Microsoft Business Solutions Powers Aurora Energy to World-Class Service Company

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>
> **John Devereaux**
> *Project Sponsor and former Chief Financial Officer,*
> *Aurora Energy*

Microsoft Business Solutions is powering one of Australia's most innovative electricity supply utilities, Aurora Energy, towards its goal of building a world-class service company. Aurora Energy is responsible for power distribution and retailing in Tasmania as well as contract services to island communities in Bass Strait, generating $587 million in annual operating revenue. The state government-owned company supplies power 24 hours a day to 250,000 domestic, commercial and government installations. It owns core assets of $715 million and employs 820 people at 19 locations around Tasmania. To streamline its business and keep pace with a rapidly changing market, Aurora Energy is using the Microsoft Business Solutions–Navision in a major overhaul of financial systems.

CUSTOMER PROFILE	BUSINESS SITUATION	SOLUTION	BENEFITS
Aurora Energy is Tasmania's state-owned electricity distribution and retail company supplying power to 250,000 domestic, commercial and government installations across Tasmania. The company has 820 staff and annual revenue of $587 million.	Aurora Energy inherited legacy systems that were outdated, not integrated with their core systems and expensive to maintain and upgrade.	Microsoft Navision is a leading business management system that offers advanced financial management, supply chain collaboration (including manufacturing and distribution), customer relationship management (CRM) and e-commerce.	▪ Streamlines business processes. ▪ Dramatically improves data integrity. ▪ Provides timely, accurate data across the entire operation, facilitating better informed decision-making by management.

Situation

Aurora's legacy financial systems were inherited when Tasmania's Hydro-Electric Corporation disaggregated in July 1998 into three separate businesses: Aurora Energy; the Hydro Tasmania; and Transend Networks.

Aurora Energy's Co-Manager for the project, Gina Salier, said the systems had been installed in the early1990s and were dated, inefficient and inflexible, leading to duplication and fragmented data.

"They no longer met the needs of the new business, weren't integrated with our other systems and were expensive to maintain and upgrade,'' Ms Salier said.

Following a closed request for proposal from eight vendors and a rigorous evaluation process, Microsoft Navision, represented by Data#3 Limited, a nationally listed solution provider, was selected because it best met the company's specific criteria on areas such as flexibility, integration functionality, ease of use and affordability.

Project Sponsor and Aurora's then Chief Financial Officer, John Devereaux, said Microsoft Navision was also chosen for its successful track record in Australia and internationally.

"We wanted a proven product and one that was owned by a company that had a substantial balance sheet and resource capability," Mr Devereaux, now General Manager of Network Division, said.

Microsoft Navision was also chosen for its stability and long-term future in the market.

"We believe that Microsoft Navision will keep pace with technology and, now that it is part of Microsoft Business Solutions, it will have an even longer life cycle," Mr Devereaux said.

Solution

Gina Salier said the Microsoft Navision implementation was part of a complex project to integrate the new (Microsoft Navision) financial management system with Aurora's existing core systems: an in-house electricity billing system; a payroll system; and a works management system.

In a strategic move designed to give its workforce full ownership of the changeover, Aurora insisted the project be company-driven rather than vendor- or consultant-driven.

"This meant our workforce would be involved from the start and, while we recognised there were challenges associated with this, we believed it would achieve the best result for us,'' Ms Salier said.

"We didn't have the money to throw at a large external team. But, more importantly, we have some very competent people and we wanted to give them the opportunity to acquire valuable new skills,'' she said.

In keeping with its progressive ethos, Aurora also consulted widely across its workforce to pinpoint issues and canvass a range of solutions in the lead-up to the project.

A key element in the implementation was the Microsoft Business Solutions Partner, Data#3 Limited, recommended for their track record with projects of similar size and complexity.

Although Data#3 initially had reservations about Aurora's heavily company-resourced approach, Ms Salier said they embraced the challenge and worked as part of the team to make it a success.

"They were very professional and competent and provided excellent cost control which meant we didn't get any unpleasant surprises,'' Ms Salier said.

