STEDIN

TIGHT BUT USER-FRIENDLY CONTROL OF BUSINESS PROCESSES WITH SAP NetWeaver® BPM

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Peter de Bruin, Information Manager, Stedin

QUICK FACTS

Company
- Name: Stedin
- Location: Rotterdam, Netherlands
- Industry: Utilities
- Products and services: Transport of electricity and gas
- Revenue: €862 million (2009)
- Employees: 1,000 (2009)
- Web site: www.stedin.com
- Implementation partner: Creetion

Challenges and Opportunities
Streamline business processes and enable process integration across the organization, for higher efficiency

Objectives
- Implement a flexible, scalable business process management solution to support workflows, monitor processes, and make reporting easier
- Reduce number of applications required in troubleshooting service
- Improve data quality

SAP® Solutions and Services
- SAP NetWeaver® technology platform
- SAP NetWeaver Business Process Management (SAP NetWeaver BPM) component
- SAP® Interactive Forms software by Adobe
- SAP ERP application
- SAP NetWeaver Folders Management application
- SAP NetWeaver Portal component
- SAP NetWeaver Process Integration offering
- SAP NetWeaver Business Warehouse component

Implementation Highlights
- Widely supported by end users because of its logical, user-friendly interface and process support
- Accomplished within budget

Why SAP
- Fewer applications in the process chain
- Support for business process management
- Flexibility to cope with organizational and process changes
- Integration and coordination in the chain
- Links with SAP ERP and 3rd-party applications

Benefits
- Optimal integration and monitoring of processes for various departments and external parties
- More transparent, faster, and more efficient processes
- Clear, centralized information flow supported by electronic files, simplifying internal and external reporting

Existing Environment
Various nonintegrated systems

Third-Party Integration
- Database: Oracle 10g
- Hardware: Sun
- Operating system: Sun Solaris

STEDIN NET

As a power transport management company, Stedin is responsible for secure and reliable transport of electricity and gas to nearly 2 million households, businesses, and government organizations. Using the SAP NetWeaver® Business Process Management (SAP NetWeaver BPM) component, Stedin has created a complete process for resolving malfunctions. The underlying architecture also forms the basis for supporting other processes (including connection, maintenance, and inspection). And the cost-recovery time is impressive: less than one year.

In addition to power transport, Stedin is responsible for the planning, expansion, and maintenance of the power supply system. The growing Dutch company has recently taken on more energy-related responsibilities. It is active in the field of new energy technologies and also plays an important role in enabling sustainable energy facilities.

Process Integration with a Quick Payback Time

All these developments led Stedin to make a fundamental decision to streamline business processes and to carry out a sweeping integration. Like many other utilities companies, Stedin uses the SAP® ERP application for nearly all primary and secondary processes. To streamline the processes in its troubleshooting service, Stedin has developed a new solution using SAP NetWeaver BPM, which supports workflows, monitors processes, and makes reporting easier.

The new solution has reduced the number of systems and applications required and improved data quality, providing Stedin with more control over internal and external processes. Because the solution is flexible, scalable, and applicable across all industries and process types, in the future Stedin can use it to streamline and integrate other business processes. By integrating and centralizing administrative and logistical processes, Stedin has achieved a degree of transparency that has no equal in the industry, either in the Netherlands or Europe.

A Solution to Streamline Malfunction-Related Processes

Stedin needed SAP NetWeaver BPM to provide an integrated solution for managing its malfunction processes. "We still had an excessive amount of manual work and no automatic workflow," explains Peter de Bruin, information manager and project leader at Stedin. "When dealing with malfunctions, there are large numbers of short-cycle processes. We do not employ technicians ourselves to deal with malfunctions but rather hire subcontractors. Stedin receives the malfunction notifications and controls the work by itself. Currently 90% of these orders still go to our former infrastructure company – it knows exactly how our internal processes and systems work."

De Bruin continues, "Because our infrastructure company recently became independent, we have had to set up our processes differently to give us more control over the entire chain. We may agree to something with a client, but contractors must carry out the work, so it is important that we always receive clear status reports. This relates to our image with millions of customers. If we do not solve the malfunctions – about 55,000 per year – to the customers' satisfaction, then the complaint will be made to Stedin, not to the contractors who do the work. Being able to manage the entire process chain is essential."

One of Stedin's objectives in finding a business process management solution was to be able to control the entire process from within its own IT environment, irrespective of the IT systems used by external partners. This meant that it always had to have up-to-date information available and that platform independence was essential.

