

Success Story

Energy Supplier EWE AG Turns to Open Text for Contract Management Solution

Contract Management lowers the risk of loss, accelerates collaboration through departmental barriers and makes contract terms transparent to the benefit of the company

At EWE, contracts are an important asset. If their overall lifecycle is managed efficiently and effectively, the company is able to reduce costs, minimize the risk of loss, and leverage contract conditions. Since August 2007, a total of 500 employees have been working with the Zentrales Vertragsmanagement EWE (Central

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*Mr Stefan Hitz
Manager of Documentation Systems, EWE*

Contract Management) on the basis of Open Text's contract management solution. The goal to mitigate risk, shorten the processing time, and improve transparency was achieved without any problems.

As a multi-service provider, the EWE Group is engaged in three business areas: energy, networks, and telecommunications with a focus on information technology. For its customers, EWE has developed a unique and integrated range of services. With over 5,000 employees, the company is also an important employer and ranks among the largest companies in the German energy industry. Approximately 1 million electricity customers and 1.2 million natural gas customers rely on a secure and affordable energy supply. EWE has been active within the whole supply chain of natural gas and electricity. The production and storage of natural gas is as much part of EWE's competences as is the efficient operation of its grids. In addition, it began to focus on the production of electricity and thermal energy by means of renewable energy sources in the very early stages and has knowledge in this field that is well recognized by the whole industry. In its central region, Northern Germany, between the rivers Ems and Elbe, EWE ranks among the leading energy service providers. It offers services in Poland and Turkey, for example, and increasingly offers its services both nationally and internationally. In 2008, the EWE Group achieved annual revenue of EUR 5.3 billion.

Integral part of the supply chain

Contracts form the legal basis that protects our business transactions. Regardless of whether rental, sales, or maintenance contracts are involved, every company has to ensure that its contracts are complete, effective, comprehensible, and unalterable in order to protect its business interests and to be able to make the right decisions at the right time. Although this is well-known, many think that this matter is primarily the legal department's business. Even though contracts end up in the legal department at some point, numerous departments are involved in the lifecycle of various contracts. However, even today contracts are not stored centrally but in filing cabinets and isolated applications. And therein lays the problem. Since numerous departments are not only involved in the development of contracts but also in their execution. Each of the relevant contents has to be available throughout the supply chain every time they are needed.

This and the knowledge about the intrinsic value of the own contract basis caused the EWE management to initiate a contract management project. Within this scope, all contract management processes from the creation to the processing to the monitoring and research were to be electronically integrated. Furthermore, the contractual time limits set between the company and important suppliers were to be monitored automatically, the clarity to be improved despite decentralized processing, and the time needed for research and access to be shortened. EWE anticipated the solution to reduce the risk of loss, allow the company to better leverage contract conditions, and provide other cost benefits.

Sector

Energy Industry

Customer



Business Challenges

- Risk of losing contracts
- Missing terms, insufficient use of contract terms
- Considerable amount of time and money needed to search and handle contracts
- Incomplete information basis for contract negotiations

Business Solutions

- Open Text Contract Management
- Open Text Archive Server

Business Benefits

- Complete transparency in all contract management processes
- Higher productivity and lower costs for searching and handling contracts
- Minimizes the risk of loss
- Electronic mapping of the whole contract management, including legal long-term archiving
- Smooth integration into the IT landscape throughout the company, including Microsoft and SAP®
- Basis for the company-wide ECM

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“Contract management is an interdisciplinary process. The added-value potential of consistently using all the information contained in contracts company-wide is enormous. With a contract management solution, process mapping and support is now simple and systematic,” says Stefan Hitz, Manager of Documentation Systems at EWE. “A contract management system on the basis of special IT solutions, however, can only be successful if the solution may be used throughout the company. This means that it has all required functions and also may be integrated into other relevant components of the IT solutions smoothly and without problems. At EWE, these components are Microsoft Office and SAP®.”

Open Text offers the best solution

The range of functions, the scalability, and the integration ability were the three most important requirements for the contract management solution to be integrated. Open Text Contract Management turned out to be the best solution. It took only six months to implement, and did not go over budget. Besides Open Text, several of EWE's teams, such as BTC, the company's service department, were involved in the project. In July 2007, EWE started user training in order to ensure user acceptance right from the beginning. The implementation itself ran smoothly, and the contract management platform ZVME could be transferred to live operation in August 2007.

“Through our Open Text-based electronic contract management system, information can be analyzed prior to contract negotiations, making it easy for anyone to understand how contracts are developed,” says Hitz. All rental, leasing, service, and supplier contracts of the company are stored in the central database together with the meta information such as liability regulations, warranty expirations, and search criteria. Users from all departments are able to access data via the employee portal by using the single-sign-on process. Thanks to the high integration ability of the Open Text solution, emails, Word and Excel documents, as well as PDFs can be copied into the contract register by using the drag-and-drop function. Saved workflows with approval processes and deadline tracking enable the employees within the EWE Group to work together fast, smoothly, and on a cross-departmental basis.

Interlinking the solution with the long-term archive

To date, more than 500 users from four organizational units (EWE AG, EWE NETZ, EWE TEL, BTC AG) have been working with the Open Text solution, which has been integrated with the Open Text Archive Server since 2008. As a result of this, even the last phase of the lifecycle of contracts, the long-term archiving, is mapped.



Sales	Americas	Europe	Asia/Pacific
<p>www.opentext.com sales@opentext.com</p> <p>North America Sales +1 800 499 6544</p> <p>International Sales +1 800 4996 5440</p>	<p>United States 100 Tri-State Int'l Pkwy Lincolnshire, IL 60069</p> <p>Phone: +1 847 267 9330 Fax: +1 847 267 9332 Toll Free: +1 800 538 7723</p>	<p>Germany Technopark 2 Werner-von-Siemens-Ring 20 D-85630 Grasbrunn</p> <p>Phone: +49 89 4629 0 Fax: +49 89 4629 1199</p>	<p>United Kingdom Grosvenor House, Horseshoe Crescent, Beaconsfield Buckinghamshire HP9 1LJ</p> <p>Phone: +44 1494 679700 Fax: +44 1494 679707</p> <p>Australia Level 23 100 Miller Street, North Sydney NSW 2060</p> <p>Phone: +61 2 9026 3400 Fax: +61 2 9026 3455</p>

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