
February 2014

Tools Follow Process - Outsourcing Readiness

Innovative methods and tools support Siemens Energy Oil & Gas to ensure greater transparency and lower costs in outsourcing

Outsourcing is only as good as the specifications - the following applies: process is king! This realization led to a redesign of processes on the interface to the SAP outsourcing provider at Siemens Energy Oil & Gas. According to the motto "IT tools follow IT process", the tool landscape was reorganized in succession with the support of tools in order to realize the newly defined best practices transparently without media breaks. This was performed end-to-end, along the internal and external value chain. This strategy is being enhanced as part of the current integration of SAP application management of the "Oil & Gas" and "Fossil" energy divisions.

The result was clear: outsourcing readiness for current and future challenges concerning SAP development and operation - higher quality and SLA compliance while reducing costs.

In the past, there was always the need for coordination between Siemens Energy Oil & Gas and the various IT services suppliers. This is not unusual per se, considering the complexity of SAP development and operation. At Siemens Energy, however, the level of ambition is not equal compared to other companies when you consider the sheer size and heterogeneity of the overall Siemens Energy context.

With 86,000 employees and sales of almost 28 billion EUR, Siemens Energy is one of the big four of the Siemens sectors - and is larger than some known corporations as a whole. Founded in early 2008, Siemens bundled its products and services in this area around the energy sector. The spectrum encompasses the entire value chain of Fossil Power

February 2014

Generation, Oil & Gas, Energy Service, Power Transmission and Wind Power.

And yet, Tibor Piroth, CIO, Siemens Energy Oil & Gas, and Torsten Sterzel, Head of Application Management Oil & Gas, have set a goal to combine best practices with a best-of-breed approach. "Offshoring can only operate in complex environments if the customer and the provider work hand-in-hand. Clearly defined processes that overcome the boundary between development and operation of SAP are the key to success." explains Torsten Sterzel.

It was therefore necessary to fine-tune which SLAs are useful and how they will be fulfilled, how long the provider needs, which interfaces are necessary and useful, and much more.

The big goal: genuine SAP outsourcing readiness

The aim was, on the basis of best practices, to adhere to the common and newly defined core processes 'per system' in a positive sense.

This was not possible with existing tools because these each covered only a part of the SAP maintenance and operating process and the interfaces at the transfer points to external service providers in particular were insufficient, leading to media disruption. There was, for example, a SAP transport management standard tool which, however, had no connection to the incident management system. In addition to the expensive efficiency losses, this was not uncritical concerning audit compliance.

One of the main insights from the past thus was to position SAP change, release and transport management processes under the companies own control in a holistic fashion, in order to gather the external SAP IT service providers and involved internal staff into a

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common, integrated, repeatable process. A common database is what creates the necessary transparency here.

Not least by these measures, the communication between Siemens Energy Oil & Gas and the outsourcing provider has been strengthened: clear rules, clear processes, clear responsibilities.

This is because the client and the provider are in the same boat - in principle, there are two central issues regarding the clean design of the interfaces from the perspective of the customer and from the perspective of the provider:

To clearly answer the question of "who controls what" and thereby keep the loss of communication as low as possible despite the different time zones (here a 12 hour time difference).

So what does SAP outsourcing readiness mean concretely?

The basis is formed by transparent, clearly defined processes whose behavior and quality can be traced at any time using KPIs.

This requires a transparent database, which can be accessed by both Siemens Energy Oil & Gas and the provider. The new term for this is a "single point of truth", which really hits the nail on the head.

In many cases, the first two claims are paid for with a complex patchwork of tools considered meaningful in and of themselves, but not entirely useful on the whole.

Siemens Energy Oil & Gas therefore places emphasis on squaring the circle - i.e. the highest transparency and up-to-dateness with the highest user convenience at the same time. A training of the SAP developers, customizers, release managers and other SAP managers must not take more than a few hours, not even a whole day. The focus

February 2014

must be on the actual application, i.e. SAP, not on the supporting tool sets.

The starting point was a major project started in 2007 typically called Atlas concerning distributed locations and comprehensive M&A activities (e.g. Alstom in Scandinavia).

The aim was to consolidate the existing SAP ECC core systems on a central system. In the course of an evaluation, a decision was made concerning which approach to take. They opted for an existing nucleus, which serves as a template and is adjusted according to the roll-out. Finspång, Sweden with 3,000 end users, was used as a blueprint - the "go-live" took place in 2009. By the end of this year, a total of about 9,000 SAP end users will be supplied with the new system in numerous other locations.

