



## Success Story

SUSE Linux Enterprise Server for SAP Applications on IBM Power Systems

# Ecogas

Fueling rapid growth and building game changing analytics with SAP, IBM POWER and SUSE. As business expands rapidly, the transaction volume threatens to overload Ecogas' existing IT systems. They needed a more robust platform to tackle business growth and add new analytics to their SAP solution. After evaluating many different solutions, the winning combination was IBM Power Systems and SUSE Linux Enterprise Server for SAP Application.



### Overview

Ecogas specializes in distributing natural gas to households and businesses across six provinces in Argentina. A regulated monopoly, the company serves 1,251,281 customers via a distribution network spanning almost 30,000 km.

### Challenge

Change is afoot in Argentina's energy industry. To make the country more energy self-sufficient, to help its domestic economy thrive and to reduce dependence on imports, the government is creating market conditions that encourage energy providers to boost their production of natural gas and other fuels.

Any increases in production will require companies downstream, such as those that transport natural gas from drilling rigs to regional hubs, and the distribution companies such as Ecogas that transfer the fuel to households and businesses, to manage larger business volumes.

**“Working closely with IBM and SAP, we are confident that we will keep on discovering new ways to boost efficiency, save money and provide better customer service”**

**OSCAR SOBRERO**  
Head of IT  
Ecogas

Now, Ecogas is preparing to cope with that growth. Oscar Sobrero, Head of IT at Ecogas, takes up the story: “It’s an exciting time for Ecogas. We already serve nearly 1.3 million households and businesses, and our business is set to expand even further.

“However, this growth also presents a problem. Our commercial systems, which we use for processes such as managing customer payments, were running almost at full capacity. The expected growth threatened to overload us, slowing response times and impacting the quality of service that our end-customers receive.

“We set out to find a solution that could better support our growing business.”

### Solution

Ecogas wanted a new solution that could integrate seamlessly with its existing suite of SAP ERP applications, which includes modules for finance and controlling, materials management, human resources management and plant maintenance, as well as SAP Portal.

Previously, the company had been running two different commercial systems—one to support its Distribuidora de Gas del Centro S.A. business, which serves the provinces of Cordoba, Catamarca and La Rioja, and another for its Distribuidora de Gas Cuyana S.A. division, which operates in Mendoza, San Luis and San Juan.



### Ecogas at a Glance:

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#### ■ Industry and Location

Oil and Gas, Argentina

#### ■ Products and Services

IBM Power E80  
IBM Power B24  
SUSE Linux Enterprise Server for SAP Applications

#### ■ SAP HANA Applications

SAP ERP  
SAP for Mobile  
SAP for Utilities  
SAP HANA  
SAP Portal

#### ■ Benefits

- + Accelerates processing of customer payments by 73 percent
- + Speeds regulatory reporting by 83 percent

Ecogas decided to replace both systems with a single instance of SAP for Utilities, which supports industry-specific processes such as relevant regulatory compliance, smart grid analytics and meter data management. “We have seen first-hand that if you build a solution in-house and it later becomes obsolete, then it can be difficult and expensive to replace,” explains Oscar Sobrero. “For that reason, we were keen to opt for a packaged vendor solution.”

“We examined a broad array of IT systems designed for utilities companies. Many of the leading solutions are similar, but we selected SAP for Utilities because it offers a vast range of extension options—for example with mobile capabilities—to support our evolving business. What’s more, we knew that SAP for Utilities would integrate tightly with our existing SAP ERP environment.”

Once the implementation is complete, the scalable SAP for Utilities solution will equip Ecogas to handle higher transaction volumes than ever before. In addition, the solution will be used by staff in Ecogas’ call centers to help answer customer enquiries.

“We are also planning to connect SAP for Utilities to our website, so that customers can complete some interactions—such as submitting meter readings or making payments—online rather than having to visit one of our offices,” adds Oscar Sobrero. “That will enable us to provide an even better service to our customers.”

Similarly, deploying SAP for Utilities will make it easier for Ecogas to adapt its business according to the latest regulatory requirements. For example, whenever new rules concerning how customers are billed are introduced, Ecogas employees can update their ways of working in SAP for Utilities—with no knowledge of coding required.

Ecogas chose to run the new SAP for Utilities solution on the SAP HANA database. SAP HANA uses columnar data structures and in-memory technologies to enable extremely rapid data analysis on large datasets. Faced with a very large increases in transaction volumes, the hugely improved analysis times will enable Ecogas to manage the predicted

growth of the gas market.

“The SAP HANA database promises immense performance gains from in-memory processing,” comments Oscar Sobrero. “Switching to the platform will help us lower response times and compile information for decision-making much faster than before.”

“In addition, moving to SAP HANA will enable us to reduce the licensing fees we currently pay to our existing database vendor. We plan to move our entire SAP environment over to the SAP HANA platform over the coming months.”

