



BLUEWATER POWER DISTRIBUTION CORPORATION

SAP BUSINESS TRANSFORMATION STUDY

AT A GLANCE

Industry	Utilities
Revenue	CAN\$100 million
Employees	90
Location	Samia, Ontario
Web Site	www.bluewaterpower.com
SAP® Solutions and Services	SAP® ERP application; SAP for Utilities solutions, including SAP Customer Relationship Management and Billing for Utilities and SAP Customer Financial Management for Utilities packages and the SAP Energy Data Management application

Bluewater Power Distribution Corporation serves approximately 35,000 residential customers, large industries, international companies, financial institutions, and commercial establishments in the province of Ontario. Bluewater Power provides the connection to the provincial electricity grid, distributes electricity locally through its distribution network, and provides billing and metering services for water and electricity to consumers.

Key Challenges

- Redesign business structure and processes to comply with new standards brought on by energy market deregulation
- Provide unbundled bills and accommodate and automate retail and wholesale settlements processes
- Retire highly customized, ineffective legacy system
- Prepare for board-mandated growth directive

Why SAP Was Selected

- Support for changing market regulatory requirements via configuration rather than customization
- Integrated platform with comprehensive functionality
- Scalability to accommodate future industry-related technological developments, such as evolution of smart meters
- Speed and flexibility to support regulatory compliance and new business opportunities
- Ability to rapidly implement within stated timeline

Implementation Best Practices

- Use of utility-based templates and best practices
- Dedicated internal cross-functional team
- Use of ASAP methodology
- Streamlined business processes via automation

Total Cost of Ownership

- 6-month implementation (on time)
- No need for middleware (business connector provides gateway to run settlement processes and market-related electronic business transactions)
- Train-the-trainer approach; super-user model to train new users
- Elimination of customized legacy system

Financial and Strategic Benefits

- Greater ability to respond to new business opportunities
- Increased confidence in regulatory compliance and financial information
- More visibility and control of costs across operations
- Improved statistical tracking
- Tighter controls to ensure correct time and materials allocated to work orders

Operational Benefits

Key Performance Indicator	Impact
Effort for complex billing	-50%
Effort for wholesale settlement	-50%
Effort for inventory count	-30%
Inventory write-offs	-10% to 15%
Inventory	-10% to 15%





“We experienced minimal disruption during the implementation. We were able to generate bills and continue offering quality service, without customers noticing that we were in the midst of transforming our business.”

Janice McMichael-Dennis, President and CEO,
Bluewater Power Distribution Corporation

“Our use of SAP software gives us a presence as a midsize utility and earns us credibility when interacting with the larger utilities.”

Keith Broad, Director of Information Technology,
Bluewater Power Distribution Corporation

Pulling the Plug on an Aging Legacy System

Located in Ontario, Bluewater Power Distribution Corporation provides electricity distribution and services to approximately 35,000 customers. At the turn of the millennium, the company faced external and internal challenges. The energy market was preparing to deregulate, ushering in a host of new mandates. Utilities had to provide unbundled bills, exchange customer electronic business transactions with energy retailers, and accommodate retail and wholesale settlements. Secondly, the board issued a growth directive to Bluewater. The newly privatized corporation had to replace its highly customized legacy system with an integrated, state-of-the-art solution.

Powering Up with SAP® Software

After a thorough analysis of a number of software solutions, Bluewater chose the SAP® ERP application and the SAP for Utilities solution portfolio, including the SAP Energy Data Management application and the SAP Customer Relationship Management and Billing for Utilities and SAP Customer Financial Management for Utilities packages. These scalable software solutions were not only able to meet the company's present needs; they could accommodate future conditions in the rapidly changing energy market as well. The applications provided automated support for customer transactions and settlement processes – without requiring middleware.

Bluewater leveraged utility-based templates and best practices as well as the ASAP methodology, delivered by an experienced systems integrator. A cross-functional team dedicated to the project was housed in a separate work space to ensure all business requirements were met by the deadline. Bluewater utilized the train-the-trainer approach and a super-user model, ensuring a smooth transition from the legacy system.

Flipping the Switch on Benefits

Within the stated timeline of six months, SAP delivered an integrated platform with all necessary utilities processes bundled together. The greatest benefit Bluewater reports is its ability to respond quickly to frequent, urgent regulatory changes in a cost-effective, prudent manner, without disrupting business or cash flow. The overall result: a sharper competitive advantage.

The company benefited from improved statistical tracking, giving Bluewater visibility into consumer and seasonal trends. These improvements allowed the company to further enhance customer satisfaction and to plan and execute its growth strategy effectively.

When Bluewater implemented SAP Energy Data Management, it improved the accuracy and granularity of its data by eliminating the use of a niche solution and Microsoft Excel. The company now spends about half the time it used to completing wholesale settlements and generating complex bills.

Further, Bluewater gained increased insight across operations. This enabled it to reduce inventory by up to 15% and decrease write-offs by up to 15%. The company also reduced the time to count inventory by 30%.

Seeing Clear Blue Waters Ahead

Bluewater remains committed to using SAP software company-wide and to making continuous improvements that align its configuration more closely with best business practices. The company will continue to leverage and build upon its flexible platform to satisfy its growth objectives, including mergers, expansion of services, and vertical extension. Bluewater will further evaluate how to use its SAP applications to manage its deployment of smart meters. Finally, the company feels confident in its ability to evolve with the ever-changing needs and standards of the deregulated energy market.