



SURGUTNEFTEGAS

MAKING THE MOST OF APPLICATION LIFECYCLE MANAGEMENT WITH SAP® MAXATTENTION™ SERVICES

QUICK FACTS

“With SAP MaxAttention, we have the expertise, tools, and support for best practices to realize even greater value from our ALM investments.”

Rinat Gimranov, CIO, Surgutneftegas

Company

- Name: Surgutneftegas
- Location: Surgut, Russia
- Industry: Oil and gas
- Products and services: Oil and gas prospecting, refining, production, and marketing
- Revenue: US\$16 billion (2009)
- Employees: 105,000
- Web site: www.surgutneftegas.ru

Challenges and Opportunities

- Unify and automate application lifecycle management (ALM) processes to increase operational efficiency, optimize costs, and deliver better IT services
- Increase transparency of processes, applications, and incidents across the enterprise for more proactive management

Objectives

- Shift focus of SAP® MaxAttention™ services to ALM
- Leverage SAP tools, support for best practices, and standards based on the Information Technology Infrastructure Library (ITIL) to realize goals more quickly

SAP Solutions and Services

SAP MaxAttention services

Implementation Highlights

- Developed a custom ALM strategy and execution plan to meet specific business needs
- Leveraged the SAP Solution Manager application management solution to support ALM best practices for SAP and non-SAP applications

Why SAP

- Large, existing SAP software footprint
- IT department's trust in SAP experts for delivering SAP MaxAttention
- Offer from SAP to engage in a pilot to test and provide feedback on the evolving ALM approach at SAP
- Support of SAP Solution Manager for SAP and non-SAP applications, enabling centralized application management

Benefits

- Established a single source of truth for all applications across the enterprise
- Increased efficiency of call center support and incident management staff, enabling reallocation of 30% of staff to more strategic IT activities
- Increased stability of IT landscape by establishing automated, standardized testing and introduction of changes into the company IT landscape

Existing Environment

- SAP ERP application
- SAP Supplier Relationship Management application
- SAP Customer Relationship Management application
- SAP NetWeaver® Master Data Management component
- SAP BusinessObjects™ solutions
- SAP Solution Manager
- SAP NetWeaver Process Integration technology
- SAP BusinessObjects Business Intelligence suite
- SAP NetWeaver Portal component



Surgutneftgas, one of the top three integrated oil companies in Russia, specializes in oil and gas production and exploration, gas processing, power generation, and output and marketing of petroleum products, petrochemicals, and gas products. “We had a complex SAP software landscape,” states Rinat Gimranov, CIO at Surgutneftgas. “To increase operational efficiency and address change management issues, we leveraged SAP MaxAttention services to help us implement application lifecycle management across our entire IT landscape.”

Managing the Lifecycle of Solutions

Surgutneftgas first deployed SAP® R/2® software in 1994; it upgraded to SAP R/3® software in 2000 and then to current releases of the SAP ERP application in subsequent years. Over time, the company expanded its SAP software footprint to include the SAP Supplier Relationship Management application, the SAP Customer Relationship Management application, and several SAP BusinessObjects™ solutions, among others. Early on, management chose to invest in SAP MaxAttention™ services – for example, to safeguard SAP software deployments and upgrades, fine-tune system performance, and manage database growth. And to support these activities, the team providing the SAP MaxAttention services deployed specific functionality of the SAP Solution Manager application management solution.

Over time, however, Surgutneftgas reached a higher level of maturity and stability in its SAP software landscape. “We were ready to shift the focus of

SAP MaxAttention services to more strategic initiatives, such as application lifecycle management,” states Gimranov. Application lifecycle management (ALM), as defined by the Information Technology Infrastructure Library (ITIL), focuses on integrating business and development teams so that applications can be implemented and efficiently managed throughout their lifecycle. States Gimranov, “Our goal was to establish ALM processes that would help us manage our entire IT landscape – not just our SAP software landscape – including those applications used for oil exploration and production.”

