

SAP Customer Success Story
Healthcare, Engineering and Construction, Media,
Financial Services, and Real Estate



“ . . . by upgrading to SAP ERP, IT maintenance costs would decrease by up to 22% over the next three years, leading to a fast return on investment.”

Fabio Fricano, CIO, Tosinvest Information Technologies

AT A GLANCE

Company

- Name: Gruppo Tosinvest
- Location: Rome
- Industries: Healthcare; engineering and construction; media; financial services; real estate
- Revenue: Between €300 million and €400 million
- Employees: 2,500
- Web site: www.gruppotosinvest.it
- Partner: REALTECH

Challenges and Opportunities

- Current software requiring new licences for new functionality
- Rapid growth – need for more comprehensive, robust IT
- Support for top-level analytics with state-of-the-art business intelligence tool

Objectives

- Ensure cost-effective upgrade of existing SAP® enterprise resource planning (ERP) software to the newer SAP ERP application
- Streamline decision-making process
- Decrease IT maintenance costs
- Implement new functionality without impacting daily operations
- Improve productivity with better communication and distribution of information throughout the group

SAP Solution and Services
SAP ERP

Implementation Highlights

- Length of upgrade project: 3 months
- Duration of technical upgrade: 3 days, with only 6 hours of downtime
- SAP ERP enabled for 200+ users

Why SAP

- Fast ROI through savings on maintenance costs
- New functionality delivered cost-effectively
- Proven upgrade methodology

Benefits

- 22% reduction in maintenance costs
- Better software performance and usability
- Streamlined business processes
- Stable IT platform, enabling future evolutions
- Improved productivity with new self-services functionality

Existing Environment

SAP R/3® software

Third-Party Integration

- Database: Oracle
- Hardware: IBM
- Operating system: Microsoft Windows

GRUPPO TOSINVEST

Multifaceted Company Upgrades to the SAP® ERP Application and Slashes IT Costs

In times like these, when IT spending is increasingly subject to cutbacks but demand for growth and innovation is high, finding out how to get “more for less” is as crucial a task to a company’s IT department as making sure that applications run smoothly. In Rome, Gruppo Tosinvest managed to prove that this challenge, which can keep some IT managers awake at night, is very easy to solve. By upgrading its existing SAP® software to the latest release of the SAP ERP application, the company lowered its IT maintenance costs by up to 22%. CIO Fabio Fricano and IT manager Mario Buttá were also particularly pleased to inform the board of directors that they now had state-of-the-art software for running the company’s current as well as its future processes.

Gruppo Tosinvest is hardly what you would call a single-process company. One-half of its core business is in healthcare. Its subsidiary Tosinvest Sanità manages 11 healthcare facilities, each accredited by Italy’s National Public Health Service. In addition, the group operates a scientific institute for research, hospitalization, and healthcare (the IRCCS San Raffaele Pisana); a diagnostic center; and 13 nursing homes in Lazio and in Puglia. The diverse group with revenues between €300 million and €400 million also runs businesses throughout Italy in the media, real estate, financial services, and engineering and construction sectors. In a company of this size, and with such a wide array of processes, keeping IT costs in check is obviously of utmost importance. To ensure stable and cost-effective operations, the group relies on a subdivision devoted solely to IT activities: Tosinvest Information Technologies, or T.I.T. It was in this subdivision that the decision was made to upgrade the existing enterprise resource planning (ERP) software that Gruppo Tosinvest had been running since 2001.

Major Business Challenges

When Gruppo Tosinvest first implemented SAP software, including functionality for financial accounting, controlling, materials management, and asset accounting, the group had all the right tools to manage its internal processes. However, over the years, as the group grew, so too did its demands on the IT infrastructure. In addition to needing more robust functionality for human capital management (HCM) and financials, it needed software that would provide detailed analyses to help top management make informed decisions. As Fricano says, “We needed a sophisticated business intelligence tool that would support analyses by enabling cross-company communication and by providing a better overview of the group’s financial situation.”

