# RWE npower: Powering Intercompany Data Exchange with Help from SAP® Custom Development

An RWE company

**Executive overview**

Company

Vision

Why SAP

Implementation

Solution

Benefits

Future plans

## Company
RWE npower

## Industry
Utilities

## Products and Services
Gas and electricity

## Web Site
www.rwe.com/web/cms/en/97798/rwe-npower

## SAP® Solutions and Services
Services from the SAP® Custom Development organization

Think of how many people change their energy suppliers in a country the size of the United Kingdom and how much data the two providers must exchange each time it happens. For RWE npower, one of the United Kingdom's "big six" gas and electricity companies, it amounts to many millions of messages every month – and a lot of work. **The SAP® Custom Development organization simplified the job** by developing the "Intercompany Data Exchange (IDEX) for npower" application and skillfully managing this challenging multicompany program.

Executive overview

**Company**

Vision

Why SAP

Implementation

Solution

Benefits

Future plans

# Moving to SAP software as a platform for growth

RWE npower is a leading integrated energy company serving residential and business customers in the United Kingdom. The company, one of the country's big six power utilities, serves about 6.5 million customer accounts and produces around 10% of the electricity used in Great Britain. RWE npower is part of the Germany-based RWE Group, one of Europe's five leading electricity and gas companies with €53 billion in revenue.

**6.5** million

Number of customer accounts

RWE formed npower in 2002 by merging several smaller UK-based utilities, each of which had its own unique business software. Upon acquisition, RWE first set out to integrate all billing systems (called Core Program). It then implemented SAP software, which had been ably serving the parent company for many years, to support npower's growth and business development. The SAP for Utilities solution portfolio was npower's choice as well as the SAP Customer Relationship Management application for the call center and the SAP NetWeaver® Business Warehouse component for reporting.

While these solutions covered most of the firm's business requirements, npower needed to address one other important area – managing the flow of intercompany messages that are exchanged each day between the various companies operating in the complex, deregulated UK utility market, for instance, when customers move between npower and other UK-based providers.

Executive overview

Company

**Vision**

Why SAP

Implementation

Solution

Benefits

Future plans

# Streamlining the process when customers change utilities

Managing a customer's changeover to a new utility is complex for both providers involved. The old provider must supply a great deal of information about the customer to the new one: account data, meter readings, and type of meter installed, among many other things. This information is delivered in messages that take many forms, such as e-mails and faxes. "On average, 10 to 20 messages have to be exchanged per customer," says John Griffith, program director for npower. "Every month, several million messages go back and forth between us and other suppliers regarding customers in transition."

Historically, these large utility companies had difficulty in managing message exchange effectively. Considerable manual effort was usually required, resulting in slow processes; this, in turn, jeopardized customer satisfaction. To improve efficiency and accelerate customer changeovers, npower launched a project to automate message handling. That's when it turned to SAP for help in developing the IDEX for npower application.

"Our goals for IDEX for npower were to streamline intercompany message handling while making the changeover process painless for customers."

John Griffith, Program Director, RWE npower

Executive overview

Company

Vision

**Why SAP**

Implementation

Solution

Benefits

Future plans

# Combining custom development skills with SAP software expertise

RWE npower knew that the IDEX for npower application would need to be custom developed and tightly integrated with financials and other core processes in SAP for Utilities. "We chose the SAP Custom Development organization for the job because it had the unique combination of qualities we needed," says Griffith. "The group is highly skilled in creating customer-specific solutions. Furthermore, as part of SAP, it knows SAP software better than any other organization and has unmatched abilities to integrate any applications it develops with core SAP software."

Executive overview

Company

Vision

Why SAP

**Implementation**

Solution

Benefits

Future plans

# Managing a complex, four-company implementation

The implementation involved five main groups that had to exhibit strong teamwork:

- SAP Custom Development, which developed the IDEX for npower application
- SAP Consulting, which provided overall program management for the IDEX for npower program and specialist UK utility industry expertise
- AMT-SYBEX, a software developer that provided its Data Transfer Solution (DTS) application (now known as Affinity Marketflow™), a tool that ensures the proprietary data flow formats of the utilities industry works with the internal format used by SAP software (AMT-SYBEX is a member of the SAP PartnerEdge™ program; its DTS application runs on the SAP NetWeaver technology platform and is SAP-certified as powered by SAP NetWeaver.)
- Project team members from npower itself, who contributed their intimate knowledge of the requirements and business processes involved, both past and future
- IBM, npower's systems integration partner, which partnered with the utility to help configure the IDEX solution to meet npower's requirements

One important aspect of the project was to ensure compliance with strict UK regulations around customer service in the utilities industry.

SAP Custom Development worked closely with AMT-SYBEX in developing the IDEX for npower application and with the other groups during deployment. "Everyone involved had the same agenda; they all just wanted to get the job done efficiently and make sure it was done well," reports Griffith. "I also give a lot of credit to the people from SAP Custom Development. They made sure that everyone danced to the same music."

Despite the project's complexities, the team completed the IDEX project on schedule and within budget; it also achieved all goals.

Executive overview

Company

Vision

Why SAP

Implementation

**Solution**

Benefits

Future plans

# Automating bidirectional message handling

After a year-and-a-half implementation that involved five locations around the world, RWE npower began rolling out the IDEX for npower application, taking advantage of the automated technology to support customer changeovers. For example, the software has built-in rules to provide for accurate message processing. Messages now arrive at the right time and in the right sequence. The software even enables missing messages to be located and then sequenced properly. It detects corrupted data and details of metering information subject to misinterpretation. These problem messages are routed to SAP NetWeaver and its business process exception management toolkit. The end result is a well-managed, automated transition for customers, whether they are changing over to RWE npower or going from npower to another provider.

"Our IDEX for npower project demonstrated that the quality of SAP services can match the well-known quality of SAP software."

John Griffith, Program Director, RWE npower

Executive overview

Company

Vision

Why SAP

Implementation

Solution

**Benefits**

Future plans

# Projecting big returns based on early results

Around 100,000 of npower's 6.5 million customers began benefiting from the solution when it first went live. "Although we still have many more customers to bring on board, the early returns are promising," summarizes Griffith. "Based on current observations, we expect to see a faster, smoother process for customers."

Of course, optimizing the utility conversion process requires process improvements not only at npower but also on the other provider's end. Fortunately, there is substantial progress on that front as well. Two other members of the big six have similar solutions, and a third has one underway.

"The IDEX for npower application does everything it was supposed to do. We are very pleased. SAP Custom Development did a great job."

John Griffith, Program Director, RWE npower

Executive overview

Company

Vision

Why SAP

Implementation

Solution

Benefits

**Future plans**

# Continuing the partnership

The rollout continues in earnest. Another 500,000 customers will shortly be supported by the new application, and within nine months, around 6 million will be able to benefit from the automated system.

Even then, npower is far from finished. "We are looking at further ways to automate the checking and validation process. In addition, we want to extend the solution to all our business customers so that they too can streamline the changeover process when they switch providers," says Griffith in conclusion. "There is still a lot to do, and based on our very positive experiences to date, we are likely to use SAP Custom Development again for these enhancements."

"All the vendors involved in our IDEX project had a lot at stake in making it successful. They needed the SAP Custom Development experts to step up and lead the charge, which they did in full."

John Griffith, Program Director, RWE npower

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