



Powering up with Netfinity and SAP R/3.

Communications and energy company Montana Power needed an integrated corporate-wide ERP solution that is fast, efficient and reliable. SAP on IBM Netfinity servers provided the most efficient solution to meet their needs.

At the time of project implementation, the Butte, Montana-based Montana Power Company and its telecommunications subsidiary, Touch America, controlled one of the largest fibre-optic networks in the USA, in addition to its electric and gas transmission and distribution businesses and its oil, gas, and coal properties. Realizing that its existing disparate set of legacy systems would not be able to carry the company into the future, Montana Power started looking for the best possible software to integrate its processes into one central system. A Strategic Information Systems Plan (SISP) was commissioned to identify the working steps and priorities of such an effort. The result of the SISP was to confirm the parameters of Montana Power's ideal system: it should run on Windows NT in a client server environment and be integrated and web-enabled. One of the initial options considered was a selection of best-of-breed packages rather than an all-encompassing ERP solution.

Steve Reynolds, Infrastructure Team Lead for the Montana Power SAP Competency Center at Montana Power, explained why SAP proved to be the best option. "The business case for SAP was very positive," Reynolds said, "having an integrated solution was paramount. Although we are continuing our evaluation to determine long-term cost savings and benefits of the implementation, we are confident that the use of SAP is an asset in divestiture activities. Best of all, the project came in under budget and on time, which was a tremendous achievement."

To infinity and beyond

Montana Power chose to run SAP R/3 on Microsoft Windows NT, using IBM Netfinity 8500R as database servers and IBM Netfinity 7000 M10 as application servers. Steve Reynolds commented, "For scalability reasons we needed 8-way

Industry	Communications and energy
Application	SAP R/3, modules: FI, CO, HR, WM, MM, ESS and BW
Software	Microsoft Windows NT Oracle ITS
Hardware	Netfinity 8500 Netfinity 7000 Netfinity 5500 Netfinity 5000



The Montana Power Company

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Steve Reynolds, Infrastructure Team Lead at Montana Power



processors so we ordered 8500Rs. At the time they were so new they hadn't been announced yet. Together with the new IBM fibre channel equipment for our I/O system the combination is very scalable."

"The feedback from our implementing partner was that they had never been on a project where the infrastructure created no roadblocks. Back-up times and data capacity are meeting our expectations: the database size is about 66 GB – only 37 of which we actually use. In other words, 42% is free. Online back-up time is around 2 hours, which is also well within our 4 hour target. Furthermore, average SAP response time is just 150 milliseconds. As a technical person, I would say things have gone very well. I was extremely impressed during our stress testing in which we managed to complete a week's worth of the company's most used transactions in just an hour."

Steve Reynolds added that not only did the technical side of the project go smoothly, but the IBM consulting capabilities also helped to facilitate deployment of SAP in a demanding IT environment. The complete architecture of the IT landscape and the infrastructure solution were guided by IBM and helped Montana Power fully understand and address the challenges in their implementation. Further valuable input came from the Center for Microsoft Solutions in Kirkland where several design reviews had been held prior to the installation.

Time and motion

The overall solution supports a total of 850 SAP R/3 users and runs with an Oracle database. SAP was put into place as a corporate solution: as the company divests it will be able to split the SAP landscape in two so it can be used by both Touch America and Montana Power.

The thorough and dedicated pre-sale service provided by IBM was another factor in deciding on the eventual make-up of the system. Reynolds explained: "The implementation was very smooth. The bulk of the users are on the utility side, with SAP active in almost 25 separate locations throughout the state of Montana – and this was all set up in just 12 months. It was a very expedient project. The integration went very well and we've been very pleased with the performance and the scalability of the IBM Netfinity Servers. We're very satisfied with the platform, which we use for

SAP as well as for other applications." The SAP modules that have been implemented include Payroll, Finance, Controlling, Work Management, Materials Management, Human Resources, including the Employee Self-Service (ESS) function, and Business Information Warehouse. Together, they cover every essential aspect of the company's back office core processes, from customer service requests to specialised accounting complying with Federal Energy Regulatory Commission standards, compulsory for Montana Power's electrical and gas utilities.

ESS-ential benefits

When asked about the most useful innovation the SAP solution has brought the company, Reynolds suggested Employee Self-Service, "There are a thousand users on it already, and we're running it through an Internet Transaction Server (ITS) that essentially web-enables some of the basic Human Resource functions which individual employees can perform themselves. We can do time reporting, payment reporting, benefit selection for our flexible benefit scheme and other things on ESS, and anyone with access can look up and enter or alter their details so that the information is always up to date and accurate."

The benefits of ESS can be wide-ranging. It offers cost savings opportunities in a number of areas, increased data accuracy as employees enter their own details, it reduces re-keying errors, cuts paper consumption, and saves clerical staff a lot of work. The ESS system runs on a single IBM Netfinity 5000 which works as the Internet Transaction Server and is interfaced with two IBM Netfinity 7000s that act as load-balanced R/3 application servers for ESS. With confidence in the IBM hardware, Montana Power is investigating implementation of the SAP workplace components and the Enterprise Portal of the mySAP.com solution.

Next big thing – BW

Another new feature that has impressed the people at Montana Power is the SAP Business Information Warehouse. Reynolds explained: "What we can do is extract huge chunks of data from our Customer Information System and import it into the Business Information Warehouse, where we use it for revenue and rate reporting. Better yet, it enables us to do queries against it in any way we want, because it has a number of

online analytical processing tools that allow you to exploit non-SAP information and combine it with the SAP data. We see the Business Information Warehouse as a major reporting tool for the SAP system, now and in the future."

When asked how he felt overall about the project, Reynolds concluded, "We've been pleased with the performance and scalability of the SAP R/3 solution. Implementing it was a big job, and our initial research indicated that we were to be one of the largest businesses running SAP on NT. Considering the changing nature of our industry, I would say the implementation went very well indeed."



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