



Oxygen SmartUtility for Asset-backed Utilities

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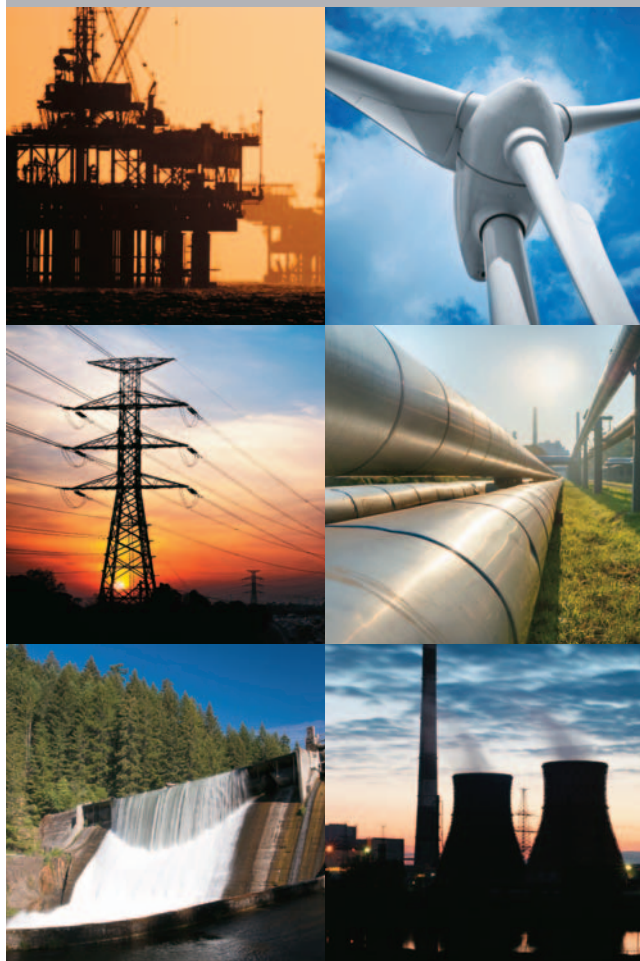


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INTRODUCTION



Oxygen's SmartUtility for asset-backed utilities is a rapid deployment SAP solution designed to meet the challenges faced by organisations operating within the utilities sector.

Ageing infrastructure, increasing population and seasonal scarcity of resources has been a touchstone for a significant reshuffle in the utilities market. With the spotlight firmly turned towards increased efficiency, market operators, be they government agencies or private companies, are facing more intense competition, increased public scrutiny, and rapidly changing regulatory obligations.

Utility companies balance these external pressures against the need to meet day-to-day performance targets and manage fast turnaround infrastructure-intensive projects. In today's environment, improving distribution, optimising service delivery, and bettering the management of diverse asset bases are essential to utilities maintaining viability and competitive advantage.

Oxygen's SmartUtility is a templated SAP solution that provides utility companies with a technically sophisticated solution to improve financial performance and controls, asset management, monitoring and maintenance regimes. It combines the rich functionality of SAP's Business-All-in-One solution with Oxygen's unique rapid design, implementation and deployment program.

PROVEN RESULTS IN LESS TIME AND FOR LESS COST

The Oxygen SmartUtility solution utilises SAP Best Practices – a library of pre-configured business scenarios that helps utility companies realise business benefits without extensive configuration, combined with Oxygen's rapid solution accelerators. The solution is deployed using a blend of SAP's ASAP Focus methodology and implementation processes developed by Oxygen.

Choosing the right deployment approach

Oxygen can deploy SmartUtility solutions in two ways. The first approach is a full SAP ASAP methodology. This uses a full project lifecycle to gather business requirements and map the solution to business needs. In this approach SAP is fit to the business. The second approach, SAP ASAP Focus, leverages Oxygen's experience and the templated SmartUtility approach to implement the base solution without solution modification. In this approach the business is fitted to SAP. Both approaches suit different business requirements and desired outcomes.

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Using the SAP ASAP Focus approach, Oxygen delivers standard SAP product offerings and implementation services across a number of key business process areas in less time and for less cost than a standard implementation approach. The methodology is based on SAP and Oxygen's extensive experience in deploying SAP systems for the utility sector, drawing on proven technical skills in finance, plant maintenance, project management and project systems. Oxygen's utilities work covers energy production, including power generation, transmission and distribution, as well as railways and other key infrastructure, such as telecommunications.

Oxygen SmartUtility flips the traditionally intensive consultative approach to SAP's implementations on its head. Drawing on SAP Best Practices and its experience implementing SAP solutions for organisations with similar needs, Oxygen has developed a templated approach which greatly simplifies the implementation.

Instead of designing the solution from scratch, Oxygen uses a number of pre-built solution templates that meet key business needs across a range of core processes undertaken by utility companies. These functional areas include procurement, finance and control processes, human resources, plant maintenance, investment management, and project systems.

Having tabled the pre-configured solutions, Oxygen then undertakes a gap fit analysis to find out what customisation needs to be undertaken. Typically, 80% of the functionality in an Oxygen SmartUtility solution will be pre-built, allowing the

implementation to focus on the 20% that needs to be completed to meet the unique needs of the customer.

