



VALUE-ADDED BUSINESS ENABLED BY PROCESS AND OPERATIONAL EXCELLENCE

Challenge

New legislation and changing market rules present both challenges and opportunities for NET4GAS. Key company goals include creating innovative products to connect markets better, helping improve the security of the European gas supply, meeting unbundling requirements and being able to provide equal market access as an Independent Transmission Operator (ITO). To realize its objectives, NET4GAS has placed a strong emphasis on process performance and operational excellence.

Solution

To help achieve its business goals, strengthen the company's independence and improve transparency, NET4GAS chose the ARIS Platform, including ARIS Business Architect & Designer and ARIS Risk & Compliance Manager. With the support of ARIS, NET4GAS has documented and structured its processes, making them more tangible for the process owners and enabling better enterprise-wide support for its risk controls. Responsibilities are clearer and many process overlaps and gaps were eliminated. Process owners can now apply Key Performance Indicators (KPIs) and performance management more uniformly, analyze the business impact of changes in the company and better prepare NET4GAS for future challenges.

Benefits

- Processes are more tangible and better support risk mitigation
- Audits are more detailed with far less effort—up to 60 percent less
- Internal guidelines and standards generated directly from processes save time and improve compliance
- Enterprise-wide process awareness and improved communication help increase standardization and more easily identify areas for improvements



NET4GAS is responsible for natural gas transmission in the Czech Republic as well as international gas transit between Eastern and Western Europe. Formerly part of RWE Transgas, NET4GAS was founded in 2006 when RWE Transgas was split into two autonomous legal entities to meet an EU directive to unbundle gas transmission and trading. NET4GAS employs more than 500 people and operates 2,640 kilometers of pipeline in the Czech Republic.

Get There Faster.™



“With ARIS, we can choose our approach step-by-step, aligning our implementation with the company’s level of process awareness. This has provided the **highest value added for our process teams, process management department and the company.”**

Michal Pravda | Manager of Organization, Processes and Internal Audit | NET4GAS, Czech Republic

A tradition of trust

Headquartered in Prague, NET4GAS supplies gas to customers and gas distributors across the Czech Republic and is responsible for transit of gas from Eastern to Western Europe. Czech customers consume approximately 10 billion cubic meters of gas annually; 1 percent of this comes from national resources and the rest is primarily imported from sources in Norway and Russia. Separated from RWE Transgas in 2006, NET4GAS manages all the transmission system operations of the former combined organization, enabling RWE Transgas to act solely as a gas trader.

“National and European legislation required us to unbundle RWE’s gas transmission and trading operations into two distinct legal entities,” said Michal Pravda, Manager of Organization, Processes and Internal Audit at NET4GAS. “Now as an Independent Transmission Operator, NET4GAS must provide equal access rights to the gas resources in the region. At NET4GAS we carry on a long tradition of safe and responsible operations and partnership—we’re building on over 40 years of trust.”

New challenges to meet

Beginning in early 2010, NET4GAS had to comply with additional legislative requirements and quickly adapt to changing market rules. “Along with the challenges of unbundling,” related Pravda, “we had many new departments to incorporate and needed to in-source many responsibilities, services and processes that previously had been provided by the RWE Group and external partners.”

Pravda’s team decided to implement process management in conjunction with the changes, because “it made it easier for us to secure our processes and preserve our performance levels,” said Pravda. This also helps the company maintain overall profitability and cost efficiency, especially important topics for the gas industry.

“It was an easy decision to use ARIS for process management, in part because we’d been using ARIS for many years at RWE,” explained Pravda. “Our internal customers and managers are also very comfortable working with ARIS. Furthermore, because we chose to provide more customized and complex services, we added more ARIS tools to support our work.”

A natural combination

Besides process management and organization, Pravda’s team is also responsible for internal audit and performance management. Using the ARIS Platform, including ARIS Business Architect & Designer and ARIS Risk and Compliance Manager, is, in Pravda’s view, “a natural combination of functions.” This enables his team to directly link the processes with risk controls and testing. “We can ensure our risks are under control,” noted Pravda, “and more easily do process-oriented audits of higher overall quality. Now we can check for process consistency in our audits, indicate safe capacities and provide a more detailed focus.”

