



Business Challenge

Redexis Gas must adapt quickly to continuous regulatory changes. How could it do so while relying on rigid IT systems that made changes to business processes tricky and costly?

Transformation

Working with IBM Global Business Services, Redexis Gas deployed SAP for Utilities, creating a flexible business management platform that enables rapid creation of new processes to suit its new, independent status.



Mercedes Barreiro Hernandez
CIO
Redexis Gas

Business benefits:

Accelerates
and simplifies compliance with regulations and launch of new services

Avoids costs
and frees up funds for valuable business initiatives

Helps growth
by enabling fast, easy acquisition and onboarding of new companies

Redexis Gas

Seizing opportunities presented by market liberalization with SAP and IBM to achieve greater business efficiency

Based in Madrid, Redexis Gas serves more than five million people with natural gas, and is one of Spain's largest providers. The company operates a network spanning over 8,500 km across 234 towns, producing revenues of approximately EUR158 million in 2014, an increase of more than 8 percent on the previous year.

“Working with IBM and SAP, we have gained a platform that allows us to develop bespoke processes to suit our business, helping us sharpen our competitive edge.”

Mercedes Barreiro Hernandez, CIO, Redexis Gas

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Staying competitive in a liberalized market

During the past two decades, the Spanish gas market has undergone significant changes. Market liberalization has sparked unprecedented competition between providers, with consequent mergers, acquisitions, and the creation of new companies.

To become more competitive and undertake ambitious development plans, utilities must be able to cut costs, onboard new acquisitions to fuel growth, and efficiently manage the extensive roll-out of supply networks. Business services such as IT are faced with supporting swift and sometimes dramatic changes to business processes.

Redexis Gas manages its business on a shared IT platform inherited from the previous parent company. The original processes were designed exclusively for managing electricity supply, and could not be easily adjusted to suit the specific requirements of the gas industry.

Mercedes Barreiro Hernandez, CIO at Redexis Gas, takes up the story, "Working with a platform not designed for our industry made it extremely difficult to introduce new services and processes in response to evolving business requirements and updated regulations."

"We wanted to find a platform that could support our unique strategic objectives and help us comply with regulations. At the same time, we knew that we needed to develop the ability to deploy new applications such as customer relationship management and maintenance management rapidly and cost-effectively. Additionally, the legacy platform was relatively expensive to operate, and we were sure that a next-generation solution could eliminate those costs.

"Our internal corporate guidelines gave us a tight timeframe for completing the deployment, so we were under pressure to find the right solution – and the right partner to help us achieve a smooth, fast implementation."

Transforming the business with SAP

Concerned that developing custom applications in-house could translate into substantial operational costs, poor systems integration and potentially high management overheads, Redexis Gas evaluated vendor solutions. Additionally, in-house development might distract the team from the central challenges of the deregulated marketplace.

"SAP for Utilities stood out from the other systems we looked at, because it offered a platform that could support every single part of our large and highly complex business," comments Mercedes Barreiro Hernandez. "But before we embarked on the major, high-risk project of migrating our entire business to a new platform, we needed to find an exceptional service provider who could support us with the implementation, go-live and deployment."

Challenge in detail

In the fiercely competitive Spanish gas market, achieving excellent quality in the management and roll-out of transport and distribution networks is the key to growing market share.

At the same time, Redexis Gas also complies with continuously changing, complex and costly regulations. The company's IT systems could not easily accommodate new business processes, a weakness that put the firm at risk of losing out to more agile competitors.

Solution delivery

Redexis Gas joined forces with IBM Global Business Services to implement a broad SAP landscape based on the SAP for Utilities industry solution.

The SAP solution covers all of Redexis Gas' operations, and allows the firm to design, develop and launch industry-tailored applications to support custom workflows on an ad-hoc basis.

"The IBM Global Business Services team ticked all the boxes, and the world-renowned synergy between IBM and SAP cemented our selection of IBM as our implementation partner."

