

Polish utility increases efficiency and profitability thanks to IFS Applications™

Following the implementation of IFS Applications in the Ostroleka Electric Power Station Complex, electronic document management was introduced, and improved control of supplies, storage and maintenance management was achieved. This enabled initial costs to be traced on a regular basis and reduced, resulting in increased profitability for the company.

Ostroleka Electric Power Station Complex consists of Ostroleka A Combined Heat & Power Generating Plant (CHP), with a production capacity of 72 MW of electric power and 309 MW of thermal power, and Ostroleka B, with three power blocks of 200 MW each. The Ostroleka Power Station delivers electrical power to the national electric power grid as well as thermal energy to meet the needs of local customers. The plant employs over 1300 people, with revenue for 2000 exceeding PLN 342 million. With Ostroleka Electric Power Station Complex situated in Poland's "Green Lung", the company also pays particular attention to environmental protection, investing significantly in eco-friendly measures. For example, the efficiency of energy production is controlled by a system of neural networks that automatically controls and optimizes the combustion processes.

Solution

In the late 1980s, IT tools were used in special tasks and for data processing in the Accounts and Wages Division. In the early 1990s, computer technology was introduced into Ostroleka B. The need for comprehensive computerization of the entire company had been obvious for some time, and in 1997, a team was appointed to specify the extent of the IT requirements and to draw up criteria that would ensure that the most suitable system was selected.



Slawomir Nosek, CEO of Ostroleka Electric Power Station Complex: "In view of the specific nature of our enterprise, increasing production efficiency involves first and foremost lowering production costs. Achieving this depends to a considerable degree on an effective system of management for both the plant's operations and its fixed assets. After careful analysis, we chose IFS Applications as the optimum system for our company."

The selection of IFS was dictated by many factors. First, the IFS system fulfilled the largest number of the functionality criteria that the software selection team had listed. The team was also impressed by IFS' implementation methods, which enable step-by-step introduction of each component. Furthermore, the

references submitted by IFS from other power stations were considered. It was important, too, that the software should operate on the hardware platform already installed in the company.

Implementation

A pilot project was initiated in May 1998 in the fuel and railway transport management department. This department was not too large but rather behind the times in respect of its level of computerization. At the same time, a parallel pilot project and implementation was carried out in another department.

Implementation proper began at the beginning of 1999, in order to minimize disruption of plant operations. The first to be introduced were components for inventory management, which was a key event, permitting comprehensive work to be begun in the IFS Maintenance™ software.

Benefits

IFS Applications is used in many areas. The IFS Distribution™ software has enabled regular controls of inventory stocks and improved communication between the various warehouses. The company's supply services have also improved. The IFS Maintenance software has ensured improved procedures for ordering and issuing materials and a regular monitoring of investment and repair activities. With IFS Financials™, the work of the Finance and Accounts Division has been facilitated, simplifying document management and financial settlements as well as automating many bookkeeping tasks. IFS Financials and IFS Maintenance have been linked with a staff and wages system. Interfaces enable work cards to be created on the basis of data from IFS Maintenance and forwarded to IFS Financials. In this manner, practically all the company's activities have been transferred into an integrated IT system.

Use of IFS Applications has permitted the introduction of electronic documentation, and in many cases has meant that traditional forms of documentation are a thing of the past. As a result, there is better control

of maintenance, inventory and supply management. The company can now identify and trace costs on a day-to-day basis. At present, work is in progress on introducing a budget for each of the plant's organizational sections. With the basis for the controlling and monitoring of its current activities at its disposal, the plant can focus on limiting initial costs and thus increasing profitability at Ostroleka S.A.

Information, collected and generated by applications and available to authorized recipients, serves to assist decision-making processes at the various levels of plant management. It was decided to use Crystal Report as the main analytic tool for processing the economic information generated by IFS Applications.

The key to the company's success is absolute control over the costs of the whole production process. This control has to take place on a regular basis, the more exactly, the better. In order to gain this knowledge, information has to be continuously available. This requirement can be fulfilled by IFS Applications. When the various parts of the solution work in an integrated system, such information is always available to its authorized users, who will have access to it at all times. The team working on the budget and finances has direct access to information about repairs and distribution. Maintenance, for example, generates costs. Using IFS Applications, these can be analyzed, thus obtaining information that is essential for ongoing adjustments of plans and economical resource management. IFS Applications, by providing suitable tools, enables a constant control to be maintained of all the economic processes connected with management, thus permitting the company to operate without disruption.

Software

IFS Financials, IFS Maintenance and IFS Distribution

Hardware

Sun Ultra Enterprise 450, Solaris 2.6 operating system, Oracle and 200 workstations