ESB NETWORKS

OPTIMIZING PROCESSES FOR UTILITY ASSET MANAGEMENT

QUICK FACTS

Industry
Utilities – transmission and distribution

Revenue
€3 billion (ESB Group)

Employees
3,000 (ESB Networks)

Headquarters
Dublin, Ireland

Web Site
www.esb.ie/esbnetworks

SAP® Solutions and Services
SAP® Enterprise Asset Management solution, SAP Resource and Portfolio Management application, SAP NetWeaver® Business Warehouse component

Implementation Partner
Accenture

ESB Networks Ltd., a subsidiary of ESB Group, manages the electricity network infrastructure for the Republic of Ireland and provides connection and metering services. To improve its ability to track its assets and assess maintenance needs, it implemented SAP® software. ESB Networks now has tighter control of its asset management processes and can make better and more informed decisions about future infrastructure improvements.

Key Challenges

- Integrate asset lifecycle management processes from design and construction to maintenance and decommission, including portfolio, project, and work order management
- Support business processes for finance, materials, and service management
- Improve ability to track assets and assess maintenance needs with easier access to more accurate and timely records

Why SAP Was Selected

- Breadth of business- and industry-specific functionality that enabled the company to standardize on SAP® software as a strategic business platform
- Leadership position and proven track record with utilities worldwide
- Single source for accurate business data
- Ability to leverage internal knowledge and existing investment in SAP software

Implementation Best Practices

- Secure executive-level sponsorship and commitment from all levels involved
- Solicit guidance of SAP design and software experts and leverage their business knowledge
- Prepare thorough functionality requirements during blueprint phase and ensure that stakeholders validate the design
- Develop an effective work plan and adapt it as the project evolves

Low Total Cost of Ownership

- Leveraged existing IT investment
- Reduced support requirements by adopting high-reliability software
- Eliminated legacy software and reduced number of interfaces to minimize IT and maintenance costs
- Lowered effort to maintain and support application by using central database
- Gained platform for continuous improvement

Financial and Strategic Benefits

- Improved efficiency by integrating asset management lifecycle processes and standard business processes
- Optimized fiscal and operational management processes by standardizing cost-planning functions using compatible units
- Increased efficiency by automating management accounting and financial settlement processes
- Improved maintenance processes and enabled better planning and budgeting by integrating asset database with maintenance plans

Operational Benefits

- Increased efficiency in asset design process by 5% within first 12 months by using repeatability and standardization of compatible unit orders
- Improved productivity in financial settlement
- Anticipated inventory reductions

"Our most significant improvement has been the standardization of all processes within one solution landscape. It's reduced our siloed thinking and siloed procedures. We now make collective decisions about changes in processes."

Kevin O'Connor, Project Manager, ESB Networks Ltd.

www.sap.com/contactsap

Tightening Control of Asset Management

Building, operating, and maintaining an electricity network is an asset-intensive process. For ESB Networks Ltd., a subsidiary within ESB Group, it requires constructing and managing the electricity network infrastructure in the Republic of Ireland. This network includes distribution stations, overhead electricity lines, poles, and underground cables that are used to bring power to the company's 2 million customers in Ireland.

ESB Networks wanted to tighten control of its asset management processes, but its legacy software was not up for the task. Although the company had implemented SAP® software in other areas of the business, it was still using legacy software for asset management. When it was ready for an upgrade, ESB Networks turned once again to SAP. "We have an SAP-first strategy for all new business applications," says Kevin O'Connor, a project manager for ESB Networks. "To gain the functionality we needed, we looked to expand our existing SAP software footprint."

Integrating Processes

ESB Networks embarked on a project to integrate its asset management processes into its broader solution landscape. "Our challenge was to support portfolio management, project management, and order management processes using one solution while supporting back-end processes," O'Connor explains. Working with Accenture, ESB Networks implemented the SAP Enterprise Asset Management solution and the SAP Resource and Portfolio Management application.

The software was augmented with functionality in SAP software for project management, plant maintenance, and business reporting and analytics. Enterprise-wide data was consolidated in the SAP NetWeaver® Business Warehouse component, which also provided reporting and analytics functionality.

Realizing Significant Improvements

As a result of this initiative, ESB Networks has gained a state-of-the-art data model for enterprise asset management along with integrated processes for maintenance planning, work management, supply chain logistics, and asset management reporting. The company has realized significant improvements by standardizing cost-planning functions using compatible units that contain both material and labor estimates. These compatible units are then managed by the software and are shared as common master data. "Since the implementation, our infrastructure designers are able to use standardized, compatible unit orders, increasing the efficiency of our design process in the first year," O'Connor adds.

Asset data is now stored in a centralized database, which has increased data accuracy and accessibility for better planning and budgeting. ESB Networks also expects to reduce inventory as its demand-based material resource planning [MRP] is tuned toward its business requirements. The company has also automated project management accounting and financial settlement processes.

Enabling Collective Decisions

The biggest benefit of having integrated business processes is the way ESB Networks' lines of business now work together. "We constantly deal with business process change, but we now approach it from a collective decision-making process," O'Connor explains. "Any change within process management requires a collective sign-off from all lines of business. That way we maintain better control and ensure that the change will yield a positive outcome."

Looking ahead, ESB Networks is planning a geographic information system upgrade that includes a function-rich interface with its SAP software. It also plans to implement mobile workforce management software to better tie its mobile devices into its solution landscape.

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