Together with the software, The Oxygen SmartUtility approach also includes key implementation process templates for project governance, change management, risk assessment and QnA procedures – best practice methodologies that are proven to minimise risk, reduce implementation time and control project costs.

KEY OUTCOMES

The Oxygen SmartUtility solution allows organisations to get up and running with a core SAP Business-All-in-One solution for less time and less cost than a traditional implementation approach. It leverages SAP Best Practices to cover core business processes and provides the flexibility to meet any business process needs unique to a particular organisation.

The solution minimises disruption to the business and provides improved return on investment. The SmartUtility solution wherever possible utilises standard SAP software. This reduces ongoing support costs in comparison to organisations using highly customised technology.

The 'build as you grow' approach lets organisations enrich the solution as their business dictates, while providing a solid foundation to execute key day-to-day operational and financial processes. ■

Build as you grow: start small and grow over time as your business demands change

The core SAP modules installed with Oxygen SmartUtility include:

- Finance / Controlling
- Investment Management
- Plant Maintenance
- Materials Management
- Human Resources
- Project Systems
- Optional extras include:
 - SAP Business Warehouse or SAP Edge Series Data Warehousing
 - SAP BusinessObjects reporting, dashboards and analysis
 - SAP ISU for integrated utilities billing
 - TRIM document management integration into SAP
 - Mobility solutions for mobile asset management
 - Prometheus software for enhanced maintenance scheduling and control
 - SAP Payroll for employee pay cycle management and processing

OXYGEN SMARTUTILITY IN PRACTICE

Oxygen SmartUtility was first designed and delivered for an Australian state government agency responsible for water distribution.

The agency was created in response to a severe water crisis and was tasked with building and managing a network of pipelines that could transport water between dams to better manage supplies and sustain population demands.

Responsible for potable bulkwater transport for nearly 3 million people, the agency needed an ERP solution that would manage its financials and the maintenance of over 500km of assets – as well as meet its compliance reporting needs.

A desire to minimise risk meant the agency required the implementation to be completed within a strict six month timeframe. The key functional outputs of the solution were:

- Control of an asset base of around \$A2 billion, requiring complicated financial calculations to determine depreciation values
- Management of a maintenance program across inherited and new assets over a geographically diverse region
- Strict compliance and reporting requirements

After selecting SAP technology due to its proven asset management capabilities, the agency identified Oxygen as its SAP implementation partner of choice. Despite the challenges in dealing with an agency that lacked mature business processes, the SmartUtility solution proposed by Oxygen made certain the basic requirements of the agency were met with core SAP functions, and ensured the project was completed on time and on budget.

OXYGEN PROPOSAL

Having won the work based on its ability to balance industry-specific knowledge with deep technical resources, Oxygen proposed a SmartUtility solution that offered the following key benefits to the agency:

- 30% reduction in implementation time
- The identification of reusable business processes and project activities
- World class efficiency in business practices
- Fulfilment of any unique business process requirements
- Pre-configured solutions to common processes

MEETING KEY CHALLENGES

The Oxygen solution had to cater to some unique challenges faced by the fully funded government agency, including:

- A lack of clearly defined business processes – being less than one year old the agency hadn't yet settled on common business procedures for procurement, reporting, etc.
- Demanding timeline – In the space of only six months Oxygen had to scope, blueprint, implement, undertake user acceptance testing and then make the system live
- Lack of internal understanding of the resources and change management needed to implement an ERP system
- High end-user expectations but little overall comprehension of what exactly was being implemented
- Unknown report formats – the government had not defined what reports they required so it was unclear if standard financial reports would be satisfactory

Oxygen's SmartUtility solution helped mitigate these key challenges, providing the agency with a core platform on which it could develop deeper levels of functionality at a later date. This 'out of the box'

solution approach allowed the agency to implement key functionality rapidly and then deploy further functionality on an as needed basis, after go-live.

Oxygen delivered the majority of the necessary functionality using a range of pre-configured templates for financial, human resources, plant maintenance, investment management, and business intelligence processes.

Using a gap-fit analysis, Oxygen ensured the templated functionality was appropriate to the business. Where business rules were not clearly defined, time was spent developing a change management routine to allow the agency to discuss and reach agreement on how these processes should be structured.

Key functionality implemented included:

- Core financial and controlling functionality
- Creation of core financial reports
- Creation of work orders to allow maintenance tasks to be undertaken across the pipelines
- Establishment of a rigorous purchase order process ensuring every government dollar spent was accounted for
- A re-evaluation of pipeline assets using SAP Materials Management

Informing all of Oxygen's implementation work was a specialist utility consultant who had a deep understanding of the agency's existing system and business processes.

Supplying standardised processes for the majority of the solution allowed Oxygen more time to consult with the business on the change impact of deploying the SmartUtility solution. As part of the implementation Oxygen also revised the agency's Chart of Accounts structure. Project governance, control, risk management, testing and training were all executed according to SAP ASAP Focus deployment methodology and Oxygen pre-configured templates.

MORE INFORMATION

For more information on SmartUtility visit www.oxygenforbusiness.com/smartutility, call 02 8879 6500 or email info@oxygenforbusiness.com

