



“The solution transforms our operational and capital expenditure planning processes and reporting capabilities. Together with the way in which it was implemented, the solution has gained the commitment of the business user community, who can see how it helps to reduce our previous reliance on offline spreadsheets and the inherent risks associated with them.”



Nick Tagg

DCWW Head of
Commercial Finance

Overview

Client Name: Dŵr Cymru Welsh Water (DCWW)

Industry: Utilities

Location: Mid Glamorgan, Wales, UK

Client Challenges / Business Need:

Transformation of critical business planning and reporting processes for a not-for-profit water utility to drive efficiency and improve planning quality.

Solution-at-a-glance: Replacing a series of offline spreadsheets with a planning and reporting solution built on the SAP BPC 10.1 Embedded Model, running on an SAP BW on a HANA platform.

Benefits:

- Solution automation has dramatically improved accuracy, effectiveness and efficiency of the operational and capital expenditure planning and reporting process.
- Enhanced transparency has improved ownership and confidence in plan outputs.

Dŵr Cymru Welsh Water transforms its financial planning using SAP

Working with Capgemini, Dŵr Cymru Welsh Water (DCWW) transforms its operational and capital expenditure budgeting and forecasting processes using the new SAP BPC 10.1 Embedded Model running on an SAP BW on a HANA platform. DCWW is one of the first water utilities to deploy the SAP BPC Embedded Model, which is emerging as SAP's next generation business planning solution.

The Client

DCWW supplies drinking water and wastewater services to most of Wales and parts of western England. In fulfilling these services, it is responsible for providing support to over three million people who depend on the company for continuous access to water. DCWW, the fourth largest company in Wales, is a not-for-profit company and reinvests any financial surplus for the benefit of its customers.

The company has made a significant investment in SAP for its core back and front office applications. Given the relatively large scale of its activities, DCWW's operational and capital expenditure planning and reporting processes must be accurate, effective and efficient to deliver the best value to its key stakeholders- its customers.





The project is seen as a great success by DCWW. It has delivered a high-quality solution, on time and to budget and is a credit to all those involved from DCWW and Capgemini."

Martin Smith
DCWW Project Manager

The situation

This desire to improve its ability to support its customers drove DCWW to begin a wide business transformation programme, one part of which is a Management Accounting Transformation Project that aims to remodel and improve its financial processes while reducing business risks. To support the project, DCWW chose SAP BPC implementation to play a significant role in this initiative.

Before setting out on its transformation journey, DCWW established clear and aggressive objectives. The company focused on improving the efficiency of its finance function, which would facilitate better decisions and allow for more effective "what-if" analysis and scenario planning. DCWW also determined that it could increase the effectiveness of its decision-making by implementing and using common tools and processes.

In addition to these goals, DCWW established the following objectives:

- Reducing its reliance on offline spreadsheets previously used for core planning and reporting
- Enabling regulatory rules and calculations to be derived automatically
- Allowing business users to break down information to understand root cause analysis
- Enabling budget holders to plan and analyse both operational and regulatory views of spend.

The solution

Working in collaboration with DCWW and its SAP applications management support partner, Capgemini designed, built and deployed an organisation-wide SAP BPC 10.1 Embedded Model solution on a new SAP BW 7.5 on a HANA platform.

Prior to implementation, Capgemini carried out an initial requirements analysis and high-level design to help DCWW to understand the capabilities of SAP BPC and align internal stakeholders around the objectives of the implementation. To accelerate the process Capgemini applied various SAP BPC template solution examples, which enabled DCWW to benefit from the best practice and experience of other clients and industries.

The SAP BPC solution comprises multiple planning models, a range of input templates, reports and planning calculations. It supports DCWW's asset management plan and the latest best estimate processes for both operational and capital expenditure. Within operational expenditure planning, various plan input processes have been provided, including workforce planning, fleet costs and cost drivers (such as inflation). A planning cockpit feature was also introduced to provide planning administrators with a simple, intuitive interface for controlling the various elements of the planning process. To align with DCWW's business priorities the solution was delivered in three separate tranches of functionality.



When we made the 'go' decision for this project I was extremely sceptical about the project delivering in a business relevant timeframe. My justification for going ahead was based upon the rationale that we needed some sort of deadline to focus attention and action, but I did not expect to be able to use the tool this year. It is a credit to you and the team that the first phase of the solution was delivered on time and on budget."

