



BKW: Using SAP S/4HANA® to Simplify Business and Support Expansion in New Directions

The finance staff at Swiss energy service provider, BKW, needed to replace its 16-year-old, resource-hungry, heavily customized SAP® applications. BKW asked a lot of its new IT environment: a reliable data source, consistent data, innovative applications, and cutting-edge design, which is exactly what it achieved with SAP S/4HANA®. The project went smoothly.

Executive Overview

Company

BKW

Headquarters

Bern, Switzerland

Industry

Utilities

Products and Services

Energy for businesses, households, and the public sector

Employees

6,000

Revenue

SFr 2.65 billion
(US\$2.61 billion)

Web Site

www.bkw.ch

Partners

Horvath & Partner
Q_Perior



BUSINESS TRANSFORMATION

Objectives

- Upgrade outdated business software to a modern enterprise resource planning system
- Establish complete and comprehensive modeling of financial processes
- Support service business expansion

Resolution

- Implemented SAP S/4HANA®
- Made interaction easier for occasional users by providing them with the SAP Fiori® user experience
- Employed a greenfield implementation approach

Benefits

- Long invoice documents containing all the necessary information now available at the push of a button
- Much easier to extract and deliver data
- Strong basis in place for growing the company in new directions

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“We needed a new system that could efficiently support handling our customer business and logistics processes while providing management with all necessary information at the push of a button.”

Reto Willi, Head of Management Controlling and Reporting, BKW Group

1

Controlling area
instead of 60

300

Cost centers removed

10,000

Account assignment
elements removed

Executive overview

Company objectives

Resolution

Business Transformation

Future plans

Completely modernizing 16-year old business software

BKW is an international energy and infrastructure company headquartered in Switzerland. The company offers services ranging from building and infrastructure technology to digital business models for renewable energies, as well as conventional multiutility infrastructure services. Like other players in its sector, BKW is evolving from a traditional utility company into a provider of wide-ranging energy and infrastructure services – for example, smart home energy.

Portfolios of this kind call for innovative solutions and business scenarios. Companies that are still running last-century IT have no hope of keeping pace now that transactions and analytics are ideally expected to run in real time. Reto Willi, BKW's head of management controlling and reporting, knows this all too well, and that's why he strongly advocated

a fresh technological start. Over the years, millions of master data records had accumulated in the company's SAP® ERP application that were no longer used but couldn't simply be archived or deleted.

Besides the specific requirements of the finance department, there were more widespread challenges, such as massive cost pressure in the group's traditional energy and transmission business. This situation was compounded by various reorganizations, spin-offs, and mergers. To stay competitive, BKW knew it needed to introduce more automation, transparency, efficiency, simplicity, and standardization. Management's demands for complete and comprehensible modeling of financial management, and for expansion of the group's service business, provided the final impetus that set the change process in motion.



Executive overview

Company objectives

Resolution

Business Transformation

Future plans

Choosing SAP S/4HANA® to be ready for the future

In the past, BKW wrote its own programs for functions that were missing in its implementation of SAP ERP. "In other words, the SAP system was adapted to BKW and not vice versa – and that approach no longer makes sense," says Willi. "We looked at developments coming from SAP in the next five years, and it was clear that SAP S/4HANA® is the best solution for BKW. We wanted its combination of traditional transactional business functions and the in-memory database breakthroughs delivered by the SAP HANA® platform. We also liked the high compression rate achieved by SAP HANA, which appreciably decreases data volume and therefore storage costs."

Once BKW had decided in favor of SAP S/4HANA, it opted for a greenfield implementation approach because of the obsolescence of its existing structure. The implementation team began by examining the

needs of the many people who work at BKW's group entities, most of them small and midsize companies with no SAP software of their own. These entities communicate and interact with the parent company in Bern for budgeting, forecasting, and reporting and must periodically provide headquarters with data for planning and performance measurement.

In the old SAP ERP system, the SAP Enterprise Portal component was the point of entry for these users. While this would still have been possible, the team decided in favor of the SAP Fiori® launchpad instead. "What makes SAP Fiori special is that it gives users quick and easy, role-based, and process-related access to their specific tasks," explains Willi. "This approach is ideal for occasional users who use only basic functions for simple processes."



Executive overview

Company objectives

Resolution

Business Transformation

Future plans

A single central point of control

The implementation went expeditiously, and BKW is now in production with SAP S/4HANA. “The project proved to be simpler than we originally expected,” reports Willi.

Many of BKW’s processes are now running more smoothly, including programming validations, extracting data to the SAP Business Warehouse application, and delivering data via a simple user experience. “We’re seeing tangible benefits from the new general ledger with a single repository,” says Willi. “This enables financial accounting and

controlling to use one document for accounting data. What impresses me most is that long invoice documents are now available at the push of a button. In the old days, the staff had to compile this data manually from around 40 tables – and no one wants to go back to doing that.”

“Today, we are a modern service provider,” Willi adds. “So we need straightforward, cross-departmental processes for handling challenging customer requirements. That’s what we’ve achieved with SAP S/4HANA.”

1

Chart of accounts instead of 3

1

Contribution margin accounting function, not 20

200

Profit centers removed

1,500

Activity types removed



Executive overview

Company objectives

Resolution

Business Transformation

Future plans

Advice for similar projects

Willi made some recommendations for companies with similar aims in the future: "Projects of this kind must have top priority," he says. "They require all the SAP software expertise available. Other initiatives should either be integrated or ended, as the basic structures and master data change dramatically. It's also important to come to grips with the system by testing it at an early stage."

"Technologies such as sandboxes are well suited for this purpose," Willi adds. "Here, the software can be executed within a special environment, isolated from the other system resources."



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