Although SAP is the de facto standard in the utility sector, the choice of an SAP solution for process management was not self-evident for Stedin – but it had

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support. De Bruin says, "I am personally a great advocate of SAP. One reason for this is that we already use SAP ERP, and therefore, user authorization is set up automatically. This considerably simplifies administration and security. Stedin's end users have other requirements than their IT administrators. They consider it particularly important that automation supports their work in the most user-friendly and efficient manner. To achieve that, we paid a great deal of attention to the development of a user-friendly, role-based user interface."

Easier, User-Friendly Administration

Sander ten Hagen, business consultant at Stedin's implementation partner Creetion, explains, "Stedin wanted to manage all types of partners more formally. By using SAP NetWeaver BPM, the SAP NetWeaver Portal component, and SAP Interactive Forms software by Adobe, among others, we could create a generic environment to administer all processes from within a user-friendly online environment. Using links to the geographical information system and customer administration, we have developed a conveniently arranged portal for the end users. This provides access to an electronic file in which all information from the underlying systems is collected. It is a layered environment, so that the logic and business rules are independent of SAP ERP. This means that no major customization is necessary, and the setup of SAP ERP itself remains standard and easy to administer."

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Savings in Process Administration

De Bruin adds, "SAP offers layered architecture for providing end-to-end process support, integrating the use of various SAP and non-SAP applications and making them accessible via a portal in a user-friendly way. System management is simple and accessible for the functional administrators, and the almost 80 end users see only user-friendly, role-based screens with no unnecessary trimmings. By default, SAP NetWeaver BPM offers the option of easily recording process administration information. Thus the real-time monitoring of process performance can be supported generically by SAP NetWeaver BPM. Using the electronic files as the central object, in which all transactions and documents are linked, also enables this to apply to the more substantive analyses and reports. Previously, creating a dashboard to monitor a process from beginning to end would have cost around €200,000, but now we can create these types of reports at a fraction of this cost."

Problem-Free Delivery, Within Budget

The technical development went smoothly. De Bruin comments, "The solution was delivered without problems and within budget. Because there is no other similarly complex case within Europe, we actively cooperated with SAP in the Netherlands and in Germany. This was a very positive experience. SAP is very open to ideas. The most important technical functionality we missed in version 7.1 was supplied in version 7.2. We changed to this version during the building phase without problems."

Flexibility to Deal with Organizational Changes

According to De Bruin, the key benefits of the new solution lie in the organizational flexibility that it gives to Stedin. "We now have a modular generic solution with which we can support various processes in a uniform manner and can easily cope with organizational changes," he remarks. "In addition, we can keep a tight rein on all the work we subcontract, both financially and on the work's progress. The exchange of information on transactional and asset data with external contractors

is supported by various communication channels. We use XML message traffic combined with SAP Interactive Forms for the malfunction process. This will later be expanded with an external portal."

Choosing an Experienced Partner

De Bruin advises other organizations looking for similar solutions to work together with an experienced implementation partner with extensive expertise. Creating support from within the organization is also important. "We formed a brainstorming group of key users from the departments involved in the business," he says. "For the noninitiated, the solution seems rather abstract, so we used real example screens to show what changes could occur in their daily work activities. The reactions were immediately enthusiastic."

Making Optimum Use of SAP ERP

According to Ten Hagen from Creetion, Stedin has found the perfect balance between processes, functionality, and technological options. He says, "The technical complexity behind the scenes remains invisible to end users and functional administrators, thanks to SAP NetWeaver BPM, while Stedin makes optimum use of the extensive technical options of SAP ERP. We developed the solution for the malfunction process at Stedin in six months. In principle we could now complete a solution for an equivalent situation in three months, thanks to the experience gained here."

De Bruin sums up by outlining the business benefits: "The costs will be repaid within a year. For example, we saved the equivalent of 3.5 full-time employees in the registration of malfunction information and the management of data quality. Equally important is the generic applicability of the solution to other business processes. We can now create solutions for these processes faster and more cheaply, and we can apply more uniformity to the way in which various processes are supported and administered. Combined with the more user-friendly, role-based screens, this leads to lower costs for training end users. We are so satisfied with this solution that we are already preparing to use it to support our customer connection processes. Thanks to the generic approach, scalability, and flexibility, I expect we will be very capable of supporting future process and organizational changes at Stedin."

http://www.sap.com/industries/utilities/index.epx

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