BEST RUN
AWARDS FOR SEA
MAKING THE WORLD RUN BETTER
2021

ACEN

Project Transformers

ACEN

THE BEST RUN   SAP
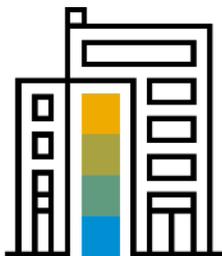
Company Information

Headquarter Philippines

Industry Utilities

Website https://acen.com.ph/

ACEN is the listed energy platform of the Ayala Group. The company has over 3,000 MW of attributable capacity in the Philippines, Vietnam, Indonesia, India, and Australia. The company's renewable share of capacity is at ~80%, among the highest in the region.

ACEN's aspiration is to be the largest listed renewables platform in Southeast Asia, with a goal of reaching 5,000 MW of renewables capacity by 2025. On October 21, 2021, ACEN announced its commitment to achieve net-zero greenhouse gas emissions by 2050.

Project - Transformers

ACEN

The Future Maker

"Quote"

Having SAP in place allows us to focus on our long-term goal: Net zero greenhouse gas emissions by 2050. As we commit to net zero, we are confident that the way we run our business will also have sustainability at its core: efficient internal processes, alignment towards business objectives, scalability, and expansion. Moreover, through automation and digitalization, we incorporate sustainability practices, including reducing waste in time, effort, and materials.

Hannielyn Tucay, General Manager

Challenge

To truly lead the charge towards a sustainable future, every aspect of the ACEN business should align with their commitment — including the way they run their business. However, without a digital business platform in place, running a business day-to-day can be challenging. Entities were set up differently, so it took more effort for teams to collaborate. When people and processes are misaligned, work often has to be redone, leading to wasted time, effort, energy, and materials.

Solution

ACEN implemented SAP S/4HANA on Azure to put in place a unified digital business platform covering finance, procurement, inventory, and asset maintenance across multiple entities.

Outcome

SAP S/4HANA enabled ACEN to have visibility across its entities, which is crucial in order for ACEN teams to work together in formulating and executing strategic ways to increase solar and wind plant capacities while reducing inefficiencies and wastage. Moreover, harmonizing processes enterprise-wide led to standardized reporting, enhanced controls, and compliance. These outcomes were recognized by the management and finance committee of Ayala Corporation, the publicly listed holding company of ACEN.

Completed standard financial statements on Day 7 (from Day 12)	Decreased error rate for audit adjustments from 8% to less than 5%	Implemented SAP S/4 HANA in 15 entities within one year

Partner Information

Delaware Managed Services and IT Consulting Inc

Implementation Services – S/4HANA

Quote from the Partner

What ACEN is doing is impactful work — to shareholders, employees, but most of all, to the society. Delaware fully supports their goals and aspirations by providing ACEN a robust technology platform, SAP S/4HANA.

ACEN embarked on a greenfield implementation of S/4HANA for the Financials, Materials Management, and Plant Maintenance modules. Phase 1 was focused on establishing a golden template. Phase 2 was a rollout of the template to 11 entities, focusing on renewable solar and wind plants. In 2022 onwards, 25 more companies will follow suit.

ACEN's management-led commitment to the project, along with willingness to adopt SAP best practices, made the rapid delivery possible. Their new ERP will enable ACEN to focus on chasing their goals and lead the nation into becoming sustainable and future-ready.

Business Challenge and Objectives

CHALLENGES

Reports. Reporting is crucial for a publicly listed company like ACEN: for informed decision making, transparency to shareholders, performance monitoring, and more. However, entities under ACEN were set up differently, resulting in different processes and different reporting formats. As different teams worked together to achieve a single goal, ACEN leadership needed to look at data as a whole and be able to slice and dice according to entity, department, project, etc. Consolidating these reports took days. Moreover, regulatory reports strictly had to be submitted on time to comply with government and power industry mandates. More manpower was required to put together these requirements.

Wastage. Paper used in manual transactions and reporting add up across departments, entities, and months. Not to mention time and energy spent by team members facilitating transactions and routing forms for physical signatures.

System integrity. There were no real-time updates of GL balances in the old system. Moreover, risks on access controls and security were present because system limitations.

OBJECTIVES

- Every aspect of the business must contribute towards the corporate goal of Net Zero Greenhouse Emissions by 2050. This not only pertains to the output the company produces but also in the way it operates. On day-to-day basis, ACEN is expected to minimize power wastage and unnecessary consumption of materials such as paper.

- Gain confidence of stakeholders by being a technology-enabled company with standardized and optimized processes, transparency in reporting, and fact-based and timely decision-making.

- Deploy a BIR-accredited computerized accounting system.

Benefits & Outcomes

BUSINESS / SOCIAL

Standardized processes, information transparency, and speedy transactions, thanks to a centralized business platform, enabled ACEN to improve its overall corporate governance — a must for a company that aims for environmental and organizational sustainability.

Because transactions are recorded real-time, reports are automatically generated on-time. These reports are important to maintain the credibility of the organization and the trust of our shareholders. Decisions are made based on facts, and more time is spent implementing new ideas instead of crunching numbers.

With streamlined processes on a digital platform, day-to-day operations are more efficient and effective. Not to mention, aautomated workstreams provide increased productivity and supports distance working.

Resources were saved because of the transition from manual to electronically generated forms.

The company now has the ability not just to simply monitor inventory but to optimize it —to prevent items from expiring before use and eliminating waste due to unused items.

IT

Data is the new oil, so to speak. A well-established, world-renowned secure business platform significantly reduces cybersecurity risks.

ACEN achieved cost-efficiency in implementation by maintaining a centralized system that follows one configuration across different entities. The setup will also be easier to maintain in the future.

Inherent system controls — such as budget and access limitations — help address risks and maintain the integrity of the system and processes moving forward.

HUMAN EMPOWERMENT

Team members are able to be more productive when processing transactions in an intuitive digital platform. They are able to analyze information that would help them bring more value and get more fulfilment as they take on more strategic tasks.

Little technical assistance is needed as functional users are able to drill down transactions on their own. This frees up the time both of the functional user and technical support.

Learning SAP S/4HANA is a new skill that can contribute to the user's career progress.

The organization is able to scale the business without the weight of the new workload taking a toll on its manpower.

Project / Use Case Details

ACEN began its digital transformation journey with a top-down commitment to the project. Processes were identified, streamlined, and automated. Resources from different technology platforms gathered to agree on processes that will be implemented across the group. Based on the defined processes, a single configuration/setup was designed to cater to the different requirements of different technologies, allowing ACEN to optimizeresources and to focus on strategic activities.

OUTCOMES:

- Automated processes save time and resources, allowing ACEN to operate efficiently and work effectively.

- Functionalities such as reorder point, safety stocks, and batch management allowed the business to optimize inventory levels to prevent spoilage or overstocking of items.

- The system provided structure that supports day-to-day operations.