General Manager of Application Solutions at Data#3 Limited, Mr Max White, said, "Our Data#3 consultants worked closely with Aurora to ensure delivery of the new business processes in the most effective manner. The results speak for themselves".

Ms Salier and Mr Devereaux said undertaking such a complex project involving large-scale change management had its challenges.

"One of the biggest difficulties was freeing up sufficient internal resources," Ms Salier said. "We had a core team of 12; another 30 were closely involved and then we had scores of staff feeding in requirements. It was an enormous amount to ask at a time when the business itself was undergoing rapid change."

Ms Salier said that, although it had been intense, the consulting teams and staff across all levels, including Aurora's many frontline workers, had put in a huge effort to ensure that the transition to integrated systems and processes would be successful.

"As the problems have been solved, people have seen the potential of Microsoft Navision for Aurora."

Benefits

Mr Devereaux said there was a range of positive outcomes and identified three key business benefits.

Streamlines Business Processes
He said Microsoft Navision had forced more business discipline at the source, streamlining Aurora's business processes and making them more efficient.

"For example, most of our projects now require scheduling and job allocation to occur right at the outset. The work is better planned and the jobs already established which makes subsequent allocation of labour and materials more efficient."

Data Integrity
"Second, we can now rely to an infinitely greater degree on the integrity of our data. Because part of our business is about working on a range of assets as well as normal maintenance, we respond to fault conditions in the field. We need to know what has happened in any given situation, the how and why as well as the rectification process."

Mr Devereaux said by knowing the cause they could manage their assets better.

"We can then link this information with the financial system so that we can track how much we spend. This allows us to allocate the right amount of money to various areas."

Timely & Accurate Data
"Third, now that we have accurate and timely data, we can make better business decisions," he said. "One of our key Microsoft Navision tools is Advanced Dimensions which tracks all our costs and revenues to different projects and divisions. This means we can analyse data in a variety of ways to make informed decisions."

Mr Devereaux said the Microsoft Navision solution was supporting Aurora in its mission to be a world-class service company utilising the strengths of its staff to provide value for their customers, strong community worth and commercial value for their owners.

With their investment for the Microsoft Navision solution and Data#3 services, which was brought in on budget, Aurora Energy anticipates a return on investment in five years.

Mr Devereaux said, "Other business systems can be more expensive than Microsoft Navision. We believe we will achieve a higher return on our investment

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Flemming Beisner
*Managing Director,
Microsoft Business Solutions
Australasia*

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faster because of the lower initial outlay as well as lower maintenance and upgrade costs."

Flemming Beisner, Managing Director of Microsoft Business Solutions Australasia, said Aurora Energy's use of Microsoft Navision showcased its flexibility and strong integration capabilities.

"Microsoft Navision is providing a powerful platform for Aurora Energy to better manage its entire business operation through timely, accurate information that empowers the decision-making process," Mr Beisner said.

Microsoft Business Solutions is one of Microsoft's seven core businesses and offers a wide range of business applications designed to help mid-market organisations become more connected with customers, staff, partners and suppliers.

Its four major business solutions are the Microsoft Business Solutions–Navision; the Axapta; the Great Plains; and the Solomon.

Microsoft Business Solutions, which includes the businesses of Great Plains and Navision, offers a wide range of business applications designed to help mid-market businesses become more connected with customers, employees, partners and suppliers.

Microsoft Business Solutions applications automate end-to-end business processes across financials, distribution, project accounting, e-commerce, human resources and payroll, manufacturing, supply chain management, business intelligence, sales and marketing management and customer service and support.

Globally, Microsoft Business Solutions has 3,800 team members, 4,500 partners and more than 260,000 customers using their range of products in 132 countries.

In Australia and New Zealand, Microsoft Business Solutions has a growing base of 70 partners and more than 1,200 customers across a diverse range of industry sectors.

Software and Services

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For More Information

For more information in Australia, call the Microsoft Information Centre on 13 20 58. To access information using the World Wide Web, go to:
www.microsoft.com/resources/casestudies

For more information about Microsoft Business Solutions go to:
www.microsoft.com/BusinessSolutions

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