Integration of EMC Documentum into an SAP environment simplifies the management of the passive cycle

BUSINESS OVERVIEW

E.ON is one of the most important private energy groups in the world and it has chosen EMC® Documentum®, implemented by Comedata srl, as the base platform for document management of its production business in Italy: from the management of passive cycle invoices to the storage of technical documentation of thermoelectric plants. The functionality of the solution and the integration into the SAP® environment have increased speed and operational efficiency, offering clear advantages in the search stages and for document display, control, and verification.

The exponential and unending increase in energy demand, the necessary environmental protection, and the impoverishment of finite fossil resources require a radical change of our energy supply system. Large capacity, know-how, commitment, and strong investments in new technologies are essential factors that characterize the main players in the world’s energy market.

Founded in 2000 from the merger of VEBA and VIAG, E.ON is one of the largest private capital power groups in the world. It is active in the entire value chain of the energy and gas market, with integrated activities ranging from the generation of electric power and the production of natural gas to the import, transmission, and trade of energy, and finally the supply of energy to the final customer.

In less than ten years the group has become a steady presence in more than 30 countries, and currently it serves more than 30 million clients with a staff of 88 thousand employees and annual sales of 81.8 billion Euros (2009 data). These goals have been obtained thanks to a company development plan based on general growth and on international acquisitions and agreements with primary power companies in Germany, Great Britain, and Russia.

E.ON Italia is one of the eight territory market units of the group covering the European geographic area; it is the fourth electric field power operator in Italy and the sixth for gas, with a reach of more than 800 thousand customers and power production plants distributed throughout the entire territory.
The group accessed the Italian market in the year 2000 in connection with the deregulation of the energy market and, through an acquisition and business integration strategy, created a structure that currently covers three main activities: production, sales, and distribution. These activities are respectively entrusted to the following companies of E.ON Italia:

- **E.ON Produzione**: E.ON Italia’s power generation company which produces energy with an installed plant capacity of about 5.9 GW
- **E.ON Energia**: The company supplies energy to families and companies and now counts more than 800,000 customers in Italy
- **E.ON Rete**: The natural gas distribution company guarantees a secure and reliable supply of natural gas to about 600,000 customers within an area of about 9,300 km

E.ON Italia, with its registered office in Milan, is the management company of the Italian market unit.

**CHALLENGES**

**E.ON PRODUZIONE DOCUMENT SYSTEM**

The group’s IT services organization reports to a centrally managed company that is 100 percent controlled by E.ON AG. E.ON AG provides infrastructure and application services to various businesses of the group in different countries and guarantees uniform and coherent hardware and software architectures for the group. These companies are linked to cross-IT structures located in these countries. These structures support local services and must respond to business needs through identification, design, and implementation of the most appropriate solutions based on technology and cost.

E.ON Produzione’s document management project took shape in this context in 2008 with the goals of: speeding and optimizing management of the entire passive cycle of the power generation business; digitizing all supplier documentation and integrating the process in the existing SAP environment; and digitizing and storing the technical documentation produced in the nine thermoelectric and hydroelectric plants in Italy.

“For reasons of urgency, we have given priority to invoice management for the passive cycle and to document integration into our SAP environment,” commented Giovanna Ruggieri, IT services manager for the generation and trading business of E.ON Italia. “This area was critical to the company because of the excessive manual labor necessary to manage the continuously increasing volumes of paper documentation and because of problems encountered by the administrative staff during the documentation’s research and control phases—problems which caused unavoidable long waiting times and risk of error.”

Prior to the Documentum implementation, supplier invoices were processed by a dedicated office which entered data into SAP in order to link the paper document to the supplier’s contract and to other information regarding the specific file. This process caused obvious problems. In addition to the risk of error due to manual administration, storing the paper documents became more and more complicated because of the growing volume, which required increasing physical space in the offices.

