

CASE STUDY

Swedish Space Corporation rockets toward digital transformation

Avanade identifies modern IT opportunities to stay competitive in the 'New Space' era

You could forgive Peter Haglind if he had thought those words as SpaceX's Falcon Heavy — the largest rocket in the world — sent Musk's red Tesla Roadster barreling toward the edge of our solar system on a windy February afternoon in 2018.

As millions of earthlings tuned in live to watch the dazzling display of rocketry, Haglind, the Group CIO and Head of Enterprise IT at Swedish Space Corporation (SSC), was witnessing something far more profound: The industry that his company served for 50 years was having one of its digital disruption moments.

Situation

Houston, we have a new space race

Since 1972, government-owned SSC has been offering satellite services, research and engineering support to organizations such as the National Aeronautics and Space Administration (NASA) and the European Space Agency (ESA). Today, however, the industry is undergoing a major transformation.

"It's definitely exciting times," said Haglind. "We're seeing a bit of a Klondike effect, with lots of mergers, acquisitions, startups and new players entering. It's all very interesting, very dynamic and very challenging to keep up in this industry."

This so-called "New Space" industry attracted \$4 billion in venture capital dollars in 2015 and 2016¹, alone, promising everything from low-cost global internet, to consumer space tourism and beyond. And while the rise of New Space is captivating for consumers enjoying the show, it provides both challenges and opportunities for companies like SSC.

The upside is obvious. For a company whose mission is to help "Earth benefit from space," the more global enterprises look to the stars, the greater the demand for SSC's services. But disruption is a double-edged sword, as anyone in the digital age can attest. As more players enter the game, SSC must itself transform, from the inside out, if it wants to thrive and stay competitive.

"There is now a need to be digital to compete," said Haglind. "We are 'Old Space.' We have been around for 50 years. Transformation is one of our internal challenges, to get the culture needed to meet these New Space players — and win."

1 ["The Space Tech Market Map: 57 Startups Charting The Final Frontier;"](#) CBI Insights, April 24, 2017

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Solution Modern IT for the new space race

Long before Falcon Heavy's historic liftoff, SSC began its own countdown to the New Space age. With the arrival of a forward-thinking CEO, the organization realized it would have to adopt modern IT practices to survive, said Haglind.

"Our CEO came from the IT industry and he had this view that the space industry would have to go through the same transition as the IT industry did, 15 to 20 years ago," said Haglind.

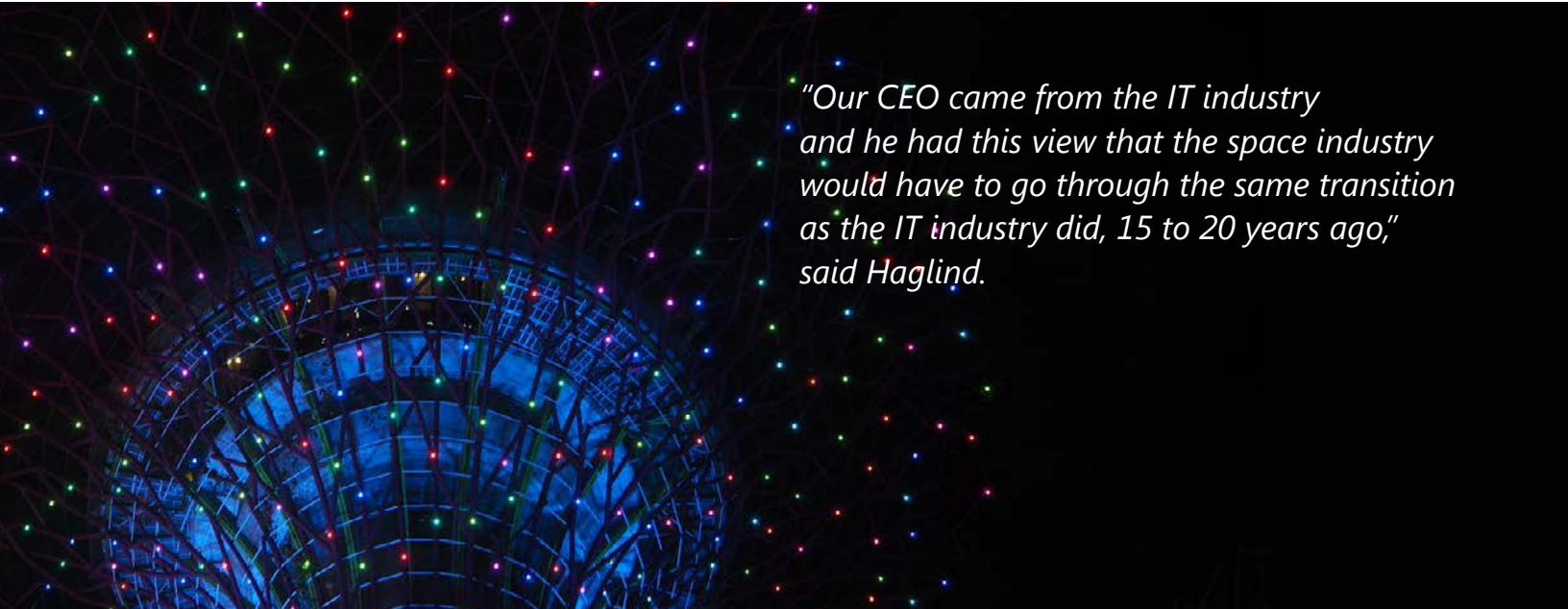
As part of that vision, SSC executed a major IT consolidation project, combining and standardizing disparate end-user services, support and data center infrastructure. The goal was to reduce costs and bring more agility to operations.