Pravda’s team first implemented risk and compliance for business-critical processes and integrated the teams that collaborate on and develop the company’s methodologies for risk and compliance management. As part of the enterprise-wide process management implementation, the team documented and structured all processes, mapped the Event-driven Process Chains (EPCs) and assigned process ownership. As a result, enterprise-level processes are more transparent and communications have improved



across the company, which also helps the diverse departments and process owners to apply KPI and performance management more uniformly.

Clear responsibilities and no gaps

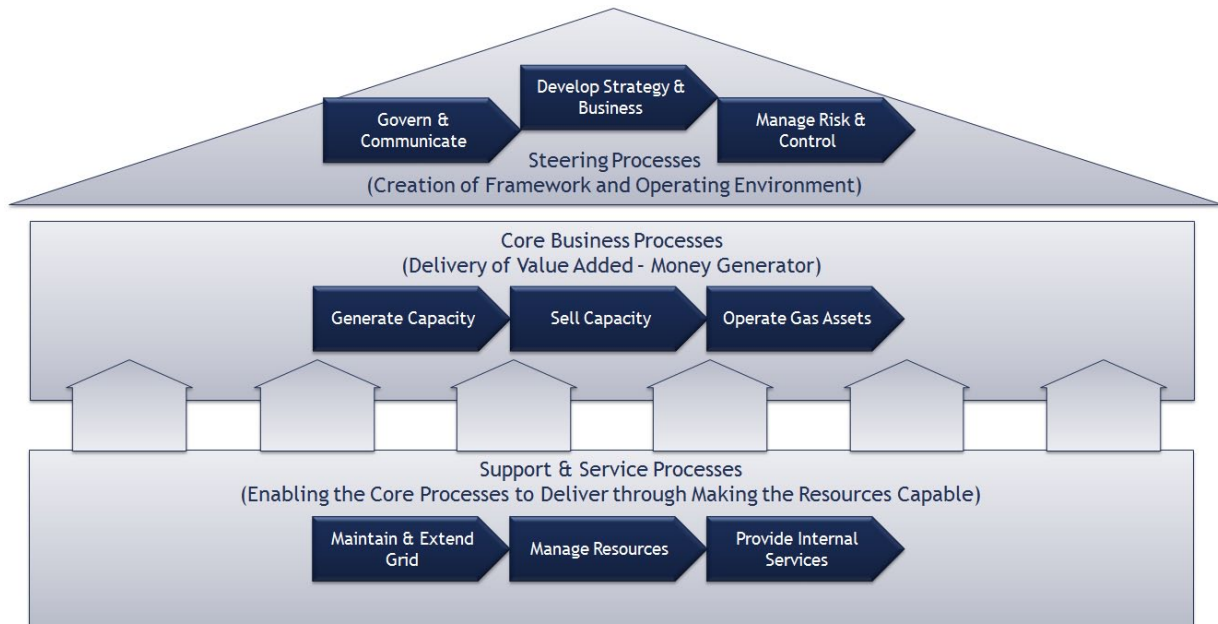
Pravda’s team uses HR Link - ARIS Interface for HR (in this case to SAP HR) to see the responsibilities and participation of every employee in the company, which has enabled them to clarify and standardize job descriptions and simplify responsibility schemes. “We met our first major goal to clarify the processes and the related interfaces—and now everyone knows what their responsibilities are,” said Pravda. “At the same time, we could identify and resolve many overlaps and process gaps.” This has saved the process owners significant time and effort, because the processes are easier to understand. It also has given the process owners greater overall risk transparency and enabled enterprise-wide support for risks and controls.

“Using ARIS Risk and Compliance Manager also helps us focus our efforts on internal audits,” continued Pravda. “Instead of process mapping, searching for data or data crunching, we can directly analyze what was controlled and how the control was conducted. So the level of audit detail can be much deeper and we can reduce the time spent and resources used.”

