CASE STUDY



BRANCH Energy sector

PERIOD 2012-today

LOCATION Oldenburg

COMPANY EWE AG

ABOUT EWE

With over 9,000 employees and sales of more than nine billion Euros EWE today ranks among the largest utility enterprises in Germany. The group is active in North West Germany, Bran-denburg and on Rügen as well as in parts of Poland and Turkey and offers its customers services all connected with electricity, gas and telecommunications. The corporate group has its own generating capacities comprising renewable and conventional energy and operates reliable state-of-the-art energy and telecommunications networks. Its subsidiary BTC is one of Germany's most important IT service providers

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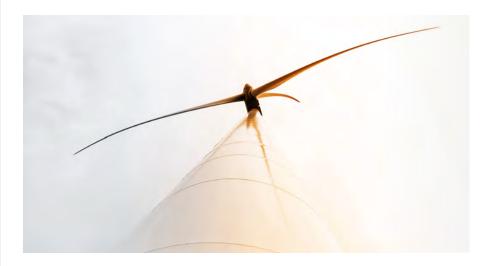
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EWE: Energy Group with Agile Drive



INITIAL SITUATION

Distinctly faster and more efficient: that is how updates in the EWE customer management and invoicing system are to be implemented in future. The demands placed on such a system have risen drastically, not least due to legal requirements associated with the energy turnaround, for example. One reason for this is the liberalisation of the electricity market and the start of the Federal Network Agency in the year 2005. A key goal of the regulatory authority is, for example, to make the processes of the individual providers comparable and to support the open market. And this has far-reaching consequences for the undertakings: in the case of EWE AG, a leading provider in the electricity, natural gas, telecommunications, IT and environmental sectors, this liberalisation of the market led to a marked increase in the volume of requirements concerning contractual and customer relationships. In order to meet these numerous requirements, the intention was to enable faster and more cost-efficient changes to be made to easy+, the

customer management and invoicing system used by EWE. easy+ is an inhouse development based on the SAP programming language ABAP. The application has been in productive operation since 1995 and around 120 employees are working on the further development of the system.

GOALS

The challenge: the easy + product must meet the requirements of the different departments, such as Accounting and Sales, in equal measure. As obvious as this might appear at first glance, the realisation of such a goal is in fact complex. Because: every change requested by a department can have fundamental impacts on the product as a whole. The most difficult thing is to prioritise the requirements of the individual sections on the one hand and the need to ensure a transparent overview of the degrees of completion of the individual requirements on the other. Added to this are the time and cost-consuming test weeks at the end of a release that go hand-in-hand with traditional procedure models.

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These are necessary to identify errors and implement changes. The high degree of effort entailed in coordination and planning with the EWE invoicing system resulted in it only being possible to handle and deliver new requirements every six months.

The aim is to cut the timeframe considerably, reduce the time-consuming tests carried out by the departments and, of course, to ensure the performance and stability of the product.

STRATEGY

In October 2012 EWE brought the borisgloger consulting GmbH on board - the consultants trust in agile product management. Instead of having one single complete rollout, they recommended gradually making parts of the organisation acquainted with Scrum and changing the way they worked. This iterative approach made it possible to use the knowledge gained from the previous phase for the next phase of the adaptation of easy+, in order to optimise the assignment of roles, the composition of the team or the requirements process, for example. The key success factor here: all cross-functional levels were integrated in the implementation from the word go – from developers to the management - so they could apply the methods together and cooperate with mutual trust.

MEASURES

The project got underway in October 2012 with two pilot teams and one transition team from the easy+ team to start off with. The transition team was made up of representatives of all the organisations involved [departments, IT coordination, IT suppliers] and the rolesentailed [Management, Scrum-Master, Product Owner]. Borisgloger

consulting gradually changed the entire organisation involved in easy+ over to Scrum: so that another cross-company and cross-functional team and in total three Scrum teams were established in January 2013. This number was increased to seven Scrum teams by April. An additional quality management team and an architecture team were also working together. Six months later, in October 2013, there were already nine Scrum teams, three Domain Scrum-Masters and a Company ScrumMaster, the transition team created at the beginning was scrapped. There are currently around 100 EWE employees working on the continuous further development of easy+ in nine Scrum teams. Special attention was paid to quality assurance and the development of knowledge within the framework of the Scrum implementation. A key focus in this context was on the coaching of the entire team in the application of agile development methods. Tools for the carrying out of tests [SAP Sol Man, SAP BI Reporting, etc.] and for test automation [SAP Ecatt] were introduced and given intensive support in this respect. Four Communities of Practice [CoP] were created: CoP ASE [agile software engineering], CoP Test Automation, CoP SolMan and CoP Test.

RESULTS

The most important quantitative result: thanks to Scrum it was possible to cut the development time for an easy+ update in half – from six to three months. The time and costs of testing and the error rate were also considerably reduced. Before the introduction of the agile management framework approximately one third of the entire budget was spent in the departments on rectifying errors after test acceptance; with the support of borisqloger consulting this proportion

fell to around 20 percent. The main reason for this: with Scrum the management consultants at EWE established a continuous and considerably leaner request process, the demands from the individual departments are prioritised continually and implemented faster thus leading to an improvement in quality. "With Scrum we managed to save 40 man-days within the duration of the project. The number of Scrum teams has risen from two to thirteen since the start of the project. We are also planning to use this agile approach for projects in future as well", says Markus Theilen, IT coordinator at EWE AG, Domain Product Architect.



Hélène Valadon, Management Consultant

"The EWE case is a clear example of the contribution Scrum can make to the performance of organisations. Whereby it is not merely a matter of achieving quantitative goals such as the significant reduction of error messages after going live. Qualitative improvements, such as trusting cross-divisional cooperation, are also an essential aspect."