

# Case Study

## Utilities Sector (United Kingdom)

**Customer: East Midlands Electricity** (an arm of Powergen in the E.ON group).

### Business overview

East Midlands Electricity (EME) is the electricity distribution asset management arm in the UK of the Powergen group. The company is responsible for providing a reliable electricity supply to customers across an area totalling 16,000 km<sup>2</sup> from the north of Chesterfield in Derbyshire to south of Milton Keynes in Buckinghamshire, and from Tamworth in the west to the Lincolnshire coast in the east.

The business operates from one central office at Pegasus Business Park near East Midlands Airport, and four Field Operating Centres at Moorgreen, Sleaford, Hinckley and Northampton. It serves 2.3 million customers through a distribution network that has over 24,000km of overhead line, over 44,000 km of underground cable and has over 39,000 transformers.

### Business requirement:

**1) Rationalisation of the key business systems.** The key Asset Management processes, which are the core of EME business, were previously supported by SAP R/3 4.0, the business' financial system, with two poorly integrated legacy applications; an Asset Data repository (Udb, containing over 200,000 asset records) and a Work Management system (MIMS).

These systems did not provide effective support to integrated asset management. The systems overlapped in functionality and capability leading to inefficiencies. There were also issues resulting from lack of use, ease of use and improper use of these systems, reflecting the fact that the automation did not fit the current processes. Refreshment training was also deemed necessary for the current user population.

**2) To upgrade from SAP 4.0B to SAP 4.6C.** This to ensure continued maintainability, driven by the fact that the implemented version of 4.0b would no longer be supported by SAP after 2003.

East Midlands originally implemented SAP 4.0B in August 1999, fully utilising the following modules:

- FI/CO - Finance & Controlling
- MM - Materials Management.

Additionally, these modules were partially utilised:

- SD - Sales and Distribution
- PM - Plant Maintenance
- PS - Project Systems.

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## **JAMA solution & process:**

The project scope and budget was sanctioned by the company IT board on the basis of a formal Project Charter, the drafting of which was supported by JAMA consultants. A project team was established including the technical implementation team comprising JAMA senior SAP consultants and EME personnel. The determined intention was to provide in-house knowledge consolidation and transfer from the outset. The project was initiated through a series of structured workshops between EME business stakeholders and the JAMA-led technical team. Key-users from the business were identified and were incorporated into the body of the project at this earliest stage – a major contributing factor to final success.

Plans were evolved to deliver the scope through 3 major project stages each subject to control of design, construction, test and implementation within the ASAP methodology framework.

JAMA provided the following services through the project lifecycle:

- 1) Project scoping.
- 2) Technical resource sourcing (sub-contract & JAMA internal consultants).
- 3) Technical project management.
- 4) Training team resourcing and support.
- 5) ABAP & interface development team sourced.

## **Results & benefits**

Technical upgrade to SAP R/3 46C achieved in 4 months (on time) starting Q2 2002.

Rationalisation of Asset Management business processes delivered in 4 months (on time).

Enhancement phase involving assessment & delivery of 80+ initiatives finishing Q2 2003.

This was all achieved comfortably within the tight budget targets set. Over 800 users are now benefiting from their upgraded and improved SAP system including enhanced workflow functionality and crucial business process enablers such as distribution of purchase orders and remittance advice by e-mail.

The system has become a SAP Reference Site to interested utility businesses.

To quote an EME manager:

***“JAMA provided us with an excellent SAP team and the project management experience to deliver the project successfully.”***