Ecogas already had a strong relationship with IBM, formed during its many years of running its SAP ERP environment on the IBM AIX® operating system. When the company selected SAP for Utilities running on the SAP HANA database, it approached IBM for a recommendation on suitable hardware to support the new SAP solutions.

Ecogas decided to deploy the latest IBM Power Systems™ servers to run SAP for Utilities and SAP HANA. THE COMPUTER, an IBM Business Partner, provided expert assistance throughout the implementation.

“We have a long success story with IBM and our partner THE COMPUTER,” remarks Oscar Sobrero. “That’s impressive, because we aren’t always easy to work with—we have very specific requirements, and we always want the best price. IBM and THE COMPUTER are brilliant at understanding our needs, giving us the right solution and providing us with a great service.”

Today, one IBM Power® 824 server in Ecogas’ data center in Córdoba runs the legacy commercial system for its Centro subsidiary, as well as the SAP ERP environment and a backup instance of Cuyana division’s commercial system.

Another Power 824 server in the Mendoza data center runs the Cuyana subsidiary’s commercial system as well as backup instances of the SAP ERP systems and the commercial system for the Centro business.

Once the implementation of SAP for

Utilities and SAP HANA is complete, the solutions will run on a new IBM Power 870 server—supporting both the Cuyana and Centro business units on a single platform. Taking advantage of the advanced virtualization capabilities of POWER8, Ecogas plans to run separate virtual machines for its production, test and development environments and also a sandbox—all on the same Power 870 physical server.

“When we set out to implement SAP HANA, SAP informed us that we would need a database of at least 1.5 TB—with plenty of headroom to scale up in future,” recalls Oscar Sobrero. “Opting for IBM POWER8 gave us 3 TB of memory in a single box, with the option of scaling up to 20 TB before we need to invest in a second physical server. As a result, the IBM proposal represented outstanding value for money, and enables us to keep our administrative overhead low as the business grows.”

“With the proposals from the other vendors we looked at, we would have needed multiple physical servers to obtain the same capacity, taking up space and increasing maintenance, power and cooling costs.”

Oscar Sobrero continues: “Senior managers require us to keep mission-critical systems like our SAP ERP environment up-and-running at all times—even when there are spikes in transaction volumes. We rely on IBM Power Systems, because the servers offer spectacular performance and round-the-clock reliability for our SAP environment. We first started using Power in 1998, and we’ve been running our SAP ERP applications on it since 2001, and we’re extremely happy with the platform.”

## Overview

Once the SAP HANA implementation is complete, Ecogas plans to take advantage of the platform to analyze more business data than ever before, revealing actionable insights.

“Our business generates enormous quantities of data—such as detailed figures on energy consumption and payments,” explains Oscar Sobrero. “Traditionally, it has been difficult for us to analyze such large volumes of data to obtain insights to support decision-making. With SAP HANA, all that will change.”

“We plan to use the SAP HANA platform to perform in-depth analysis of energy consumption, predicting how much natural gas customers are likely to use at any given time, and examining how weather affects energy consumption. With these insights, we’ll be able to better prepare for peaks in demand and reduce the risk of supply shortages, providing stellar customer service.”

In addition, Ecogas plans to work out the best ways to contact different customer segments concerning late payments. For example, by finding out which customers are more likely to respond by email, texts, phone calls or letters, Ecogas can use the most effective channel to encourage to make payments earlier, boosting cash flow.

Further down the line, Ecogas plans to extend the SAP HANA solution with SAP for Mobile.

“We employ hundreds of people to visit customer houses to take meter

readings, which are used to generate monthly bills,” comments Oscar Sobrero. “The meter readings are currently recorded using mobile devices, and at the end of each day employees travel to one of our offices to transfer the data across. By switching to SAP for Mobile and integrating the solution with SAP for Utilities, we can enable automatic data transfer from any location—saving our employees unnecessary trips.

“What’s more, the same teams also respond to customers who smell gas leaks, and to cut off customers who don’t pay. They currently record the work undertaken on paper for subsequent entry into the system. By leveraging SAP for Mobile, we’ll be able to eliminate the need for manual data transfer, boosting employee productivity.”

The SAP HANA solution provides a sturdy platform to support rapid future growth. To further sharpen its analytical capabilities, Ecogas plans to deploy SAP BusinessObjects in the future.

Oscar Sobrero concludes: “Deploying SAP for Utilities is just the start of our journey to become a smarter, more agile business. Working closely with IBM and SAP, we are confident that keep on discovering new ways to boost efficiency, save money and provide better customer service.”

### **SUSE Linux Enterprise Server for SAP Applications**

Facing a surge in customer count and fully taxed IT infrastructure, Ecogas wanted performance gains. SUSE Linux Enterprise Server for SAP Applications, optimized for SAP HANA performance and with built-in high availability clustering fit the bill perfectly. Working with the local solution provider and IBM, with 24x7 priority support directly from IBM, Ecogas had great success in their SAP implementation and is now able to provide blazing fast analytics to help anticipate customer needs and provide better integrated service.

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