

SAP Customer Success Story Oil and Gas – Refining



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Helmut Hochwallner, Plant Maintenance Project Leader, OMV Aktiengesellschaft

AT A GLANCE

Summary

Vienna, Austria-based OMV Aktiengesellschaft, central Europe's largest oil and gas company, uses the SAP® Service and Asset Management solution to streamline asset-management tasks at its refineries. The SAP solution automates critical maintenance and document-management processes for greater visibility, efficiency, and productivity.

Web Site

www.omv.com

Key Challenges

- Ensure clearly defined standard asset-management processes
- Replace stand-alone systems
- Eliminate inefficient paper-based storage of key documents for maintenance tasks

Project Objectives

- Establish 1 central, integrated solution for all asset-management tasks
- Standardize and harmonize maintenance-related processes
- Control and reduce operating expenses

Solution and Services

SAP Service and Asset Management

Why SAP Solution

- Best met company's exacting plant-maintenance needs
- Investment security
- Able to upgrade and extend solution without sacrificing existing functionality

Implementation Highlight

Replaced stand-alone legacy system with a single solution

Key Benefits

- Single centralized system for managing technical and commercial aspects of plant maintenance
- Minimized total cost of ownership
- Solution that has kept pace with changes in technology over the years
- 360-degree visibility into all relevant documents and tasks
- Enhanced planning and budgeting
- High level of automation, eliminating time-consuming manual processing
- Return on investment for each upgrade/enhancement in less than 2 years
- Greater process efficiency
- Increased user productivity

Existing Environment

Various stand-alone legacy systems, paper-based document archive

Database

IBM DB2

Hardware

IBM

Operating System

IBM OS/390, UNIX, and Linux

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SAP® Service and Asset Management Helps Major Oil and Gas Group Master Maintenance Challenges

Complex plant and equipment, plus stringent safety requirements – managing assets in the oil and gas sector is no cakewalk. Then there's the problem of administering maintenance services delivered by multiple third-party providers, not to mention the headache of storing and retrieving vast volumes of associated documentation. Thanks to a long-term partnership with SAP, oil and gas giant OMV takes these and many other industry-specific challenges in its stride.

A Leading Oil and Gas Player

Headquartered in Vienna, Austria, OMV Aktiengesellschaft is central Europe's largest oil and gas player. The company's international operations include refining and marketing petrochemicals, as well as storage and transportation of natural gas. In addition, OMV operates a network of over 2,450 gas stations in 13 countries. With a workforce of 6,475, OMV posted group sales of €9.88 billion in fiscal 2004.

Keeping Complex Assets Up and Running

OMV's refinery in Schwechat, Austria, is one of the most modern in Europe. More than 700 products are manufactured here in line with strict environmental requirements. Efficient maintenance is key to ensuring the facility runs smoothly and complies with industry-specific safety regulations throughout the plant life cycle. Over 90% of associated tasks – from repairs to upgrades

during ongoing operations to major overhauls – are handled by external service providers. And managing interactions with some 50 subcontractors, plus the vast volumes of data and documents involved, is a major challenge.

“We want to ensure our partners are up to speed with our maintenance plans and specifications,” explains Helmut Hochwallner, plant maintenance project leader at OMV. “What’s more, we need to be able to handle service invoices efficiently and manage all associated technical and commercial documentation.”

In the past, OMV’s asset-management processes were largely manual and paper based. “The problem was that this was a one-way street,” says Hochwallner. “We could archive all the

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relevant documents, but we lacked a way of rapidly retrieving them.” In addition, various stand-alone systems impacted visibility and hampered the implementation of standardized processes.

Successful Long-Term Partnership with SAP

To rectify problems like these, OMV decided to use the SAP® Service and Asset Management solution. “SAP and OMV go back a very long way,” states Hochwallner. “Over the years, our SAP software has enabled us to define an integrated, end-to-end

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process. We’ve not only replaced stand-alone legacy systems with a single, central solution; we’ve also added and enhanced functionality. As a result, the SAP solution now covers virtually all our requirements when it comes to managing and monitoring maintenance.”

Clearly Defined Services and Prices

OMV’s SAP solution contains comprehensive service specifications, detailing prices and quality requirements for maintenance tasks – as fixed rates or in terms of time and effort. This information is used by external service providers, as well as by OMV’s procurement staff. Maintenance agreements are also centrally stored and seamlessly integrated with all the other steps of the maintenance process.

Eliminating Mountains of Paper

With the SAP software, time-consuming paperwork is a thing of the past. OMV’s external service providers enjoy rapid Web-based access to their tasks, service specifications, and other key information. And they can quickly and easily confirm

service delivery via the same channel. Photographs of completed work and other relevant documents are bar-coded, enabling them to be automatically assigned to the correct business objects (such as contracts) when they are scanned into the SAP system – making for easy storage and retrieval.

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A Host of Tangible Benefits

The SAP solution gives OMV a single, central system for managing all technical and commercial aspects of plant maintenance. The results speak for themselves. “Our SAP software not only enhances interaction with services providers,” says Hochwallner, “it also gives us much greater visibility when it comes to planning. We can now foresee work and costs three or four months down the line – enabling us to budget better and enter into long-term contracts with service providers.”

The SAP software has also greatly enhanced OMV’s document management, increasing productivity in this area. “Documentation is no longer simply filed and forgotten. Now, it can be

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reproduced and reexamined at any time. And we can easily handle the huge volumes of paperwork associated with maintenance – a task that would require a vast number of staff if we were dealing purely with hard copies.

“What’s more, using out-of-the-box SAP functionality, we have created a clearly defined, harmonized process, which is managed and monitored very effectively in the background. And every time we’ve upgraded or enhanced our functionality, we’ve seen payback in under two years.”

Moving Forward

Building on this success, OMV is currently working to harmonize the group’s entire systems landscape. “SAP software is at the very heart of OMV,” explains Hochwallner. “And we want to use the infrastructure we’ve built using the SAP solution throughout the organization – making for greater efficiencies and smoother integration of new acquisitions.”

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