



PUBLIC SERVICE ENTERPRISE GROUP

INCREASING SAP® SOLUTION PERFORMANCE AND RELIABILITY WITH APPLICATION LIFECYCLE MANAGEMENT

QUICK FACTS

“We’ve realized a 50% average reduction in CPU and database workloads and a 70% average response time improvement of critical processes.”

Stephen Roche, IT Director, SAP Center of Excellence, PSEG Services Corporation

Company

- Name: Public Service Enterprise Group (PSEG)
- Headquarters: Newark, New Jersey
- Industry: Utilities
- Products and services: Energy generation, electricity transmission, and electricity and gas distribution
- Revenue: US\$11.8 billion (2010)
- Employees: 10,000
- Web site: www.pseg.com

Challenges and Opportunities

- Address critical performance and reliability issues arising from an increasingly complex SAP® software landscape
- Increase visibility into and control over process performance bottlenecks and dependencies
- Quickly identify and address root causes of problems
- Control explosive database growth

Objectives

- Implement an application lifecycle management (ALM) solution that delivers built-in best practices recommended by SAP
- Leverage the SAP Solution Manager application management solution to automate ALM processes

SAP Solutions and Services

- SAP Enterprise Support services
- SAP MaxAttention™ services
- SAP Solution Manager

Implementation Highlights

- Leveraged SAP Enterprise Support to regain stability across SAP software landscape
- Brought in SAP MaxAttention to develop an ALM road map and equip PSEG’s internal IT team and partners to regain self-sufficient management of the SAP software landscape

Why SAP

- Extensive investment in SAP software to run core operations
- Trusted partner with the business process and technical optimization expertise to bring about swift change
- Ability to provide an exceptional quality manager to accelerate PSEG’s ALM journey

Benefits

- Cleared customer relationship management data backlog 40% faster than planned and reduced the cost of operations by 0.5 FTE per day
- Defined efficient governance process for rollouts of changes, reducing risk and lowering cost of operations 10%
- Achieved nearly 100% uptime without increasing operational resources
- Developed plan for a 20% database footprint reduction
- Achieved a 50% average reduction in CPU and database workloads
- Gained 70% improvement in average response time for critical processes

Existing Environment

Extensive SAP software landscape that includes over 10 solutions



Public Service Enterprise Group (PSEG) is a publicly traded, diversified energy firm headquartered in New Jersey. “We’ve been running our four core businesses using SAP software since 1997,” states Stephen Roche, IT director of the SAP center of excellence within PSEG Services Corporation. “But as our SAP software landscape became more complex, we needed to become more proactive about managing our systems to improve performance and reliability. We turned to SAP to help us implement application lifecycle management.”

One of the nation’s largest wholesale energy producers and electric and gas transmission and delivery utilities companies, PSEG has one of the most complex SAP® software landscapes of any company in North America, points out Roche. “Each year since we started our SAP journey, we have relied on SAP software to run more and more of our core business processes, including the system that replaced our 35-year-old customer information system in 2009.” This investment enabled PSEG to standardize on a few SAP applications that operated as a single, integrated platform and provided greater business visibility and control. “Starting with our initial implementation, we have been able to reduce the number of stand-alone applications and associated run costs,” notes Roche. “But this also increased our reliance on our SAP applications. These core processes running on SAP software are all business critical, and the integration between them – which allows us to operate more efficiently – has created numerous critical dependencies across the

enterprise. As a result, the cost of any unplanned downtime is significant, often with far-reaching implications.”

For years, PSEG’s IT department – a part of PSEG Services Corporation, a shared-services organization under the PSEG umbrella – was efficient in running its SAP software. Its SAP software landscape included functionality from the SAP ERP application supporting financials, project scheduling, order management, materials management, and plant and quality management. In 2009 PSEG deployed the SAP for Utilities solution portfolio, including the SAP Customer Relationship Management (SAP CRM) application, the SAP NetWeaver® Mobile component, the SAP Multiresource Scheduling application, and the SAP Mobile Asset Management application. Management also scaled up its SAP NetWeaver Business Warehouse component and adopted the SAP Utility Customer E-Services application and SAP NetWeaver Process Integration technology. “At the same time, we were in the process of chang-

ing the strategic partners we use for outsourced production support and development,” explains Roche. “We had a great deal of change at once – and we did not know our new IT landscape as well as we needed to.”

Operational Challenges in a Sophisticated IT Landscape

PSEG began to experience system performance challenges and continuity issues in the first six months following the replacement of its customer information system. For example, the month-end close process was impacted by intermittent technical issues, which impeded performance and affected business deadlines. Call center agents couldn’t access information efficiently and quickly to resolve customer issues. Databases were growing faster than planned. A few of the software changes requested by the business resulted in unexpected downtime. “We did not have a mature governance process for change management for the more complex environment – from the conceptual stage to implementation – so at times we’d have to fix errors after releases,” states Roche.

