

## SAP Customer Success Story Utilities – Electricity, Gas, and Water



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Konrad Tobey, Technical Manager, SAP SEM Project, RWE Systems

### AT A GLANCE

#### Summary

RWE Group, a major international utility headquartered in Essen, Germany, introduced the SAP® Strategic Enterprise Management (SAP SEM®) application, part of the mySAP™ ERP Financials solution, to harmonize groupwide consolidation and planning. SAP Safeguarding services mitigated technical risks, ensuring hardware was sized for performance and cost-effectiveness.

#### Web Site

[www.rwe.com](http://www.rwe.com)

#### Key Challenge

Enhance speed and efficiency of financial consolidation and planning processes

#### Project Objectives

- Introduce harmonized consolidation and planning system for accounting and financial control
- Provide powerful, integrated reporting and analysis capabilities
- Minimize technical risk of implementation and ensure optimum hardware sizing

#### Solution and Services

- SAP SEM
- SAP Active Global Support (SAP Safeguarding and SAP Solution Management Optimization services)
- SAP Ramp-Up

#### Why SAP Solution

SAP SEM best met the customer's requirements for harmonization and integrated reporting and analysis.

#### Implementation Highlights

- Excellent collaboration between customer and SAP experts
- Dedicated technical quality manager, providing a single point of contact to SAP Active Global Support

#### Key Benefits

- Single, integrated system for accounting and financial controlling departments
- Reduced technical risk of early adoption
- Rapid identification and resolution of technical issues
- Cost-effective, high-performance hardware landscape, sized in line with customer's requirements
- Better runtimes

#### Implementation Partner

Accenture

#### Existing Environment

SAP R/3® software (functionality now found in the mySAP ERP solution) and non-SAP planning solution

#### Database

Oracle

#### Hardware

IBM

#### Operating System

IBM AIX

## RWE GROUP

### SAP® Safeguarding Helps Major International Utility Master Technical Challenges of Early Adoption

To accelerate and optimize groupwide consolidation and planning, Germany-based utility RWE Group introduced the SAP® Strategic Enterprise Management (SAP SEM®) application, part of the mySAP™ ERP Financials solution. SAP Safeguarding services minimized the technical risk of the implementation – and helped RWE size its system for high performance at an affordable price.

#### A Leader in Energy and Water

Headquartered in Essen, Germany, RWE Group is a major international utility. Group companies include RWE Power, one of Europe's largest electricity generators; RWE Energy, which handles sales, marketing, and grid services on mainland Europe; and RWE Thames Water, which operates globally. In fiscal 2004, RWE Group employed a total workforce of almost 98,000 and posted sales of over €42 billion.

#### Speed Is of the Essence

Fast, effective consolidation of financial results is essential if companies are to spot slippage and take appropriate, timely action. In the past, RWE handled these tasks using two distinct solutions. Actual figures were processed in SAP R/3® software (this functionality is now found in the mySAP ERP solution), while planning was performed in a non-SAP system.

However, this had drawbacks. “Because of the differing data structures, transferring information between systems was very difficult,” explains Konrad Tobey, technical manager at RWE Systems, the group’s in-house service provider. “Moreover, the complex hardware landscape, with multiple servers for each area of functionality, made for high maintenance overhead.”

### **Integrated Consolidation and Planning**

RWE was looking to model consolidation and planning within a single, harmonized solution that would deliver powerful,

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*Aiwar Markow, Head of Group Consolidation, RWE AG*

integrated reporting and analysis. “We opted for SAP SEM, since it best met our demanding requirements in all key areas,” states Aiwar Markow, head of group consolidation at RWE AG.

The implementation kicked off in early 2004. Because RWE was introducing the very latest version of SAP SEM, the project was conducted within the scope of SAP Ramp-Up – a service that gives selected SAP customers a head start with cutting-edge technology while helping them avoid potential pitfalls.

### **End-to-End Technical Quality Management**

To mitigate technical risk, RWE worked closely with specialists from SAP Active Global Support. Throughout the project, a dedicated SAP technical quality manager coordinated delivery of SAP Safeguarding and SAP Solution Management Optimization services in line with RWE’s needs. As the customer’s single point of contact to SAP, the manager made sure that the right experts were available to rapidly resolve any issues.

Following an initial technical integration check, SAP Active Global Support analyzed system settings remotely. Next, the SAP experts optimized RWE’s business processes, focusing on accelerating runtime. This not only provides an ideal basis for subsequent testing, it also makes for greater productivity in day-to-day operations.

### **Sizing in Line with Real-World Requirements**

Next up were volume tests to determine performance under real-world conditions – a crucial step in sizing the system correctly. “We were among the first to implement this functionality,” explains Tobey. “As a result, there was virtually no real-world experience to draw on when it came to matching the hardware landscape to our requirements.” SAP and RWE overcame this hurdle by simulating the expected number of users at peak times and determining the right balance between performance and cost-effectiveness.

In the run-up to go-live, SAP leveraged the results of the preceding phases to check and optimize all settings. And in the two weeks after the solution went online, two SAP experts were on-site to provide assistance and to pass on any additional complex issues to the SAP support organization.

### **Training Tailored for System Administrators**

SAP Active Global Support delivered effective knowledge transfer. Because consolidation within SAP SEM is based on the data warehousing capabilities of the SAP NetWeaver® platform,

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SAP provided made-to-measure workshops to train RWE’s systems administrators in this pivotal area. All services provided during the project were flexibly tailored to the customer’s specific requirements.

### **Successful Early Adoption**

With the help of SAP Active Global Support, RWE was able to successfully negotiate the potential technical pitfalls of early adoption. When the new SAP software went live in April 2005, RWE had a reliable, high-performance system capable of dealing with peak loads at the end of accounting periods.

“SAP delivered comprehensive, timely checks of our system and gave us valuable suggestions for improvements,” states Tobey.

“Thanks to SAP Safeguarding, we have an ideally sized hardware landscape and better runtimes. And that’s good for our budget, because we don’t have to increase the number of CPUs to combat performance issues.”

### **One Solution for All**

With SAP SEM, RWE now has an integrated solution for consolidation and planning tasks. Markow explains the benefits of the new software for the user departments: “For the first time, our accountants and financial controllers are working in one system. This provides rapid access to forecasts, midterm planning, and actual results for the entire RWE Group, allowing

us to quickly and easily compare key data from accounting and financial control. The strong cooperation between the business owners, the CIO’s office, the system implementer, and SAP was key to the success of this project.”

In early 2005, two companies went live with SAP SEM. In the second quarter, RWE rolled out the new software to other sites. Once the project is complete, over 600 specialists at 600 legal entities will benefit from the integrated consolidation and planning capabilities.

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