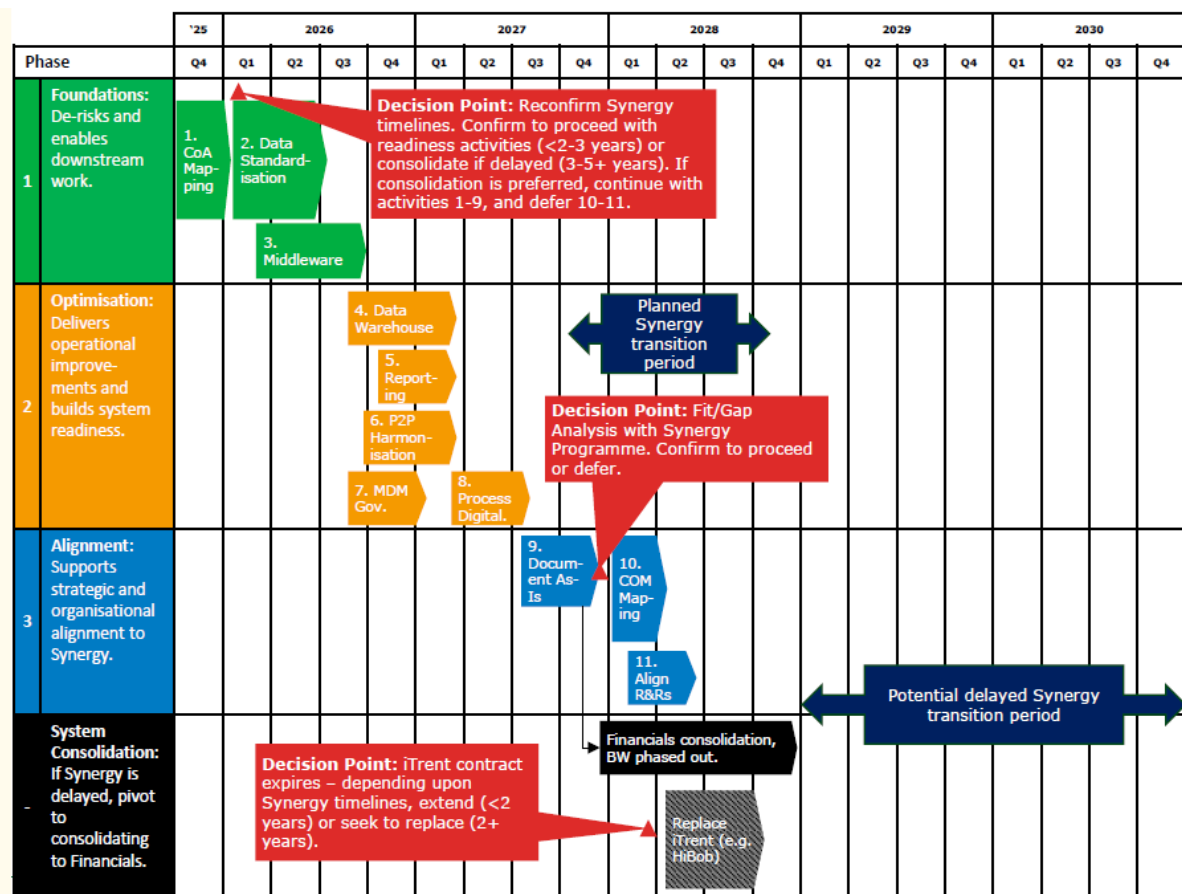
Option 4 initiatives:	Investment required:	Duration:	Resource commitment:	Key outcomes:
1. Synergy readiness activities (8 in total)	N/A <i>No resource backfill assumed in effort (to be balanced with BAU)</i>	24 month programme <i>Typical individual activity duration is 3-6 months</i>	Activity dependent – see main report for breakdown <i>Typically 10-35 FTEs 2-3 days p/w</i>	<ul style="list-style-type: none"> Standardisation and optimisation of current processes Greater alignment with Synergy Reduces future change effort
2. Middleware	CapEx: £100k-£250k Annual OpEx: £30k-£100k	6 months	21 FTEs 2 days p/w	<ul style="list-style-type: none"> Process efficiencies through data automation Reduced manual data entry Reduced siloes of data
3. Data Warehouse	CapEx: £100k-£250k Annual OpEx: <£50k	5-6 months	33 FTEs 2 days p/w	<ul style="list-style-type: none"> Improved data quality Data standardisation Enables consistent reporting
4. Central Reporting Suite	CapEx: <£100k Annual OpEx: <£50k	4 months	30 FTEs 2 days p/w	<ul style="list-style-type: none"> Single source of truth Reporting consistency Consolidation of multiple reporting applications
Total investment:	CapEx: £300k-£600k OpEx: £130k - £200k			<p>CapEx costs are upfront investment costs of the project (e.g., SI fees) – they do not include internal costs (e.g., backfill).</p> <p>OpEx costs are annual external vendor costs (e.g., licenses and support) – they do not include internal costs (e.g., new roles).</p>