The well-documented and well-structured processes have already proven to be a solid and valuable foundation for ongoing optimizations, improved alignment and management of processes as well as better performance measurements. In describing the value for NET4GAS Pravda said, “We use these processes when analyzing the business impact of changes in the company and can apply this methodology as a natural part of every project now.”

Increasing value, step-by-step

For the initial project phases, the team relied on the ARIS Design Platform tools, including ARIS Business Architect & Designer and ARIS Express. They were able to further extend their capacities by adding ARIS MashZone, ARIS Balanced Scorecard and selected ARIS solutions. “Step-by-step we have increased the level of services we can provide to our internal customers,” said Pravda. They use ARIS Balanced Scorecard, for example, to drill down on strategy and department goals, linking these at a detailed level to each process KPI. In addition, because safety and security are especially important to their business, Pravda’s team also works closely with internal partners in Security, Health Safety and Environment (HSE), Risk Management and IT to shape the ARIS risk and compliance structures as needed.



The process management infrastructure at NET4GAS supports its major business process groups.

“Another important point is that we have the ability now to generate our internal guidelines and standards directly from the processes themselves, so that all the various types of process documentation are in compliance and delivered in a standard way,” said Pravda. One of the next steps for NET4GAS is to begin monitoring its business processes on a continuous basis; for this Pravda’s team plans to move towards Enterprise BPM and use tools for Process Intelligence to ensure managers and process owners have consistent and timely process performance information.

A familiar approach that works

“Using ARIS has brought us back to a standard and transparent process approach, as when NET4GAS was ISO-certified several years ago, something our managers and process owners are quite familiar with,” related Pravda. “ARIS has enabled us to identify dozens of uncertainties in responsibilities and process flows.” Pravda’s team also helped analyze and resolve these uncertainties, an add-on service they provided at the request of the process owners.

“The nice thing is—we don’t have to push our approach. Our process owners and internal customers welcome the insight and really use the tools provided, because this helps them see and analyze the processes and manage performance. As you walk around the workplace, you see the process maps hanging on the office and meeting room walls. It’s really satisfying to know the tools are being actively used and that the approach is welcomed—especially when you consider that this has happened without the major conflicts that can sometimes go along with these types of efforts.”

Operational excellence that goes higher

Furthermore, because all NET4GAS employees can now see all processes on the intranet, this has greatly increased transparency and process awareness as well as improved communications enterprise-wide. “This helps us increase our level of standardization, clarify and adjust responsibilities faster and more easily identify areas for future process improvements,” said Pravda. “With ARIS, we can choose our approach step-by-step, aligning our implementation with the company’s level of process awareness. This has provided the highest value added for our process teams, process management department and the company.”

With the support of ARIS, NET4GAS has created an even stronger foundation—one that it will be able to build on for a long time, noted Pravda. “The reality of our company is that we are able to analyze our processes in a very consistent way and can achieve a much higher level of operational excellence now,” said Pravda. “This enables us to more easily support our business goals to strengthen and prove our transparency, meet our responsibilities and build on a long tradition of trust.”

KEY COMPONENTS

To manage its business challenges and processes, NET4GAS relies on many of the ARIS products and solutions, including:

- ARIS Design Platform, including ARIS Business Architect & Designer, ARIS Express and ARIS IT Architect & Designer
- ARIS Balanced Scorecard (BSC), part of the ARIS Strategy Platform
- ARIS Risk & Compliance Manager
- ARIS MashZone
- HR link – ARIS Interface for HR

ABOUT SOFTWARE AG

Software AG is the global leader in Business Process Excellence. Our 40 years of innovation include the invention of the first high-performance transactional database, Adabas; the first business process analysis platform, ARIS; and the first B2B server and SOA-based integration platform, webMethods.

We offer our customers end-to-end Business Process Management (BPM) solutions delivering low Total-Cost-of-Ownership and high ease of use. Our industry-leading brands, ARIS, webMethods, Adabas, Natural, CentraSite, Terracotta and IDS Scheer Consulting, represent a unique portfolio encompassing: process strategy, design, integration and control; SOA-based integration and data management; process-driven SAP implementation; and strategic process consulting and services.

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