



ALLIANCE PIPELINE

CONNECTING ENTERPRISE-WIDE PROCESSES TO SUPPORT GROWTH

QUICK FACTS

Industries

Utilities, oil and gas – supply, transmission, and trading

Revenue

CAD\$418 million (€264.3 million)

Employees

300

Headquarters

Calgary, Alberta

Web Site

www.alliance-pipeline.com

SAP® Solution

SAP® ERP application

Implementation Partner

BearingPoint Inc.

Key Challenges

- Achieve greater business process efficiency
- Establish consistent management of business metrics and results
- Standardize financial reporting
- Gain increased visibility into enterprise-wide data to see and act upon business trends
- Establish software infrastructure that supports growth

Implementation Best Practices

- Gain commitment of executive management
- Select experienced implementation partner
- Use ASAP methodology
- Establish best-practice business processes
- Secure dedicated involvement of corporate and field-office personnel
- Establish governance procedures to control changes to scope
- Establish change management program

Financial and Strategic Benefits

- Standardized business processes, reports, and data for increased efficiency and control
- Improved reporting accuracy and analysis
- Increased business transparency to control costs and support operational decisions
- Gained compliance with international financial reporting standards
- Improved asset tracking to reduce taxes and improve utilization and depreciation accuracy
- Improved supply chain management through greater control of contract and supplier data
- Improved HR services and information access

Why SAP Was Selected

- Software functionality and usability
- Support for best-practice business processes
- Ability to integrate key business processes and data, enabling greater consistency and standardization
- Positive industry and customer references
- Strong support community throughout operational territory

Low Total Cost of Ownership

- Achieved implementation in 9 months
- Minimized customizations and interfaces to control IT and maintenance costs
- Consolidated 10 databases into 1 to improve IT efficiency
- Adopted solution that can scale to meet future business needs with minimal IT labor and infrastructure cost

Operational Benefits

- Centralized operations data for enterprise-wide consistency and decision support
- Reduced equipment downtime through improved maintenance planning
- Improved asset tracking to streamline maintenance planning and tax filing
- Gained better supply chain visibility and control to support negotiations and service

Alliance Pipeline owns and operates a 3,700-kilometer high-pressure natural gas transmission system that delivers rich natural gas from the Western Canadian Sedimentary Basin to the Chicago market hub. The company implemented the SAP® ERP application to standardize its software, business processes, and data. Now Alliance has optimized finance, human resources, asset management, and procurement processes to support its growth.



SAP Business Transformation Study

Utilities, Oil and Gas – Supply, Transmission, and Trading



“Prior to our implementation of SAP software, departmental, regional, and geographical subpriorities were the drivers. It was very difficult for the company as a whole to focus on key enterprise strategies. Now enterprise goals can be planned, set, managed, and reported consistently across all operational areas.”

Michael Rannelli, Vice President, Information Services, Alliance Pipeline

Priming the Pipeline

Alliance Pipeline delivers more than 1.6 billion cubic feet of natural gas each day through a 3,700-kilometer pipeline that runs from Canada to the U.S. Midwest. Although the pipeline is currently operating at full capacity, the company continues to pursue expansion opportunities in both the regulated and nonregulated markets and needed to ensure that the company's business software was not hindering these growth objectives.

“Each of our operational areas focused on its own priorities, making it difficult for the company as a whole to focus on key enterprise strategies,” says Michael Rannelli, vice president of information services at Alliance. The company's field offices each had their own approach to business processes, data management, and reporting. Alliance executives realized the need for a software solution to increase business process consistency, agility, and efficiency.

Standardizing Software and Processes

After an exhaustive search, the company selected the SAP® ERP application. “We realized we could address many of our top challenges with SAP software by establishing best-practice business processes,” Rannelli adds. Strong industry references, the software's usability by field personnel, and the availability of local resources for both the implementation and support were key decision criteria.

Displaying Steadfast Resolve

Alliance worked with BearingPoint Inc. on the implementation and followed the ASAP methodology. Alliance was fully committed to the project, evidenced by strong executive sponsorship and bonus metrics that were tied to the success of the project.

Alliance dedicated representatives from each field office for the project's nine-month duration. “We wanted to ensure that the business was driving the project, not IT,” Rannelli says. The company established strong governance to keep the project scope and cost under control. A thorough change management program with ongoing communication and training helped ensure end-user adoption.

Realizing Operational Improvements

With SAP software, Alliance has achieved greater visibility of its financial data and a consistent approach to reporting. “Now everyone from our executive leadership team to our field personnel can see everything in a clear, consistent format,” Rannelli adds. “Also, because the software is compliant with international financial reporting standards, we can meet the milestones set for our industry more easily.”

The company has made significant gains in its maintenance and asset management practices. “As we move assets across national boundaries for operations or repairs, we're better able to document the asset to not only optimize equipment maintenance schedules but also reduce our tax

implications by proving country of origination,” he says.

The company's procurement practices are now centralized and standardized, with greater visibility into its supply chain and expenses. “Having this information helps us control our spending, and we're in a better position to negotiate price with our suppliers,” Rannelli remarks.

Alliance is consolidating HR data and leveraging employee self-services functionality. “We're handling all of our time tracking and HR data in a standard manner,” he says. “We're also increasing employee access to information to improve our HR services back to the field.”

Fueling a Brighter Future

Ultimately, implementing SAP software has enabled Alliance to meet its first priority – supporting growth. “SAP allows us to truly be better,” Rannelli explains. “We can do more with fewer people to support our growth – with minimal IT impact to support a much bigger company in the future.”

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