At the same time, a project was begun in 2011 to industrialize the support processes that are performed by employees in Europe and Asia. As part of an ITIL implementation, the tool landscape was also revised. This meant that both the previous incident and the previous transport management systems were replaced. For one, a customized incident system already used across the Siemens Group came into play. Secondly, Conigma was selected for change, release and transport management in order to close the gap between "physical transport" and incident management. This means an integrated end-to-end approach without media breaks, such as ITIL provides.

From the idea to end-to-end solution

Thus, the outline of the solution was in principle specified. The provider ensures the application management of SAP in the outsourcing process. Conigma also provides the "production assembly line" for SAP ABAP/Java programming and SAP customizing.

F e b u a r y 2 0 1 4

The implementation was carried out in several phases:

First, an as-is analysis was evaluated regarding which existing processes and tools are sufficient for the new requirements.

As part of the target concept, the gaps to be closed were defined as part of a delta analysis.

In the course of comprehensive tool selection, the provider with which it would be easiest and most cost-effective to implement the new process landscape was defined.

Conigma CCM of the Munich Galileo Group was chosen, as their tools have been proven over many years of use with similarly complex tasks on four continents. The latter was important as Siemens Energy Oil & Gas indeed has a "global scope".

The main reasons for the choice of Conigma as a SAP change, release and transport management tool were the following, based on reference calls:

- > In contrast to "development platform" of the ERP vendor, Conigma is an enterprise-capable standard software proven over many years of use: the principle of "customizing" instead of "massive customer specific programming" significantly reduces the risks of introduction.
- > Achievement of the zero-error goal, e.g. reducing the number of "logical" incomplete change requests to nearly zero.
- > No more unplanned downtimes
- > Achievement of full audit compliance with reduction of over 80% of the compliance-related reporting effort.
- > 30% reduction in overhead expenses of the software life-cycle due to, for example: reduction of rework, improved communication and automated progress tracking, parallelization of software development and creation of test cases, etc.

February 2014

- > The goal of 100% SLA compliance and thus a significant increase in customer satisfaction: In a complex environment (with SAP development for 40 countries of an international group), SLAs could be 100% fulfilled after the implementation of Conigma.
- > Integration of non-SAP target technologies: with Conigma, it is possible to customize change types including individual object hierarchies with associated API connection even with non-SAP target technologies in order to automatically control non-SAP configuration management.
- > Extremely low training costs due to great convenience for users and administrators (consumer-like usability)

The actual project was realized in a two-step process: first, the IT processes were harmonized as improvement of the existing ones. These IT processes were used for about 9 months in terms of a proof-of-concept. In a second step, improvements closely based on the processes of ITIL V3 were made.

The provider thereby supported the introduction of the incident-, problem, release, change and configuration management ITIL processes in an integrated fashion.

"The fact that the initial implementation was carried out within 25 days speaks for the high degree of maturity of Conigma Suite", describes Torsten Sterzel of his experiences. "For such complex tasks where processes and tools are changed simultaneously and fundamentally, we actually expected to need hundreds of work days."

The advanced ITIL V3 compliant adjustments in line with the PoC phase only required 10 project days from the external Conigma consultant. And the best part: during the overall project duration of six weeks, the

February 2014

interfaces for the incident system were also realized and the SAP developers and -customizer were trained.

About Galileo Group AG

Renowned blue-chip clients in Europe, Asia and the Americas – including BMW, MAN Postbank, Siemens, ThyssenKrupp and the Zuercher Kantonalbank – place their trust in the competence of the Galileo Group with its twin commercial departments of IT Services and Software.

With its SAP® release, change & transport management software Conigma™, the group's subsidiary Galileo Tools sees itself as a market leader in the industrialization of SAP operations. It has been proven that over 7% of SAP costs can be saved each year.

In its other business sector, IT Services, Galileo places itself in the 2% of suppliers who have at their disposal both top expertise in the area of SAP Basis and also the supporting technologies required, such as Java/J2EE and .NET.

More information can be found at www.galileo-group.de.

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Galileo Group AG

Malte Klassen
Perchtinger Strasse 6
81379 Munich
Germany

Phone: +49 (0)89 710463-60
Fax : +49 (0)89 710463-88
<http://www.galileo-group.de>