Consequently, it became increasingly more difficult for members of the administrative staff to find files for verification because they had to handle tens of thousands of invoices and linked documents on a yearly basis. This process also was not helping the company simplify and improve its relationship with its suppliers.

**EMC SOLUTION**

**SOLUTION REQUIREMENTS**

E.ON Produzione IT services decided to acquire a document management system in order to speed up the process, reduce manual activities to a mere necessity, decrease the risk of human error, eliminate the paper document storage problem, and, consequently, to increase the efficiency of the passive cycle management.
The company needed a solution with the functionality and flexibility to initially satisfy the storage and management of digitized invoices, but that could also address the company’s longer terms plans for a complete structured and efficient process of the entire passive cycle—from order management to payment. The company also needed the solution to support a workflow system that could coordinate and optimize the activities of the purchasing and administrative departments.

Another very important requirement for the document management system was a complete integration with E.ON Produzione’s SAP management. This was a critical issue that was evaluated carefully due to the often difficult technical problems inherent to integrating external applications with SAP applications.

“At the end of 2008 we issued a call for proposals involving the main suppliers and providing our precise technical needs. After careful analysis of the proposals, we chose the EMC Documentum solution, presented by Comedata, the system integrator we have been working with for a long time and which has the competence, skills, and professionalism for this kind of project. EMC Documentum is the solution that suits our quality and price parameters best, and it has a proven integration with the SAP system.”

GIOVANNA RUGGIERI
GENERATION AND TRADING BUSINESS IT SERVICE MANAGER, E.ON ITALIA

SAP INTEGRATION
The implementation of EMC Documentum started mid-2009, was completed within a few months, and included the stages of detail analysis and testing, which were needed to supply customers with a tested and working system.

Key to the E.ON Produzione implementation is the EMC Invoice Management for SAP module. This module, acting within SAP, was developed by EMC Information Intelligence Group Consulting and makes the Documentum integration transparent by avoiding additional costs for ulterior workflow system licenses. Documents stored in Documentum can be pulled up through the SAP GUI and are immediately available.

HOW IT WORKS
E.ON Produzione’s passive cycle invoices are scanned and stored in the Documentum repository and can be searched and instantly viewed using SAP applications. At the same time, the administrative staff inserts the invoice data in the SAP payment application. The result of the new process has been more efficient management, lower risk for error, and improved performance of the administrative staff. In addition, the continuous control of the entire invoice process and quick resolution of issues have helped improve the company’s relationship with its suppliers.

“After a short adjustment period, we needed to become familiar with the new procedure,” added Alessandro Titta, who closely followed the implementation of the Documentum solution within E.ON Italia. “The administrative staff highly appreciated the new system, catching on to the positive aspects of it. Recording the invoices takes a little longer when inserting the necessary parameters for the document application, but this is a small effort with a huge payback—when a document is needed for internal audits or other activities, accessing the document is easy and immediate. In the past, it was a lot of work to find an invoice from the paper archive and there was a high risk of document loss.”
SUMMARY

FUTURE PROJECT EXPANSION

E.ON Produzione’s document management solution is evolving, and the company plans additional usage of the product for the passive cycle. The goal is to finally manage all documentation, storage, and archiving in compliance with current legislation. Other areas of interest include the creation of a central, secure archive that is easily accessible from the E.ON Italia offices for new and old engineering projects for thermoelectric plants and for the Terni hydroelectric center of E.ON Produzione.

COMEDATA SUPPORT

Comedata supported E.ON Produzione in all stages of implementation of the solution through its document management and SAP experience.

“Comedata’s and EMC’s skills and competence added to the quality of the EMC Documentum solution and enabled completion of the project within a few weeks through quick resolution of any technical problems and unforeseen events,” concluded Giovanna Ruggieri. “In a short time, we have been able to create and make available to the company a new and efficient management process of suppliers’ invoices, and we are confident that Comedata’s and EMC’s support will allow us to face future document projects with peace of mind.”