

## CASE STUDY: SAP enterprise architecture integration strategy



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A LXC COMPANY



# IT INTEGRATION PLAN REDUCES SAP COMPLEXITY AND LAYS STRATEGY FOR ALINTA TO MEET BUSINESS TARGETS

Oxygen Business Solutions has completed a highly strategic SAP information systems (IS) integration strategy for Alinta, providing the company with a clear upgrade path that will allow it to gain improved business efficiencies and benefits following its merger with Australian Gas and Light (AGL) in 2006.

After acquiring the infrastructure and asset management businesses of AGL, Alinta became Australia's largest energy infrastructure company. Its history of rapid growth through acquisition had added a variety of different enterprise software products and underlying enabling technologies to its SAP IS infrastructure, making it complex and difficult to administer.

The profitable management of Alinta's contract maintenance of utility infrastructure such as pipelines, transmission lines and generation plants depends on a well-integrated and sophisticated ERP solution spanning asset management, contract management and supplier management, in addition to the corporate requirements of financials, business intelligence and human resources. Alinta engaged Oxygen to create a clear SAP enterprise architecture strategy to address both current and future business needs,

and from an IS perspective, reduce complexity and cost through enhanced utilisation of Alinta's investment in SAP.

Delivered to a demanding deadline, Oxygen devised a SAP strategy that has allowed Alinta to understand the enhanced capabilities offered in the MySAP products, and to ensure that its program of integration and upgrade is designed to deliver better capabilities in a coordinated way aligned with Alinta's key business priorities.

The integration plan has also allowed Alinta to gain insight into the future support requirements of SAP and to commence planning the organisational change with the IT department to accommodate the increasingly sophisticated needs in terms of environment management and skill set acquisition.

“We now have an SAP strategy which gives us a clear path to upgrade that places primacy on gaining the business efficiencies and benefits at the earliest possible time.”

Brett McLean, IT Strategist, Architecture and Strategy, Alinta IS

“The value of the SAP strategy project is in ensuring we make the right decisions and have a defensible logic for governance of a very complex program of work that ultimately will take Alinta to a new level of process integration.”

Brett McLean, IT Strategist, Architecture and Strategy, Alinta IS

## THE BUSINESS CHALLENGE

- Create a clear SAP enterprise architecture strategy to address current and future business needs and in doing so provide a key component in a wider master plan to align and integrate business planning and operations at Alinta
- Reduce complexity involved in integrating the range of different enterprise software products and underlying enabling technologies that make up Alinta's IS environment
- Enhance utilisation of, and increase return on, investment of Alinta's SAP systems

## THE OXYGEN SOLUTION

- Provide actionable recommendations on the key elements of a cohesive enterprise architecture for Alinta's strategic set suite of SAP applications
- Assess third party applications such as Cognos, webMethods and Opentext Livelink to ensure their impact on the SAP strategy was understood and incorporated in the recommendations
- High level assessment of the current, planned and envisaged requirements of all Alinta business units, asset owners and associated geographic locations currently using SAP or identified as potential target for moving to SAP
- Analysis of Alinta's strategic business direction and current IT strategy, taking particular note

of stated requirements in the areas of process integration, enterprise portal, reporting and analytics, and enterprise content management

- Review of Alinta's entire SAP environment, including the impact of the AGL merger; understand and document number of users, processes and applications, current releases and operating environments, support infrastructure, A2A and B2B integrations, customer development and the level of change over the preceding 12 month period

## RETURN ON INVESTMENT

- An SAP strategy, which provides a clear upgrade path that, will generate business efficiencies and benefits at the earliest possible time.
- Stakeholders have an improved view of the 'whole of business', not just the part relevant to them, which has resulted in buy-in for a long and complex program of work
- Better understanding of the enhanced capabilities offered in the MySAP product, ensuring the program of integration and upgrade will deliver enhanced capabilities in a coordinated way
- Critical investment in establishing strategic direction and identifying a path forward so future business projects do not conflict with wider business strategy

## CUSTOMER PROFILE

ANNUAL INCOME: Approx \$A1.5 billion

BUSINESS PROFILE: Alinta is a leading Australian energy company with operations and investments that span five states of Australia and New Zealand. An ASX Top 100 company with a market capitalisation of A\$5.8 billion, Alinta manages, operates or owns a diversified portfolio of energy assets worth A\$14 billion. Alinta's operations and management services now span every link in the energy delivery chain from generation, transmission, distribution wholesale and retail sales.

Winner – SAP Excellence Award 2006

