

## SAP Customer Success Story Utilities

By implementing solutions from the SAP® for Utilities portfolio of software and services, **Energen Corporation** has driven automation and eliminated inefficiencies in its organization – thus reducing costs. The company rolled out the software on time and on budget in nine months – implementing with virtually no changes and reorganizing its business processes using SAP® Best Practices.

# ENERGEN



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### ENERGEN IMPLEMENTS SOFTWARE FROM SAP® FOR UTILITIES PORTFOLIO TO REDUCE COSTS AND ELIMINATE INEFFICIENCIES

Energen Corporation is a diversified energy holding company with headquarters in Birmingham, Alabama. To enhance shareholder value, the company combines the financial and operating strength of its natural gas utility with the growth potential of its oil and gas acquisition and exploitation operations.

With cost reduction in mind, Energen implemented solutions from SAP® for Utilities – a portfolio of software and services geared specifically to utilities companies – to enhance that shareholder value even further.

“With commodity price volatility in the natural gas industry, we are under constant pressure to keep other costs as low as possible,” says Brunson White, vice president and chief information officer. “In SAP for Utilities, we have an industry-specific suite of solutions with a comprehensive template for utility company business processes that enables us to introduce automation and eliminate inefficiencies to reduce costs.”

SAP for Utilities provides a customer service benefit as well.

“The bar is continually being raised in customer service,” White says. “SAP enables us to serve our almost 500,000 customers with better, more efficient processes. Many of the day-to-day transactional activities that people have to engage in can be handled in a way that is highly customized and completely automated.”





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This allows us to redeploy assets and other resources in areas that are more customer focused such as service-order dispatching and work management – to perform that maintenance work better, faster, and more economically.”

### **SMOOTH, RAPID IMPLEMENTATION**

Energen rolled out the SAP software quickly, without a hitch.

“We implemented in nine months,” White says. “We installed SAP with virtually no changes and reorganized our business processes using SAP® Best Practices. The project was completed on time and on budget and was virtually eventless.”

Energen is using SAP for Utilities software solutions for a wide range of business processes, including financials, purchasing, as well as asset and work management.

“We use SAP for Utilities to perform inspections and execute work orders on capital projects,” says Lucy Dichiaro, director of the project management office. “Everything begins at the work-order and project level, then flows to our supply chain to check inventories and issue requisitions. At each step of the process, SAP for Utilities is updating our financials as transactions are conducted. We can track what it costs to do each process, take advantage of our buying power across the enterprise, and realize tremendous productivity enhancements in the maintenance of fixed assets.”

### **USING PORTALS TO DISTRIBUTE INFORMATION**

In the future, Energen will look at the opportunities and benefits provided by mySAP™ Human Resources, as well as additional

SAP® Business Intelligence functionality. And, as part of its overall e-business initiative, the company plans to implement mySAP™ Enterprise Portal.

“mySAP Enterprise Portal will allow us to provide custom views of information,” White says. “We can deliver business information and reports that managers need to see on a daily basis. All CIOs love to be 100% Web-based because that is the lowest-cost model to manage. SAP empowers us, for the first time, to have an executive-information-system capability that is virtually plug and play.”

Much of this information is derived from SAP® Business Intelligence.

“SAP Business Intelligence enables us to have confidence in the key performance indicators [KPIs] that we measure,” White says. “Before, we viewed a lot of this information as anecdotal because of inconsistencies in the way the data was

collected. Now, there is a high level of confidence that the numbers are reliable and we can make management decisions based on them.”

That’s why Energen has decided to use SAP throughout its organization.

“We want to become more SAP-centric – we are designing our business around SAP,” White says. “We believe that from a business process standpoint, this is the best model that we could have. We are a midsize organization: We’ve got about 70 people who work in IT and can’t afford to do e-business from scratch. Our e-business initiatives have to be automated through scalable, enterprise-based software, and SAP provides that.”

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**Brunson White, Vice President and Chief Information Officer, Energen Corporation**