



Streamlined Collaborative Planning and Budgeting

PHI, a large energy delivery company, needed to improve a cumbersome budgeting process for Operations & Maintenance and Construction. They chose SAP Business Planning & Consolidation (BPC) to replace a series of manual systems and processes, resulting in the ability to do effective iterative planning and analysis.

QUICK FACTS

Industry: Electric Utilities
 Headquarters: Washington, DC
 Website: www.pepcoholdings.com
 Revenues: \$10 billion
 Employees: 5000
SAP® Solution(s) and Services:
 SAP BusinessObjects Planning & Consolidation (BPC)
Implementation Partner:
 Column5 Consulting
www.column5.com

Key Challenges

- Replace multiple manual systems, including hundreds of separate spreadsheets, with a standardized planning and budgeting process
- Support planning for 600+ Cost Centers, 2,000+ IOs & 500+ WBS work elements
- Add greater visibility and control to the budgeting process
- Provide interface back to SAP R/3 for budget data

Implementation Best Practices

- Phased approach with Budgeting as Phase I
- Driver-based planning solution
- Leverage existing Excel models to retain look and feel and maximize adoption and ease of use
- Enhance the data interfaces to support bi-directional data transfers between BPC and SAP/R3
- Knowledge Transfer to ensure PHI's ownership of the solution
- 120 users trained in 3 weeks
- 77 days from design to production

Financial & Strategic Benefits

- Changed from majority of time spent data gathering to majority of time spent conducting analysis
- Increased ability to do iterative planning; doubled the number of cycles compared to prior year
- Eliminated the need to open hundreds of templates to facilitate a corporate level rate change
- Increased data reliability and integrity of consolidated budgets

Operational Benefits

- Improved the coordination and distribution of budget information with a centralized repository
- Provided greater control & visibility over the budget process through the use of work flows
- Allowed managers to confirm and update pre-populated data (e.g., employee info, vehicles, facilities and IT support by cost center)
- Automated calculation and updates per Corporate Accounting documentation requirements

Why SAP Was Selected

- User friendly interface (Excel)
- Supported PHI IT rule to utilize what they own
- More seamless integration with SAP causing fewer problems and requiring less effort & lower cost to maintain
- Leading IT Advisory Firm feedback: SAP BPC rated one of the best planning tools

Why Column5 Was Selected

- Experience: had led well over 200 implementations of SAP BPC
- Successes: had performed successful implementations at MSN, Lionsgate, BP, Baltimore Gas & Electric, Gallo, and other well known companies
- Methodology: Proven rapid implementation methodologies

Pepco Holding, Inc. (PHI) is one of the largest energy delivery companies in the MidAtlantic region, serving about 1.9 million customers in Delaware, the District of Columbia, Maryland and New Jersey.

PHI conducts an Annual Budgeting Process for O&M and Construction Management that includes:

- Headcount & related costs
- Productive Hours Planning
- Activity-type Price Cost Creation
- IT, Facilities, and Vehicle/Fleet Costs Planning
- Other Direct Costs

The Finance team was spending a majority of their time during the budgeting process just gathering data, with only minimal time left for analyzing the numbers to manage performance.

The existing process was based on hundreds of unconnected Excel spreadsheets, lacking consistency or the ability to automatically prepopulate budgets with centrally managed data. A large portion of creating a budget baseline was not part of a formal company process.

Streamlining the Budgeting and Planning Process

PHI sought to streamline and standardize the budgeting process, and to centralize budget information so that managers across the enterprise could use correct and consistent data to prepopulate baseline budgets.

They wanted to speed budget cycle times so that more iterations would be possible, with a more accurate budget and more effective plan as the end result.

They also needed to have data interfaces that would allow bidirectional data transfers between SAP BPC and SAP R/3.

Control, Visibility, and Automation in Budgeting

Using SAP Business Planning and Consolidation, PHI was able to elevate their budgeting from a mountain of spreadsheets and manual processes to a true enterprise platform.

SAP BPC's workflow capabilities guide users through the budgeting cycle, while providing managers with visibility into the status of the process at any given time.

Baseline budgets now start with better data, and can be produced more easily, allowing managers to be more productive.

A driver-based approach allows PHI to quickly update an entire budget as often as required during a budget cycle.

The end result: more reliable budgets, greater productivity both for managers and Finance, and better management decisions.

"SAP BPC allowed us to automate an unwieldy budgeting process so that we could spend more time analyzing the business. Column5 brought a wealth of expertise in designing, implementing, and rolling out the applications quickly so we could realize the benefits."

- Pepco Holdings

About Column5

Column5 is one of the fastest growing consulting organizations in the U.S., and provides top expertise in business performance management. Founded in 2005, Column5 consultants have implemented SAP BusinessObjects Planning and Consolidation (formerly OutlookSoft) for over 300 customers across the Globe.

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