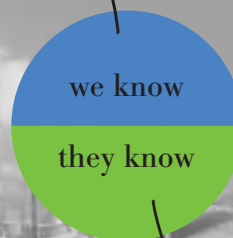


TOP TO BOTTOM

@business solutions



END TO END

Suncor Energy reduces costs with IBM and SAP

Tapping a rich seam of business benefits

Suncor Energy is an integrated energy company based in Canada. Whilst its principal business activity is the mining and extraction of crude oil from the vast oil sands deposits of northern Alberta, Suncor also extracts and markets natural gas, operates a refining and marketing business in Ontario under the Sunoco brand, and actively develops renewable energy sources. The company has approximately 3,400 employees, and produces the equivalent of about 250,000 barrels of oil daily.

A focus on promoting internal economies of scale has enabled Suncor to reduce cash operating costs of oil production by more than 30% since 1992, and the company aims to sustain this trend. As part of a drive to improve internal efficiency and reduce IT costs, Suncor was looking to consolidate a number of ERP systems and financial applications into a single enterprise-wide system, and selected SAP R/3 as the best software for its requirements.

In addition to supporting 3,000 users cost-effectively, the new solution had to be easily scalable, in order to provide

a clear growth path for Suncor's expanding and diversifying business. Following extensive research, Suncor determined that Microsoft® Windows® 2000 Advanced Edition and SQL Server would provide the optimal environment and database support for its SAP R/3 systems, and chose to run both the application and the database on IBM @server xSeries servers.

With SAP R/3 and SQL Server on xSeries, Suncor expects to achieve significant operational cost savings. Standardising on a single hardware and software platform will reduce IT training and management costs, and the high reliability of the xSeries server will bring down maintenance overheads.

Cost-effective performance

Suncor has now installed a total of 15 xSeries 440 servers: four as SQL Server production servers, four for testing and development, two as SQL Server sandboxes, and five as SAP application servers, in a load-balanced cluster. All these servers run Windows 2000, and Tivoli® Storage Manager is used to handle data backup.

Overview

■ The Challenge

To consolidate several small ERP and financial applications into a highly scalable, enterprise-wide SAP R/3 system, in order to enable improved business process performance and reduce the total cost of ownership.

■ The Solution

Industry: Utility/Energy

Application: SAP® R/3

Software: Microsoft® SQL Server, Tivoli® Storage Manager

Hardware: IBM @server® xSeries™

■ The Benefits

Greater internal efficiency, reduced IT costs, and excellent price to performance ratio for servers. Cost savings have also been achieved through standardisation to a single hardware platform and a single operating system - Microsoft Windows 2000 Advanced Edition.

IBM

SAP

Once Suncor had selected Microsoft SQL Server as the most cost-effective database management software for its needs, the technological superiority of the xSeries 440, combined with Microsoft's close relationship with IBM, made the choice of server simple. The performance of the xSeries has vindicated the decision to select it, as Laurent Masse, IT Manager of Suncor, explains: "In the Intel space, the xSeries 440 is by far the fastest server we have ever used. Without its ability to drive 20,000 heavy users during the Exchange 2000 Loadsim benchmarking, we would not have been able to saturate the disks in our SAN testing. The 440 excels in performance, technology and serviceability."

A growing solution

Suncor's new SAP R/3 implementation will run its entire accounting system and data warehouse, and will support 300 'power' users, including accountants and financial planners. Maintenance and supply chain users, as well as a self-service payroll function covering all Suncor employees will bring the total number of named users to more than 3,000.

Prior to the new implementation, Suncor was already using the SAP solutions for Financial Accounting/ Asset Management and Human Resources in one of its divisions. The user base for these modules is now being expanded to cover the entire enterprise, and further SAP solutions are also being evaluated, including Business Intelligence, Plant Maintenance, Materials Management and Project System.

With its new SAP R/3 system, Suncor expects to achieve significantly improved business and operations management, at a lower total cost of ownership than that of its previous solution. The move to a single enterprise-wide standard for information and business processes is expected to increase the efficiency of internal operations, and should make an important contribution to Suncor's ongoing drive to reduce costs for greater competitive advantage.

Further Information

To learn more about how the IBM and SAP alliance can help your business, please visit: **ibm-sap.com**

"In the Intel space, the xSeries 440 is by far the fastest server we have ever used."

Laurent Masse, IT Manager of Suncor



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