



“In terms of a proven track record of driving down SAP costs and improving service to users, Oxygen was the most advanced.”

Neil Andrew, TVNZ Head of Operations and Technology.

SAP outsourcing contract tops the ratings at TVNZ

At Television New Zealand, a full outsourcing contract with Oxygen Business Solutions has reduced annual SAP costs by 15 percent and allowed completion and implementation of a new e-procurement system, while improving overall quality and continuity of service.

TVNZ had traditionally managed its IT systems in-house, but server leases were maturing, and major investment was looming. The company was looking at significant hardware upgrade costs as part of implementing a new e-procurement system and refreshing SAP hardware.

TVNZ saw outsourcing as a logical step towards better managing both capital costs and ongoing support and maintenance. Following a competitive evaluation process, Oxygen Business Solutions was signed to a two-year outsourcing contract. The contract

covers key areas of SAP functionality including financials; scheduling and planning of staff and facilities; and middleware linking SAP financials with software that manages resources such as satellites.

The contract also covers a non-SAP e-procurement application that provides online workflow to streamline TVNZ procurement.

Oxygen now provides full hosting for TVNZ's SAP applications. SAP resides on servers inside Oxygen headquarters, and is served up to TVNZ via a wide area network.

TVNZ is realising savings of around 15 percent per annum on its SAP costs. The company has reduced total cost of ownership, completed implementation of a new e-procurement system, and at the same time improved the overall quality and continuity of service to SAP users.

CASE STUDY: SAP Outsourcing at TVNZ

The Business Challenge

- TVNZ's server leases were maturing, and a major reinvestment was looming.
- The company was faced with significant hardware upgrade costs as part of implementing a new e-procurement system and refreshing the hardware running its SAP systems.

The Oxygen Solution

- Two-year full application outsourcing contract, covering the hosting and management of TVNZ's SAP financials, resource planning and scheduling system, as well as a new e-procurement system.
- SAP resides on servers inside Oxygen headquarters, and is served up to TVNZ via a wide area network.
- The complete network describes a triangle between three sites – TVNZ, the primary Oxygen site and an Oxygen disaster recovery facility. In case of disaster at Oxygen's primary site, redundant servers at the disaster recovery facility cut in with no loss of service.

- All three network sites have two carriers – Telecom and TelstraClear – running into separate sides of the building.

Return on Investment

- Savings of 15 percent per annum on SAP costs.
- Avoidance of capital costs required to refresh SAP hardware and implement a new e-procurement system.
- Improvement in overall quality and continuity of service.
- Significant increase in network speed.
- Number of suppliers for the SAP application reduced from five, to one.

“Oxygen never stops looking at ways to do more for less. We see that culture as one of the benefits of our relationship.”

Neil Andrew, TVNZ Head of Operations and Technology.

Customer Profile:

Television New Zealand

Annual Revenue: \$492.1 million

Business Profile: Television New Zealand (TVNZ) is made up of two main divisions, split into seven business units. They are a Television Division (including TV ONE, TV2, TVNZ.CO.NZ) and a Transmission Division (BCL, TVNZ Australia, Satellite Services, Moving Pictures).

Key IT Suppliers: SAP, Microsoft, IBM, Datacom, Oxygen.

ERP System: SAP 150 seats.

Number of Screens: 1100