Nick Tagg

DCWW Head of Commercial Finance and Project Sponsor

The result

While all the planned functionality was delivered on time and to budget it was widely recognised at project inception that the implementation timeline was extremely aggressive.

From a responsibility perspective some changes needed to be made during the project's lifecycle. For example, due to the unavailability of the DCWW training resources Capgemini was asked, at short notice, to provide resources to undertake training needs analysis, training delivery and training management activities to help meet the demanding timeline.

With the implementation of its SAP solution, DCWW achieved simpler, more efficient, and more effective financial processes. Now, the company has gained greater visibility of its spend, enabling it to make decisions with greater confidence that they will have a positive impact on its customers.

The benefits

As a result of its transformation initiative, DCWW achieved/expects to achieve a number of tangible and intangible business benefits, including:

- **Enabling driver-based budgeting and forecasting.** The solution incorporates data from both SAP and non-SAP sources to build budgets and forecasts using cost
- **Process efficiencies and enhanced user experience.** Automation reduces the time required to validate data accuracy and enables a shift in time and effort away from manual data collation to other value-adding activities
- **Greater understanding and management of regulatory costs.** Systemising the allocation methodology has allowed both finance and the business to more easily investigate, understand, and act upon identified variances
- **Facilitating better decision-making.** Improved transparency and accuracy, along with the provision of an improved set of reliable reporting and targeted data targeted enable greater insight
- **Risk reduction.** Automation reduces errors inherent with offline, spreadsheet-based budget and forecast processes
- **Improved ownership and confidence.** Project managers and budget holders have the ability to manage and own their plan
- **Future scalability.** DCWW is seeking to exploit the new platform to support a wider range of planning and reporting scenarios



Following its transformation, DCWW has gained greater confidence in its financial processes and found innovative ways of directing its resources to more effectively benefit its customers. As a not-for-profit organisation, DCWW's customers are the key beneficiaries of the benefits delivered by the solution. By reducing costs and increasing efficiency, the company has empowered itself to generate a larger financial surplus, which it then invests into further improving its services.



"The Capgemini team has engaged well with DCWW and 3rd party suppliers. A clear example of this was the accommodation and flexibility of the knowledge transfer process."

"Commitments have all been met within the timeframes required despite continually challenging circumstances."

"With this solution, we can really leverage the power of SAP to automate the number crunching, allowing us to focus on value added planning activities"

The Collaborative Approach

A key to success was the 'One Team' approach. Capgemini and DCWW resources worked together seamlessly and pragmatically to deliver a high-quality solution, on time and to budget, despite the aggressive timeline. Given the transformational impact of the solution it was imperative that the implementation succeeded from both a technical and user engagement viewpoint.

As the project introduced both SAP BPC and HANA into DCWW's IT estate for the first time, Capgemini worked flexibly and collaboratively to provide additional guidance/resource to support the project team resources from both DCWW and its SAP applications management partner. This demonstrates the trusted advisor status that Capgemini has earned which commenced during the initial high-level design and continued throughout the implementation project lifecycle.

About Capgemini

A global leader in consulting, technology services and digital transformation, Capgemini is at the forefront of innovation to address the entire breadth of clients' opportunities in the evolving world of cloud, digital and platforms. Building on its strong 50-year heritage and deep industry-specific expertise, Capgemini enables organizations to realize their business ambitions through an array of services from strategy to operations. Capgemini is driven by the conviction that the business value of technology comes from and through people. It is a multicultural company of 200,000 team members in over 40 countries. The Group reported 2017 global revenues of EUR 12.8 billion.

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About Dŵr Cymru Welsh Water

Welsh Water is the sixth largest of the ten regulated water and sewerage companies in England and Wales. Responsible for providing over three million people with a continuous, high quality supply of drinking water and for taking away, treating and properly disposing of the wastewater that is produced, we are fully committed to delivering best quality service at least possible cost. Since 2001, we have been owned, financed and managed by Glas Cymru. Unique in the water and sewerage sector, Glas Cymru is a company limited by guarantee and as such has no shareholders.

For more information on this project, please contact:

Shin Sawhney
SAP Enterprise Performance
Management Solutions Lead
shin.sawhney@capgemini.com

Charles Grundy
Account Executive
charles.grundy@capgemini.com