The next steps in the project should include a project initiation exercise to understand the full cost, both in external fees and internal staff resources. This will detail the cost for each element and identify if there are co-dependencies and natural break points in the project. It will test the underlying assumptions of the recommended option and provide greater detail for decision making. Funding for the project should be confirmed and a project budget and resourcing plan developed for each element. We may need to consider if there is a point at which the costs of the planned investment outweigh the benefits.

5. (Option 4: Optimise and align) – Timing and milestones

Based on the prioritised recommendations, KPMG has developed an indicative phased plan. This plan assumes full adoption of all parts of the recommendation, although it has some milestones and decision points. The plan assumes that there will be sufficient resourcing and full implementation of all recommendations to be achieved before 2028. Depending on when Synergy engagement begins, some tasks may overlap.

The following indicative plan is included as an example of timing should the full project be implemented as recommended.



Rather than accept the indicative plan as proposed, it is recommended that FC follow sound business project management principles and commission a full Project Initiation

plan. There may be elements from the indicative KPMG plan that will be retained but the timing, costs and decision milestones will be developed based on the review.

6. Risks, benefits and assumptions

A full risk and benefit analysis should be undertaken as part of the Project Initiation exercise. This will identify and quantify known risks and benefits allowing for an informed decision on the project. Regular reviews of the underlying assumptions, risk and benefits should be undertaken at each project milestone.

The following areas should be considered as part of the project initiation.

1. The indicative cost of this project needs to be confirmed and a funding source for development and implementation agreed as part of the planning process. Access from Defra for Synergy readiness funding should be sought where possible.
2. If Synergy is the recognised end position, this narrows the choices and options for what FC should pursue in-advance of Synergy. The timing is uncertain and impacts of delays should be considered as part of the planning process.
3. The full system design and configuration for Synergy have yet to be finalised. We should be aware of this while looking to progress our readiness programme.
4. Staff resourcing should be carefully considered from both a capacity and capability viewpoint. Impacts on BAU and other projects should be factored into planning assumptions.
5. Project and change management will be critical to delivering successful outcomes. Project management principles should be adopted from the outset.
6. Benefits realisation may not outweigh costs for all parts of the FC, assessment of non-monetary benefits, opportunity cost and risk mitigation should form part of the project assessment.
7. Full alignment and input efficiencies will not be achieved through the adoption of Option 4.
8. A collective decision should include key break points and re-assessment milestones at each critical stage.

7. Conclusion

Across the three organisations we have several corporate platforms which are at different stages of their lifecycle. There is a desire to understand how we can work more closely together in the future. While we have considered the need for greater alignment of existing systems, we recognise that we may be part of the Synergy Cluster in the future.

KPMG's findings have identified that there are no simple options for combining our existing systems. They have noted that whilst the systems aren't without faults, many of the critical issues stem from siloed data rather than absent system capabilities. The report looks further at what options could bring our systems closer together without full integration. **Option 4 - Optimise the As-Is & Align with Synergy** supports the overarching principle for change and moves us towards greater alignment across all parts of the FC. By implementing new policies and processes, all data will be appropriately tagged and organised in a standard, structured storage location. The intention is to build an environment which not only responds to our immediate needs but provides a solution which will evolve and adapt to modern technologies and knowledge asset challenges.

The final design and timeline for transition onto the Synergy Oracle Fusion platform is not yet clear and could be as long as five years in the future. This option recognises that Synergy is the expected end state but provides some short-term benefits through the optimisation of current systems and improved infrastructure, while also allowing for Synergy readiness activities.

8. Recommendation

The Executive Board is asked to agree

- In principle adoption of **Option 4 - Optimise the As-Is & Align with Synergy** as the preferred option for the Technology Assessment and ERP replacement, subject to project initiation approvals.
- To adopt a formal Project Management approach to the future work. The first action will be to swiftly progress to a full Project Initiation review, including cost, resourcing, benefits and timelines. The project plan will contain options and decision milestones at which the project will be reviewed and progress reconfirmed.