A New Foundation

T.I.T. initially took the need for more features as a cue to implement new functionality in the existing software system. This would have meant making additional modifications to the existing IT landscape to accommodate new requirements as and when they arose. However, after talking to SAP, the T.I.T. team selected a different option – one that would benefit the group in the long term. By upgrading to SAP ERP, T.I.T. would have in place the latest information technology and an entirely new foundation for both its current and future needs. “Gruppo Tosinvest needed software that would allow it to flexibly disseminate information, according to whichever department or business was asking,” Fricano explains. “SAP convinced T.I.T. that an upgrade to SAP ERP was the right choice to achieve these goals. By upgrading, we’d be able to streamline our processes and add a whole new array of self-service functionality.” However, considering the magnitude of the group’s national IT and telecommunications operations, T.I.T. had to convince not only the users of the benefits of upgrading – but, more importantly, the board.

A 22% Reduction in Maintenance Costs

As it turned out, Fricano and his team didn’t need to do much persuading. “Gruppo Tosinvest is a private group,” Fricano says. “For this reason, the board is very keen on keeping investment costs down. T.I.T. convinced the executives that by upgrading to SAP ERP, IT maintenance costs would decrease by up to 22% over the next three years, leading to a fast return on investment.” Because T.I.T. took a departure from its original plan of adding more features to its software, it was also able to leverage new functionality delivered by SAP ERP – and do so economically.

“We followed SAP’s recommendations step-by-step and took advantage of Realtech’s technical expertise, enabling T.I.T. to complete the entire upgrade project on time and within budget.”

Mario Buttá, IT Manager, Tosinvest Information Technologies

“The IT and business reasons came together,” says Fricano. “We were looking for a cost-effective way of enabling HCM functionality for new users. With SAP ERP, you get a whole range of self-service functionality, including the SAP Employee Self-Service and SAP Manager Self-Service applications.” On top of that, T.I.T. leveraged the SAP NetWeaver® platform (a part of the SAP ERP license) to redesign HCM features. This included realization of a new people-centric user interface. “For better usability and productiveness,” Buttá confirms.

Smooth Upgrade Based on Efficient Collaboration

Before users could make use of the new software, T.I.T. had to ensure that there would be no disruption to daily operations during the upgrade. To do this, Fricano and his team chose a

“With the upgrade to SAP ERP, Gruppo Tosinvest now has an open gate to the future.”

Fabio Fricano, CIO, Tosinvest Information Technologies

twofold approach. First, they used the SAP upgrade methodology – an approach that was completely new to the T.I.T. employees. However, with the help of support tickets sent to SAP, the T.I.T. staff members had answers to queries and issues almost in real time and were able to continue with the project by themselves without delay. Second, they engaged the services of implementation partner, REALTECH. It was this combination that ultimately made the project such a success. “Collaboration between T.I.T., SAP, and REALTECH was excellent and key to the success of the upgrade project,” says Buttá. “We followed SAP’s recommendations step-by-step and took advantage of Realtech’s technical expertise, enabling T.I.T. to complete the entire upgrade project on time and within budget.”

Minimum Downtime and Seamless Switch for Users

With a downtime of a mere six hours for the actual technical upgrade, users managed to resume work without any interruptions. “Since users were properly informed before the upgrade, they had no problems accepting the new look and feel of SAP ERP,” says Buttá. “And the new HCM functionality was up and running with 30 new users immediately after the upgrade. We also plan to increase the numbers of users throughout 2007.”

Besides improving speed, performance, and usability of its software, the group has realized a greater level of scalability for further rollouts. T.I.T.’s road map for 2007 is on track for implementing the SAP NetWeaver Business Intelligence component and additional financial and self-service functionality. Fricano puts it nicely when he says, “With the upgrade to SAP ERP, Gruppo Tosinvest now has an open gate to the future.”

www.sap.com/contactsap

THE BEST-RUN BUSINESSES RUN SAP™



50 083 975 (07/04)

© 2007 by SAP AG. All rights reserved. SAP, R/3, mySAP, mySAP.com, xApps, xApp, SAP NetWeaver, Duet, PartnerEdge, and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP AG in Germany and in several other countries all over the world. All other product and service names mentioned are the trademarks of their respective companies. Data contained in this document serves informational purposes only. National product specifications may vary.

These materials are subject to change without notice. These materials are provided by SAP AG and its affiliated companies ("SAP Group") for informational purposes only, without representation or warranty of any kind, and SAP Group shall not be liable for errors or omissions with respect to the materials. The only warranties for SAP Group products and services are those that are set forth in the express warranty statements accompanying such products and services, if any. Nothing herein should be construed as constituting an additional warranty.