Moreover, because process monitoring wasn’t in place, the IT department usually learned about problems after the fact from calls coming into the IT support center. Over time, the backlog of unprocessed data in some critical business process areas grew to unmanageable levels and needed prompt attention. “The lack of solid operational practices for our CRM solution created a backlog of records to be processed,” notes



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Roche. “This impacted business operation continuity and hampered progress toward completion of planned projects and enhancements.”

Stability with SAP Support Services

The SAP team assisted PSEG’s production support team to quickly increase the stability of PSEG’s systems. The SAP team also proposed that, in order to manage its new and larger SAP solution footprint effectively, the IT department – and its outside service providers – get some assistance, including updated skill sets and process improvements. To accelerate the learning curve, it was recommended that they supplement the SAP Enterprise Support services with the SAP MaxAttention™ services. This reinforcement of on-site services would help the IT department and its partners quickly regain self-sufficiency.

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Stephen Roche, IT Director, SAP Center of Excellence, PSEG Services Corporation

When SAP MaxAttention began, the team focused on stabilizing the existing solutions by addressing current and critical challenges and bringing even greater stability to the new and more complex SAP software landscape. Once the team had reduced the number of issues PSEG was experiencing, the conversation quickly shifted to a more

strategic initiative: enabling application lifecycle management (ALM) through SAP software support to proactively address the root causes of future IT problems.

An ALM Road Map

“We worked with the SAP team to understand how to manage our new IT landscape proactively, identify root causes of issues, and resolve them quickly,” states Roche. “We saw this as essential to achieving our reliability and performance goals and regaining self-sufficiency in managing the solutions.” The team first assessed PSEG’s current ALM processes and developed a prioritized road map for change.

Progress on the ALM Journey

Thus far, the ALM implementation focused on making PSEG’s stand-alone

ALM processes fully functional and ready for automation to be powered by the SAP Solution Manager application management solution. “The work we’ve done so far has been a great success,” states Roche. “We’ve seen reductions in the number of escalations, outages, and performance issues each month.”

For example, before PSEG implemented ALM best practices for change management, approximately 5% of all changes, moves, and release management maintenance activities had some sort of minor impact. A few resulted in serious outages. States Roche, “The guidance provided by our technical quality manager for SAP MaxAttention and team allowed us to plan for efficient rollouts, avoid unnecessary risk, and significantly lower the risk of production imports.” This helped reduce business cost impacts associated with unplanned functionality and system outages. At the same time, PSEG was able to make 1,677 minor enhancements and error fixes last year – equal to over 8,000 transports into their production system – without any significant business impact. Their ALM-based process for managing change is currently being handled manually, but it will soon be powered by change request management software driven by SAP Solution Manager.

Deploying ALM best practices and tools has enabled PSEG to eliminate technical roadblocks and backlogged issues and queues that could otherwise prevent the release of new software innovations. Roche comments, “The technical quality manager assisted in the implementation of a rigorous governance process together with technical recommendations that enabled us to clear the backlog 40% faster than planned. It also freed up one half of a production support staff FTE, time previously spent monitoring and manually clearing the associated queues.”

PSEG also has database growth under control. "We used SAP MaxAttention to review and complement our legacy and archiving strategy to maximize the reduction of our database footprint. Recommendations will provide us with a 20% data reduction," explains Roche.

Visibility Across Enterprise Processes

PSEG has now begun to map all critical applications and processes using SAP Solution Manager, giving the IT department visibility into dependencies between SAP applications and the long-term consequences of changes. Now, when the IT department needs to schedule downtime or make software changes, they can see who will be impacted and the potential impact on dependent processes and those departments using them.

In leveraging SAP Solution Manager, PSEG now has real-time technical monitoring in place for critical CRM call center functions. "With this new, end-to-end, user-experience monitoring, we can detect performance and other issues before end users feel the impact," states Roche. "And when a problem does occur, we promptly send an e-mail informing people and letting them know when we expect to resolve it. This gives everyone confidence that we're on top of things."

SAP Solution Manager has enabled PSEG to address the root causes of problems quickly, minimizing any business impact when and if events do occur, and the results of its ALM investments have also paid off. Says Roche, "We've realized a 50% average reduction in CPU and database workloads and a 70% average response time improvement of critical processes."

The Next Step

States Roche, "We now have many solid ALM processes in place, but they are not fully connected or operating continuously and automatically. Our vision is to make ALM one end-to-end, repeatable process that runs on its own using SAP Solution Manager and based on ALM best practices."

50 xxx xxx (11/12)

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