

Industry Thinking: Utilities and Resources

Spurred by strong international demand for mined products, the resources sector is experiencing a period of intense production and record prices. Oxygen provides specialist SAP expertise for mine operators looking to upgrade and optimise their existing SAP infrastructures and has developed longstanding relationships with key mining companies Rio Tinto and BHP Billiton.

In the utilities sector, where population growth and ageing power generation infrastructure is turning the spotlight on privatisation and improved efficiency, Oxygen has proven experience providing technically sophisticated SAP solutions to improve asset management, monitoring and maintenance regimes.

Key sector trends

Key forces at work in the **natural resources** sector include:

- **Strong demand and high prices** have created exponential growth in the mining industry, stimulating investment in more sophisticated technology to maximise production. Companies that have grown quickly require core SAP functionality to replace their legacy SME business software.
- **Supply chain bottlenecks:** Companies are struggling to improve reliability and management of vital infrastructure, such as railways and shipping, grappling with the challenge of linking disparate systems to optimise mine logistics and global supply chains.
- **Tight labour market** for skilled workers sees companies looking for operational efficiencies in order to achieve more, with less resources.

Key trends in the **utilities** sector include:

- **Power privatisation** will be a touchstone for a significant reshuffle in the market with mergers, acquisitions and divestments likely to radically alter the landscape. The deregulated market will shift focus from cost sensitivity to solutions that provide competitive advantage.
- **Population growth** is driving demand for improved efficiencies from existing infrastructure. Utilities must deploy SAP solutions to improve the effectiveness of generation, transmission and distribution pathways. Demand for new solutions to help plan, develop and project manage new infrastructure is emerging.
- **Greenhouse gas emissions** and Kyoto protocols will turn utility companies' attention towards environmental compliance as they strive to meet key thresholds and reporting requirements established under the National Greenhouse and Energy Reporting System (NGERS).



A LUXE COMPANY

Our capabilities

Strong project and asset management skills, combined with proven experience in supply chain optimisation, allows Oxygen to add considerable business value to SAP implementations in the mining and utility sectors.

Our expert consultants are supported by well organised practice teams, who in turn receive the full backing of Oxygen's executive management. Oxygen is wholly owned by ASX-listed UXC, a large, financially sound provider of solutions and services across the enterprise market in Australia and New Zealand.

Resources: Getting material out of the mine, down the railway line and across the port remains the key issue behind SAP innovation in the mining industry. Oxygen's track record in resources is built on its multi-year relationships with key clients BHP Billiton and Rio Tinto.

- **BHP Billiton:** At BHP Billiton Oxygen provided strategic advice on optimising the supply chain for the Iron Ore business. This supply chain review extended from the pit all the way through to the customer including pit management, possessing, transportation to the port, ship loading and then final transportation to the customer port. The review included not only SAP systems but also the ancillary systems, required business process changes and technology changes.

- **Rio Tinto:** Oxygen has provided expertise for the implementation of SAP customer relationship management applications and provided key technical assistance for the implementation of SAP XI, facilitating enterprise application integration across Rio Tinto's various software environments.

Utilities: Oxygen is experienced in optimising SAP systems to work together in order to align business processes. Its consulting teams have proven technical skills in plant maintenance, project management and project systems – areas key to the ongoing viability and future needs of utility companies. Oxygen has a strong grounding in financial systems architecture and can adapt SAP to better manage changing company entities.

- **Alinta:** Oxygen successfully completed a complex pre-separation project that rationalised Alinta's chart of accounts. Implemented using the SAP System Landscape Optimisation (SLO) toolset, Alinta gained significant improvements around intra company confirmations and consolidation reporting.

[Read the Alinta case study >>](#)

[Read more about environmental compliance >>](#)

The Oxygen difference

Your business, our business: Oxygen consultants have real-life business experience. We have ex-industry consultants on staff that combine knowledge of day-to-day business processes in the utility and resources sectors with a deep understanding of the SAP functional landscape.

Technically superior solutions: When organisations engage Oxygen they do so because they want to make a measurable difference to the performance of their organisation. Oxygen's SAP specialists and consultants have the technical ability to deliver specialised solutions that are key to maintaining competitive advantage.

Consistent quality: Oxygen develops and maintains longterm customer relationships based on the consistency of its consulting and implementation work. Maintaining shareholder value and avoiding risk are key concerns in the utility sector. Oxygen's proven implementation methodologies create robust repeatable solutions that follow SAP best practice.