For example, Gimranov wanted to improve the IT department’s change management process, which had been managed manually for years. “Requests for changes to application functionality came in daily, which was easy to handle when we only had a few applications. But as our IT landscape grew in complexity, the volume of requests became overwhelming.” The risks increased as well. For example, the IT department often made changes without considering the potentially negative

impact on dependent processes and software; nor did they test sufficiently before releasing the changes for production. In other cases, customer requests overlapped, yet they were often implemented anyway because the IT department had no way to identify the overlaps. Gimranov wanted an ALM methodology to help standardize the selection and prioritization when implementing new processes and changes, centrally monitor all applications, identify request overlaps, and gain new efficiencies to optimize application-related costs.

Incident and change management processes were equally inefficient. Employees called in, e-mailed, or submitted handwritten notes about issues, and call center agents wrote up tickets manually. “We had no way to monitor and track issue handling or to regulate follow-up activities,” states Gimranov. “Without transparency, it was extremely difficult for us to meet service-level agreements for response times or control support costs as our IT landscape increased in size and complexity.”



“The efficiencies gained in the area of support and incident management have allowed the company to reduce our support team by 30% – even as the number of applications used and employees supported has increased.”

Rinat Gimranov, CIO, Surgutneftegas

Leveraging SAP MaxAttention to Support ALM Best Practices

Employing SAP experts and software to help develop and execute an ALM strategy was a natural choice for Surgutneftegas. The team providing the SAP MaxAttention services had earned the IT department’s trust and already knew the company’s IT landscape and business requirements. Equally important, SAP offered Surgutneftegas the opportunity to help shape the ALM methodology advanced by SAP. “We agreed to be a pilot for the integrated, open approach to ALM based on ITIL as used by SAP,” states Gimranov. “We deployed SAP tools and leveraged their

gained agreement on priorities, documented the ALM strategy, and designed and documented the processes in detail. These processes were then operationalized using ALM functionality within SAP Solution Manager, such as change request management and change control management. “We also worked with the team to explore how to use third-party tools in conjunction with SAP Solution Manager,” explains Gimranov.

Optimizing Change and Test Management

Surgutneftegas now has a clearly defined ALM strategy, set of standards, and action plan that is being implemented

States Gimranov, “We’re increasing the stability of our entire IT landscape because now we have a standardized way to test and bring changes into the landscape.” And because line-of-business contacts are part of the test and approval process, the IT department now has much greater interaction with the business.

Resolving Support and Incident Requests More Efficiently

To optimize incident management for the entire company, Surgutneftegas is now using service desk functionality provided by SAP Solution Manager to fully automate related processes. “Now we have a single channel through which everyone has to submit incidents, so nothing falls through the cracks,” states Gimranov. IT also has full visibility into all incidents and trends. For example, if they start getting multiple requests for help with certain processes or software, IT can investigate whether or not they need more training for end users or if they need to modify the user interface to improve usability.

Notes Gimranov, “The efficiencies gained in the area of support and incident management have allowed the company to reduce our support team by 30% – even as the number of applications used and employees supported has increased.”

Looking Ahead

Surgutneftegas plans to continue implementing its ALM strategy across the enterprise. “We’re looking forward to leveraging SAP Solution Manager to automate technical operations – especially

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support for best practices – but we also provided valuable feedback to SAP so the tools could be refined. It was a win-win situation.”

Developing and Implementing an ALM Strategy

To get started, the team of SAP experts reviewed the company’s existing support for ALM processes and then discussed with company staff where they most wanted to improve. Change management was at the top of the list. The SAP team then recommended specific ALM best practices supported by SAP,

in a phased manner. In the area of change management, the IT department now has a clearly defined workflow and integrated support for change request receipt, review, approval, implementation, documentation, testing, and release. Test cases are now documented and implemented in SAP Solution Manager. The company has several hundred IT business solutions, and IT personnel have rolled out new ALM processes for the most critical of them as a first phase of the ALM initiative. In the future, IT plans to cover all business-critical applications, which will help ensure that all company software runs reliably and efficiently after changes are implemented.

application monitoring for SAP and non-SAP software," explains Gimranov. "When we have automatic alerts set up that can track systems as they run and notify us when issues arise, we'll be able to boost application reliability even further." He also expects to leverage the SAP In-Memory Appliance (SAP HANA™) software to provide the latest generation of analytics and real-time reporting functionality.

"We've already seen the power of ALM to increase efficiency, reduce costs, and make IT more agile and responsive to the business," concludes Gimranov. "And with SAP MaxAttention, we have the expertise, tools, and support for best practices to realize even greater value from our ALM investments."

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