



NEW YORK POWER AUTHORITY

SWITCHING ON TO EFFICIENCY WITH INTEGRATED CUSTOMER BILLING

QUICK FACTS

Industry
Utilities

Revenue
US\$2.9 billion

Employees
1,600

Headquarters
White Plains, New York

Web Site
www.nypa.gov

SAP® Solutions and Services
SAP® Customer Relationship Management and Billing for Utilities package

Implementation Partner
Axon Solutions Inc.

Key Challenges

- Reduce monthly billing error rate (of 15% to 35%)
- Minimize time spent on resolving billing discrepancies
- Make data available organization-wide
- Link billing with the general ledger
- Cut the time required for user training
- Enable nonstandard bill generation
- Improve data quality controls

Implementation Best Practices

- Management team commitment
- Creative risk management
- Consolidation of data prior to import into the new solution

Financial and Strategic Benefits

- Monthly savings of over \$10,000 due to increased process automation
- 64% ROI through productivity gains
- Better customer service, leading to increased satisfaction levels
- Expanded reporting and analytical capabilities
- Improved control for business owners
- Increased security for customer data

Why SAP Was Selected

- Proven track record with utilities in the United States and globally
- Good fit with functionality requirements
- Alignment with long-term IT strategy

Low Total Cost of Ownership

- 64% ROI due to the elimination of in-house custom development
- 23% ROI through reduced maintenance and support costs
- Approximately \$500,000 savings in annual IT expenditure
- Flexibility to adapt to changes in requirements without further IT costs
- Easy integration with other software

Operational Benefits

- Reduction in manual procedures
- Significant improvement in billing accuracy
- Substantial reduction in time spent resolving billing discrepancies
- Dramatically shorter training timelines
- Greater flexibility in the billing format
- Better organization-wide access to billing information

New York Power Authority is the largest state-owned electricity provider in the United States with customers including government agencies, community-owned electric systems and rural electric cooperatives, job-producing companies, and nonprofit groups. The organization implemented the SAP® Customer Relationship Management and Billing for Utilities package to replace a number of disparate billing solutions. As a result, it has integrated its billing processes – powering efficiency improvements.



“The old system required a great deal of maintenance, human interaction, and technical support. By automating the manual processes, errors will be reduced – leading to efficiency gains and reducing frustration.”

Frank Rutigliano, Senior Project Manager, New York Power Authority

Best-Value Mission

With a mandate to provide clean, lower-cost electricity for government, job-producing businesses, nonprofit groups, and others, the New York Power Authority (NYPA) plays a significant role for New York State's electric power system, economy, and environment. The Authority saw an opportunity to further optimize its performance through the use of SAP® software for billing purposes.

Reliance on manual processes resulted in an error rate of 15% to 35%, with discrepancy resolution amounting to 90% of the workload of nine customer service representatives. The complexity of disparate legacy systems meant that training new billing clerks could take up to two years. Furthermore, poor visibility of information and inflexible reporting tools hindered planning, further impacting operational efficiency.

The Authority needed to streamline billing procedures to ensure best-value operations. “The old system required a great deal of maintenance, human interaction, and technical support,” confirms Frank Rutigliano, senior project manager at NYPA. “By automating the manual processes, errors will be reduced – leading to efficiency gains and reducing frustration.”

Harnessing the Power of SAP® Software

Impressed by the range of functions offered and proven success at other organizations,

the Authority decided to implement the SAP Customer Relationship Management and Billing for Utilities package, with help from SAP partner Axon Solutions Inc. “The implementation involved a great deal of overtime and weekend work to succeed, as well as collaboration across many business units,” comments Rutigliano. “The project team has much to be proud of.”

Key to success was the commitment of the NYPA steering committee, whose members mitigated project risk by anticipating and finding preemptive solutions to problems – reprioritizing critical-path activities to avoid delays, for example. Thorough preparation and consolidation of data before importing it into the solution was also an important success factor.

Driving Efficiency Improvements

By implementing a unified data platform for all customer billing data, NYPA has dramatically simplified working practices, enabling staff to familiarize themselves with billing procedures faster. Increased process automation has also significantly cut the number of errors. And with substantially fewer customer queries about discrepancies, employees can focus on providing more efficient service. The Authority quickly realized a 64% ROI through increased productivity, with estimated monthly savings of more than \$10,000.

Having a central source of easily accessible, up-to-date information is also improving visibility of customer information across

the organization. As Rutigliano explains, “It's a configurable system. Employees have the ability to extract information themselves.” As a result, managers can run the reports they want, without having to put in a request to the IT department. This has greatly increased management control, enhanced forecasting capabilities, and delivered improved support for decision making across the organization.

Flexible Solution

NYPA's simplified billing infrastructure has also delivered operational and cost benefits within the IT function. Superior interfacing features have enabled trouble-free integration with other software, including the organization's accounting applications. Reduced labor costs for maintenance work and the elimination of in-house custom development have accounted for ROI of 23% and 64%, respectively, with annual savings estimated at \$500,000.

As the latest addition to the Authority's growing SAP software footprint, the new solution will enable flexible response to changing billing requirements while minimizing further IT costs. Ultimately, this cost-effective IT strategy, combined with process efficiencies across the organization, will help NYPA fulfill its mission: to provide a best-value service to its customers.

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