

**DRAFT**

## AES Eletropaulo: Using SAP® Safeguarding to Help Ensure Smooth, On-Time Implementation of SAP PLM

Delays in high-visibility projects are not an option for many companies. The Brazilian power company AES Eletropaulo has used SAP® Safeguarding services to help ensure **risk-free, on-time implementation** of the SAP Product Lifecycle Management application. SAP Safeguarding offers the methodology and experience necessary to reduce the technical risks of implementations.

# Executive overview

## Company

AES Eletropaulo

## Headquarters

São Paulo, SP, Brazil

## Industry

Utilities

## Products and Services

Distribution of electric power

## Employees

5,770

## Revenue

BRL 9.8 billion (US\$4.8 billion)

## Web Site

[www.aeseletropaulo.com.br](http://www.aeseletropaulo.com.br)

## Partner

Indra Politec

## BUSINESS TRANSFORMATION

### The company's top objectives

- Reduce the risk and costs of implementing the SAP® Product Lifecycle Management (SAP PLM) application
- Eliminate or optimize interfaces, reducing the total cost of operation
- Ensure the integration of new solutions into existing business processes

### The resolution

- Adopted SAP Safeguarding services to successfully implement SAP PLM
- Worked closely with the SAP Safeguarding team
- Gained new skills to automate critical business processes
- Used technical quality manager to accelerate solving of critical problems

### The key benefits

- Automation of processes, increasing efficiency and reducing operational costs
- Faster transaction runtime
- Faster extraction time for the SAP NetWeaver® Business Warehouse (SAP NetWeaver BW) component
- Faster execution time for processing maintenance modification requests

Read more ►

“The implementation of SAP PLM is bringing great value to our business with new functionalities for automation processes, which have high visibility and cannot experience any kind of delay.”

Paulo de Tarso, Project Manager, AES Eletropaulo



## TOP BENEFITS ACHIEVED

# 99.99%

Reduction in transaction runtime

# 99.80%

Reduction in extraction time for SAP NetWeaver BW

# 91.95%

Reduction in runtime for maintenance modification requests

See more metrics ►

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Future plans

# Going live without risk and within deadlines

AES Eletropaulo is the largest distributor of electricity in Latin America by consumption and revenue. In 2010, it reached the mark of 6.1 million customers, serving 16.5 million people in total. Its concession area covers 24 municipalities in the São Paulo metropolitan area, including the capital, where its administrative headquarters are located. In 2011, the company delivered more than 45,101 gigawatt hours of energy and recorded a net profit of BRL 1.6 billion (US\$78 million).

AES Eletropaulo is a publicly traded company and follows BM&FBOVESPA's Level 2 Corporate Governance standards. It has been listed since 2005 on the Corporate Sustainability Index (CSI), comprising companies with the best sustainability-related performances. In January 2011, it joined the ICO2 index, which includes businesses that adopt transparent practices with respect to greenhouse gas emissions.

In 2011, to meet the growth of its market and enhance the quality of services provided, the company invested BRL 739 million (US\$361 million) in expansion works, maintenance, and customer services (8% more than in 2010).

AES Eletropaulo faced the challenges of ensuring the successful implementation of SAP PLM, avoiding delays associated with going live, and meeting new government regulations for the electric energy sector. To do so, the company established a partnership with SAP Safeguarding delivery teams, which offered tools, processes, and expertise to accelerate issue resolution and reduce the technical risks of implementation.



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# Implementation with quality guarantee

When AES Eletropaulo started the process of implementing SAP PLM, a critical requirement was avoiding all delays, due to regulatory issues. Therefore, the company adopted SAP Safeguarding services to help ensure the technical quality of implementation.

The initiative helped to ensure not only the implementation of SAP PLM within deadlines but also a considerable reduction in project costs. Prior to implementation, all services included in SAP Safeguarding were discussed and analyzed, which helped define a clear road map for project delivery.

Using the implementation methodology supported by SAP Safeguarding, AES Eletropaulo was able to complete the quality goals for the entire project on time. These targets consist of checkpoints that identified all risks – both functional and technical – that could impact the implementation so they could be handled appropriately. For example, at the end of

the implementation phase, a technical integration check helped ensure a more maintainable software landscape and reduced operation costs throughout the application's lifecycle.

Another key aspect of the project's success was the synergy developed between the AES Eletropaulo and SAP Safeguarding delivery teams. For each service, a specific agenda was defined, clearly establishing roles and responsibilities for both teams.

Depending on the service, delivery could be on-site or remote. For example, the technical performance optimization service was able to analyze programs remotely, while other services were performed on-site.



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# Minimizing issues with SAP PLM implementation

The successful implementation of SAP PLM using SAP Safeguarding services is part of a transformation process that is taking place at AES Eletropaulo. The company is making a series of investments that will take it to a new level of service and operational efficiency in the coming years, supported by SAP PLM.

For example, AES Eletropaulo is investing more than BRL 306 million (US\$150 million) to build two new substations with additional capacity of 240 megawatts, enough to supply energy to 720,000 people. The project also includes five transmission line complexes, which facilitate the distribution of power between substations and customers. The two units are digitalized, and the whole system is linked to the distributor's operations center, from where it will be monitored continuously.

The company has also modernized its call center software, enabling a 27x increase in services at these centers – from 2,000 to 54,000 calls per hour. Last year, AES Eletropaulo expanded its short message service (SMS) capacity by 100%, allowing it to receive up to 100,000 text messages per day. This has enabled a new automated service for reporting power outages. Customers can report service interruptions directly to the call center without actually speaking with an attendant. They receive a protocol number and an estimated wait time for return of service.

## KEY BENEFITS

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Reduction in transaction runtime

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Reduction in extraction time for SAP NetWeaver BW

# 91.95%

Reduction in runtime for maintenance modification requests



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# Investing to become the best energy distributor in Brazil

Beyond maintaining its position as the largest energy distributor in Latin America, AES Eletropaulo is investing to become the best energy distributor in Brazil. For this, the company's operational infrastructure and services are being developed to meet an increasingly dynamic and demanding market, in a region that has high population density and industries, commerce, and services on par with the world's largest metropolises. AES Eletropaulo has been conducting strategic investments focused on preventive maintenance, automation, expanding electrical system capacity, and creating connections to service customers.

Within this context, SAP Safeguarding services incorporated during the SAP PLM implementation project are aligned with the company's investment strategy. In the coming years, these services will play a key role in providing a better understanding of integrated business scenarios for AES Eletropaulo.