But the results of the project were unclear, leaving the company with questions about how to proceed on its journey of transformation. To answer those concerns, which Haglind stresses were top of mind for the CEO and CFO, the space services company teamed up with Avanade.

"We wanted to find out, 'Are we efficient? Are we doing the right stuff? Have we come as far as we hoped? Are there areas we haven't addressed, and can we be more efficient or provide better services?'" said Haglind.

Avanade Advisory Services, with our "line of sight methodology," promised to quickly take SSC from stakeholder requirements to a roadmap of pragmatic actions and business case outcomes. It was the perfect solution to address the concerns of Haglind's management team.

"Avanade was more agile and offered a far less cumbersome process than the competition," he said. "I liked the concept that we would get a very defined deliverable after a six- to eight-week effort. It was a good package."



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"CFO-CIO trust is very important, said Haglind. "Digitization is a major concern of most companies, not least of all ours in the space industry. Now, [management] leans on my expertise to a larger extent."

Results

Charting the digital journey

Occupying a niche position in a relatively niche industry made benchmarking SSC's IT operations a unique challenge. There aren't hundreds of other direct competitors to compare to SSC. Yet, by working diligently with key stakeholders, and putting to action our deep understanding of the technology industry and business expertise, Avanade delivered a rich, comprehensive and practical analysis of SSC's IT performance, in less than two months.

What we uncovered was a set of welcome surprises — insights that would be crucial to create a roadmap for future expeditions into the New Space age with a modern IT environment.

"One of the big takeaways was that we were on par, or even better, according to the benchmarks — we were doing quite well," said Haglind.

In other words, SSC's previous standardization efforts had been paying off. On top of that, Avanade's advisory services helped:

- Identify new areas of standardization to further increase IT maturity
- Highlight timely opportunities to renegotiate upcoming Microsoft software agreements and investigate a migration to Microsoft Office 365
- Build trust and confidence between the CIO and the rest of the management team and the executive committee — a crucial component of any successful digital transformation

"[Avanade's report] generated lots of goodwill and buy in from the CFO and the whole management team" Haglind said. "That CFO-CIO trust is very important. Digitization is a major concern of most companies, not least of all ours in the space industry. Now, [management] leans on my expertise to a larger extent."

After the Falcon Heavy launch, SpaceX CEO Musk was quoted as saying: "We want a new space race — races are exciting."² Indeed, they can be. But they can also be daunting if your business gets caught ill-prepared for disruption. Thankfully, with clear insight into its current IT challenges, strengths and opportunities, SSC can continue its rocket-fueled digital transformation toward a modern IT organization.

2 ["The New Space Race,"](#) The Guardian UK. Feb. 09, 2018.



About Avanade

Avanade is the leading provider of innovative digital and cloud-enabling services, business solutions and design-led experiences, delivered through the power of people and the Microsoft ecosystem. Majority owned by Accenture, Avanade was founded in 2000 by Accenture LLP and Microsoft Corporation and has 30,000 professionals in 24 countries. Visit us at www.avanade.com

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