Mercedes Barreiro Hernandez

CIO

Redexis Gas

Choosing IBM's industry expertise and technical know-how

The company evaluated the offerings of four different implementation partners, and soon recognized that IBM could best satisfy its requirements.

Mercedes Barreiro Hernandez explains, "We needed a partner that could demonstrate previous experience of working in the Spanish gas market, as well as offer the necessary resources, knowledge and professionalism to support us with this critical business transformation.

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Mercedes Barreiro Hernandez

CIO

Redexis Gas



“The project was completed well before the tight deadline – with the entire migration taking us just seven months instead of the forecasted twelve,” adds Mercedes Barreiro Hernandez.

“Additionally, the transition was so smooth that our 259 SAP users barely noticed that a huge transformation had taken place. I’ve been working in this industry for over 20 years now and this was the most successful and satisfactory project that I’ve been involved with – all thanks to the outstanding support from IBM and SAP.”

Redexis Gas engaged a skilled team from IBM Global Business Services – Business Consulting Services to manage the entire SAP implementation and assist in the go-live and deployment of the SAP for Utilities solution. The SAP platform at Redexis Gas includes modules for financial accounting, contract accounts receivable and payable, service management, plant maintenance, project system, general ledger, enterprise asset management, bank ledger, materials management, purchasing, investment management, sales and distribution, cash management, controlling, process integration and business warehouse.

Using the consolidated methodology for fast SAP for Utilities platform implementations, the IBM team worked with Redexis Gas to manage the project, avoiding interruptions to business operations during the migration and prioritizing specific activities to ensure a successful, timely launch.

Achieving full independence, boosting business success

The new SAP for Utilities solution is designed to cater extremely well for companies in the gas industry – helping Redexis Gas to address the unique requirements of its market efficiently and effectively.

In addition, the SAP solution enables quick and easy implementation of new business processes, enabling the company to launch new customer offerings much faster than ever before. This ability helps the firm react rapidly to evolving demands, sharpening its competitive edge.

Benefits in detail

- Accelerates and simplifies compliance with regulations and launch of new services
- Avoids costs linked to the use of a shared platform, freeing up funds for valuable business initiatives
- Helps the firm grow by enabling fast, easy acquisition and onboarding of new companies.

Key components

Industry: Energy & Utilities

Applications: SAP® for Utilities, SAP Business Warehouse

Services: IBM® Global Business Services®

Fueling rapid growth

By standardizing on SAP, Redexis Gas has also simplified the onboarding of acquired companies.

“Acquiring new companies is a key part of our strategy, because it enables us to expand our network coverage and reach new consumers quickly and easily,” explains Mercedes Barreiro Hernandez.

“Standardizing on SAP has enabled us to take advantage of purchased firms’ assets faster than ever before. For example, we recently bought Gas Energía Distribución de Murcia and other former EDP assets that will provide gas supply points for our network, and the onboarding process was significantly easier with the SAP solution in place.”

Unlocking major cost savings

Furthermore, setting up the new SAP landscape has eliminated Redexis Gas’ dependence on its parent company.

Mercedes Barreiro Hernandez elaborates, “As we are no longer paying monthly fees for sharing the platform, we were able to generate huge cost savings and release funds for value-add initiatives. The result? We haven’t stopped implementing new developments since we went live with the SAP solution.”

Building a brighter future

Finally, Redexis Gas is confident that the SAP solution will scale and flex to support the company’s future requirements. The firm is already looking for new ways to build on its early success together with SAP.

“Managing unstructured data that keeps growing at a rapid pace is becoming another huge challenge for us”, explains Mercedes Barreiro Hernandez. “We are planning to solve it by launching OpenText Suite for SAP – a solution that will help us manage unstructured information in our SAP environment and extract insights from it more efficiently.”

Mercedes Barreiro Hernandez concludes, “Working with IBM and SAP, we have gained a platform that allows us to develop bespoke processes to suit our business, helping us sharpen our competitive edge. The scope of this complex transformational project was staggeringly huge, and IBM and SAP played instrumental roles in helping us to complete it so rapidly and successfully.”

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