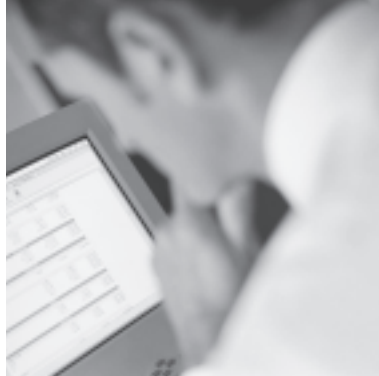


## SAP Customer Success Story



In March 2001, the **Electrabel** Business Unit – Generation, initiated a scheme to upgrade its existing business planning and reporting system under the name of **Project Prestige**. Only just over **3 months later**, the new **SAP Strategic Enterprise Management (SAP SEM)** software was fully operational.



## **ELECTRABEL**

### **POWER GENERATION COMPANY**

Electrabel is the primary national power generation company in Belgium. Besides being a part of the giant Tractebel Group, it is itself a substantial organisation with a variety of business activities and a significant presence in several European countries. Electrabel's core businesses include, apart from the generation of electricity, the sale and distribution of electricity and gas, both within Belgium and to other countries as well as the provision of cable television services. Electrabel employs 12,500 people and has an annual turnover in the region of 8.5 billion euros. The various business units (BU's) within Electrabel operate as relatively autonomous bodies with support from certain common services organisations in a client-supplier relationship. One of those supporting activities is Information Technology Services (ITS), which provides technical support and designs facilities to all of the BU's.

### **THE LEGACY SYSTEM**

The existing planning and reporting system used by BU Generation had been developed internally in 1997 and was based on the corporate intranet. However, when it became apparent that this system no longer met the long-term planning requirements of this rapidly changing organisation, ITS was called in to advise on its enhancement or replacement.

## LOOKING TO THE FUTURE

The primary needs were based on the desire to create a business plan that would cover a 5 to 10 year period.

The essential criteria were defined as:

- Similar functionality to the existing system;
- Adaptability to the current and future needs of the BU and the company;
- A high degree of flexibility;
- An ability to incorporate: the organisational structure of the BU, P&L planning, headcount planning and reporting.

The prospects for enhancing the existing system were soon dismissed as impractical in comparison with the wide range of functionality provided by commercially available business packages. The selection of Business Planning and Simulation (BPS) component from SAP SEM was seen as natural progression for BU Generation, as this would enable them to capitalise on the benefits already gained from their existing implementation of SAP solutions in other functional areas.

## PROJECT PLANNING

A kick-off meeting was held in March 2001. The project was named “PRESTIGE” and was launched under the care of a team lead by the Business Unit-Generation Project Manager, Dave Vlaminck, working together with a project co-ordinator from ITS, a small team of internal SAP specialists and a project consultant from SAP Belgium. This team worked very closely over the following weeks to ensure that the Prestige project would meet all of the above-mentioned basic requirements and be sufficiently future-proof to satisfy the needs of the BU for several years to come. The planning functions were to include both centralised and decentralised input with the ability to transfer costs between organisational units. In terms of reporting capabilities, it would be

necessary to have flexible selection criteria in order to be able to create ad hoc reports using multi-dimensional analysis integrated with SAP Business Information Warehouse (SAP BW). The essential purpose of the project was to facilitate long-term, top-down and bottom up planning involving all profit & loss elements.

## METHODOLOGY

It was decided that the implementation would follow the ASAP (Accelerated SAP) methodology. This sets out various clearly defined stages of the implementation process so that the team has realisable goals, based on pragmatism, with the close involvement of key users and business managers. This process ensures that all involved parties are following the same roadmap towards a common destination.

The fact that ITS had already been working with SAP BW for 2 years and that SAP SEM is using SAP BW as a storage medium, meant that ITS was well qualified to support SAP SEM. In addition, SAP Belgium was able to oversee the implementation process.

The concept of SAP SEM as an extension of SAP BW was a compelling argument for the project team to keep in mind during implementation. From the outset, Electrabel’s top management had given their support and allocated the staff

necessary for the period of the implementation. This also facilitated direct and effective communications and enabled decisions to be made rapidly.

“I cannot over-emphasise the importance of management support in the effective conduct of such a project,” says Dave Vlaminck. “Adequate training is also a vital consideration, both for the project team members and for the end-users. We made

**‘We had a good team who all accepted their responsibilities and worked unceasingly to achieve the objective. The result speaks for itself. On top of that, we managed to stay within budget.’**

**Dave Vlaminck, Business Unit-Generation Project Manager.**

sure that our key users were properly trained at the earliest possible stage and that they were equipped to pass that training on to their colleagues.”

### RAPID RESULTS

“Quite amazingly, it took us only six weeks from our kick-off to our first acceptance test on 15th May and we felt that was a great achievement,” says Dave. “Finetuning and minor modifications were required but we were able to run our second acceptance test on 28th May. That went so well that we started user training on 30th May. The system actually went live on 6th June so that the users were able to input data and generate their first P&L report by 20th June. Finally, full corporate reporting was achieved by 4th July and we could all breath a sigh of relief. Start to finish in only 3 months! It is important to note that no outside consultants were employed on this project, apart from one person from SAP Belgium. That is both a tribute to the skill of our ITS staff and to the user-friendliness enhancements that SAP has made to their latest products,” adds Dave Vlamincck.

### KEY SUCCESS FACTORS

When asked to define the success factors in this project, Mr Vlamincck cited:

- Team spirit
- A spirit of commitment
- Effective end-user training
- Good product knowledge
- Efficient technical support (internal and supplier)
- User-friendliness of the product
- Recognition and acceptance of the challenge

“If I have to mention weaknesses,” says Dave, “I would say that the tight deadlines probably caused us unnecessary headaches, as did the fact that we were working on another closely related project at the same time. Ideally, deadlines should be based on project planning and not the other way round.” The next phase of the exercise will be to implement the transfer of data back into the annual profit-centre accounting process that is handled within SAP R/3, as well as the import of data from external applications.

### At a glance

<b>SAP Solution components</b>	SAP SEM, SAP BW
<b>Hardware Platform</b>	IBM Wide-Winterhawk2 4 CPU model Power3-II @ 375 MHz
<b>Operating System</b>	AIX
<b>Database</b>	ORACLE 8.1.7.4.0 64 bits
<b>Number of users</b>	SAP SEM: ± 20, SAP BW: ± 40
<b>Implementation time</b>	3 months
<b>Implementation partner</b>	SAP Consulting

THE BEST-RUN E-BUSINESSES RUN SAP



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