



# Samchully: Becoming More Customer Oriented to Enable Growth with SAP for Utilities Solutions

Since 1955 Samchully Company Ltd. has worked hard to become South Korea's number one supplier of natural gas. Pursuing its vision, Samchully adopted the SAP® Customer Relationship Management and Billing for Utilities package, which has **cut time spent communicating with customers on billing by 16%** and reduced meter replacement billing lead time by 70%.

#### Company

Samchully Company Ltd.

#### Headquarters

Seoul, South Korea

#### Industry

Utilities

#### **Products and Services**

Natural gas supply and power generation

#### **Employees**

783 (01 2012)

#### Revenue

2.9 trillion won (US\$2.6 billion)

#### Web Site

www.samchully.co.kr

#### **Partner**

Accenture Consulting www.accenture.com/kr-en



#### **BUSINESS TRANSFORMATION**

#### The company's top objectives

- Enable stable growth with quick response to changing business environments
- Create a service system oriented on customers, not addresses
- Build a system to strengthen internal capabilities and advance management skills

#### The resolution

- Introduced the SAP® Customer Relationship Management and Billing for Utilities package
- Established a comprehensive customer-oriented service system that includes gas meter management, billing, and customer care
- · Enabled more flexible, error-free billing

#### The key benefits

- More organized system for billing and customer information
- Ability to support field workers more effectively, enhancing productivity and cutting costs
- Improved sales, supply, and resource management processes

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#### TOP BENEFITS ACHIEVED

-16%

Communication time spent with customers on billing

**-70**%

Meter replacement billing lead time

12 days
Cut from billing
lead time

See more metrics

"The SAP solution enabled us to smoothly shift our business from a facility-oriented to a customeroriented structure, opening the door to a new business supplying energy in apartment complexes."

Ahn Ji-Hoon, Team Head Management Information, Samchully Company Ltd.

#### Company objectives

Resolution

Business transformation

Future plans

## Seeking a new system for future growth

Samchully, primarily an energy company, currently supplies natural gas and other energy sources to 2.5 million households in the Seoul metropolitan area. It also serves industrial customers such as automobile, steel, and electronic goods manufacturers within the area.

The energy industry is undergoing a rapid change from a supplier-centered business to a customeroriented business. In the past, all an energy company had to do was provide energy in a stable manner at the lowest possible prices. Now, however, the market is quickly shifting toward customers and their needs. Providing a satisfying customer experience has become an important element in the energy business.

To ensure sustainable growth going forward, Samchully recognized the need to step up to this new way of doing business. So the company elected to introduce a new system to allow it to efficiently respond to internal and external challenges. With this new system, Samchully would have the technological foundation for growth, and it could take advantage of large-scale natural gas supply expertise to position itself ideally to enter new businesses such as community energy systems.



Company objectives

#### Resolution

Business transformation

Future plans

## Adopting SAP® solution for customeroriented utility business

After careful consideration, Samchully adopted the SAP® Customer Relationship Management and Billing for Utilities package, based on SAP's proven track record in the utilities area.

This customer management and billing solution, developed specifically for utility companies, is readily scalable to future business areas that Samchully may pursue, such as electric power distribution and community heating and air-conditioning supply.

By adopting the SAP solution, Samchully was able to switch the focus of its meter management, billing, and other customer care services to customers and away from suppliers. The new software offered the flexibility to build the processes Samchully needed to expand into the community energy system business.

Fully compatible with the SAP ERP application, SAP Customer Relationship Management and Billing for Utilities shares master data with the ERP software. This improves data congruence and minimizes the need to develop separate software programs.



Company objectives

Resolution

#### **Business transformation**

Future plans

## Lower billing lead time and other significant benefits

With the SAP solution, Samchully significantly improved its billing management processes. The time needed to manage one customer's record keeping and billing services has fallen by 16%. The customer support center runs more efficiently overall.

Meter management has improved, with lead time for meter replacement billing cut by as much as 70%. Previously separate meter management of individual homes and large apartment complexes has been integrated together, so the system is now used for utilities other than natural gas.

Reducing the time needed to analyze customer billing data has helped cut costs. An amazing 12-day reduction in billing lead time brought immediate improvements in billing calculation and collections. Billing errors are lower due to improved data congruence with SAP solutions.

Samchully's debt collection process is also much more efficient. The new system has facilitated billing settlement between customers moving in and out.

#### **KEY BENEFITS**

-16%

Communication time spent with customers on billing

12 days
Cut from billing
lead time

**-70**%

Meter replacement billing lead time

<0.5%
Level of billing errors



Company objectives

Resolution

Business transformation

**Future plans** 

## Ready to become a next-generation, integrated energy company

Adopting SAP Customer Relationship Management and Billing for Utilities has helped Samchully transition quickly from a business focused on suppliers to one focused on customers. In doing so, the company is aligning itself with the global trend toward more customer orientation in the energy industry.

Samchully has worked hard to transform itself into an integrated energy company that supplies a variety of energy sources in addition to natural gas. With this latest technology project providing the momentum, the company plans to expand further into other areas beyond energy, such as water, financial services, and cultural activities.



