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PostNL: Achieving 99.9% Process Availability While Boosting Agility with SAP® Solution Manager

How does a business survive and thrive in the cutthroat mail and parcel delivery business? For PostNL N.V., the answer is technology-driven innovation enabled by SAP solutions. To **boost IT agility, reliability, and efficiency,** PostNL deployed application lifecycle management best practices supported by the SAP® Solution Manager application management solution.

Executive overview

Company
PostNL N.V.

Headquarters
The Hague, Netherlands

Industry
Transportation and logistics – postal services

Products and Services
Mail delivery, parcel delivery, and e-commerce

Employees
77,150

Revenue
€4.3 billion

Web Site
www.postnl.com

BUSINESS TRANSFORMATION

The company's top objectives:
- Support an accelerated pace of innovation
- Monitor process chains as business models go beyond the enterprise
- Increase IT reliability to process millions of transactions and billions of events

The resolution:
- Increased agility, reliability, and efficiency using an application lifecycle management framework
- Adopted the SAP® Solution Manager application management solution as key business application used by PostNL's RunSAP department
- Focused on delivering "quick wins" to reduce incidents and boost performance

The key benefits:
- Fewer IT-related incidents and downtime, even as the business changes
- Faster, more efficient, and more comprehensive software testing
- Increased agility and confidence in IT to make changes the business needs

Read more

TOP BENEFITS ACHIEVED

30%
Reduction in incidents

12%
Reduction in software customizations

12%
Reduction of application management effort

See more metrics

"We need to contribute to the bottom line by running IT as a reliable, efficient business – and SAP Solution Manager helps us do this."
Paul Bot, RunSAP Manager, PostNL N.V.

Executive overview

Company objectives

Resolution

Business transformation

Future plans

Driving sustainable growth through innovation

PostNL N.V., the Netherlands postal company, is a high-volume, high-performance business that delivers over 17 million postal items, including half a million parcels, every work day in the Netherlands and Europe. They operate in a very competitive market, and to stay ahead of the competition, management has leveraged SAP software to drive rapid transformation and innovation across the enterprise. Today, they use 25 SAP applications to run the business efficiently and support mission-critical, integrated processes covering plan-to-control, hire-to-retire, inquiry-to-cash, purchase-to-pay, and collect-to-deliver processes.

PostNL's RunSAP department operates and manages this IT landscape. "Our mission is to enable business processes to be efficient, stable, and cheaper," states Paul Bot, RunSAP manager at PostNL. "We also need to support business growth and enable the introduction of innovative service offerings to customers. And we must contribute to the bottom line by running IT as a reliable, efficient business. To meet these goals, we must deliver innovation and change while maintaining the highest levels of performance, reliability, and efficiency."

But following the completion of several large projects that greatly expanded the SAP landscape, PostNL faced several challenges. Its more complex IT landscape required more regression testing and increased reliance on external consultants. Over time, the RunSAP team fell behind in applying patches, and the number of operational incidents sharply increased, as did operational costs. And increasingly frequent business changes and growing demand for new services exacerbated these trends.

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Application lifecycle management supports the transformation

To support its technology-enabled business transformation, PostNL embraced the SAP Solution Manager application management solution and Run SAP methodology for application lifecycle management (ALM). In addition, the company deployed SAP Test Data Migration Server software, which runs on top of SAP Solution Manager. By automating the process for creating an optimal test environment, the server can save time, increase testing reliability, and reduce costs.

An SAP solution was a natural choice given the scope of PostNL's SAP software landscape. The IT group viewed its investment in ALM as part of a continuous improvement journey essential to greater organizational maturity, and focused its efforts on quick wins. For example, they increased application performance and slashed the number of incidents by using SAP Solution Manager to enable more proactive, disciplined application monitoring. They also initiated monthly service-level reporting to increase transparency and communicate improvements to its business customers.

PostNL has also adopted a systematic approach – supported by SAP Solution Manager – to applying patches, upgrading systems, and documenting processes using the solution documentation assistant tool. This helped improve testing, reduce dependence on external consultants, and increase control over the application lifecycle. Changes must be documented regarding their scope and impact, and more rigorous documentation is required for nonstandard customizations.

> "The work center in SAP Solution Manager increases productivity and control by enabling us to execute and manage system management tasks from a single screen."
>
> Will Traets, Application Manager, PostNL N.V.

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Enabling an aggressive innovation agenda

The results of PostNL's investment in ALM-based processes are impressive. The company has centralized monitoring of applications, and monthly service-level reporting has increased transparency. The overall incident count has been cut by 30%, and IT detects and resolves 40% of incidents before users are even aware of them. Systematizing the process for applying patches and upgrading systems has slashed the number of inexplicable incidents and reduced delays in projects due to technical issues and the effort to apply patches.

Using SAP Solution Manager, IT can perform detailed analyses on planned changes – and based on insight into risks, create an appropriate test plan. Now tests are based on the real technical and business impacts of changes, which prevents too little or too much testing. As a result, test efforts have been reduced, business agility has increased, and customers benefit from more reliable applications.

KEY BENEFITS

90%
Transaction response less than 1 second

30%
Reduction in effort for upgrades and patches

50%
Less effort to maintain test environments

99.9%
Processing availability

40%
Incidents resolved before users' calls

50%
Reduction in storage costs of non-productive data

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Driving continuous improvement through ALM

While PostNL has already achieved a great deal, the RunSAP team views ALM as an ongoing initiative for continuous improvement and is already working on new initiatives. In the near term, the team plans to improve its change request management process and increase its monitoring of end-to-end processes. It wants to expand the use of SAP Solution Manager beyond the IT department to the business departments – for example, by giving them access to change request functionality that will automate processes for submitting and monitoring change requests.

Management plans to keep its version of SAP Solution Manager up-to-date to further support ALM best practices – the key to having an IT landscape that's flexible, reliable, and agile enough to keep up with management's innovation agenda.

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