

DBP maximises its assets with IBM®

Overview

■ **Problem**

DBP Transmission (DBP), the owner of the Dampier to Bunbury Natural Gas Pipeline needed a scalable maintenance system to ensure that all DBP assets were managed efficiently and effectively. It also needed a tool that would help the company better manage safety, technical and regulatory compliance requirements. The vast geographical area the company operates over added complexity to its asset management challenges, with the potential for excessive costs associated with maintaining the pipeline and its equipment. Accurate inventory and purchasing management was required to reduce expenditure caused by shipping unsuitable materials and having sub-optimal inventory holdings.

Ultimately, DBP were looking for a solution that would enable condition-based maintenance techniques and proactive maintenance management, leading to reliability centred maintenance process implementation and ongoing improvement through data analysis and forecasting.



■ **Solution**

Following a review of its computerised maintenance and management system, DBP decided to move to IBM Maximo® Asset Management together with comprehensive integration with SAP. This would allow the company to align its operational maintenance strategy with its business direction.

■ **Benefits**

The implementation of IBM Maximo Asset Management has automated many processes and has been able to better link spare parts to assets, significantly reducing expenditure

in this area. The integration with SAP and other systems has reduced the duplication of data entry, and DBP expects to realise more benefits in the year ahead as its data engineering program is complete. The improved data consistency and accuracy is helping DBP to optimise its asset base and to plan more efficient maintenance strategies. These include productivity gains, reduced inventory management costs and optimisation of equipment still covered under warranty agreements.

About DBP

DBP Transmission (DBP) owns and operates the longest and largest capacity natural gas pipeline in Australia. The company's natural gas pipeline supplies natural gas to industrial, commercial and residential customers throughout Perth and other major regional centres along the pipeline route. DBP plays a pivotal role in the Western Australia economy.

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– Hugo Kuhn, Manager Engineering and Operational Projects, DBP.

Asset Management Challenges

DBP conducted an asset management review which identified that existing processes and systems were exposing the business to risk and creating unnecessary expenditure. The existing software was not able to automatically interface to other systems such as planning, maintenance, purchasing and financials, resulting in the duplication of data entry.

The geographically remote and distributed nature of DBP operations added to the challenges for asset management. Linking available and accurate spare part information to equipment was identified as an area for improvement, as remote technicians would often spend excessive amounts of time trying to determine what was required for maintenance and repairs and end up ordering parts unnecessarily or have unwarranted spare parts on hand. This resulted in unnecessary transportation and returned materials.

“With people in the field over an area of 1500km in the outback, we needed to find a better way of controlling what equipment was used and accurately capture hours and costs associated with projects and maintenance,” said Hugo Kuhn, Manager Engineering and Operational Projects, DBP.

Following the asset management review, DBP conducted a comprehensive review of the various solutions on the market. As a result of this process, DBP decided that a specialised, best-of-breed product best met its business requirements and elected to upgrade to IBM Maximo Asset Management V6.2 and take advantage of new integration capabilities with its SAP system to improve asset management and better align with other IT and business processes. DBP was using an older version of IBM Maximo that did not include the full range of functionality that the newer version offered, but given the significant advancements made in the software, the project could not be classed as a simple technical upgrade, but rather was a full lifecycle project with a strong focus on data quality and process reengineering. The project has involved significant change management and has resulted in a transformation of many business processes.

The project involved software and services from IBM Global Business Services. In order to ensure the system met the operational needs of the business, management also seconded staff from throughout the business to the project team, a substantial commitment for the organisation.

The initial project phase started in April 2008 and was completed three weeks ahead of schedule in December 2008. A second phase delivering additional workflow functionalities, full SAP integration, Supervisory Control and Data Acquisition (SCADA) integration for condition monitoring and expansion project data migration was completed in July 2009.

Changing to a dynamic organisation

The benefits from the implementation are yet to be fully realised with data engineering still in progress throughout 2009 and 2010. However, according to Kuhn, DBP is on track to realise the planned benefits. "We now have the system in place to start enhancing our processes and expect that within three years we will have fully realised the cost of the system," said Kuhn. "Already we are seeing much greater discipline in how tasks are completed and the more accurate capturing of time and costs for projects, which is greatly enhancing our ability to report on project expenditure and system maintenance."

Substantial cost savings are expected from the ability to link spare parts to specific assets and equipment in IBM Maximo. DBP is looking forward to a reduction of part inventory levels, as well as more effective use of staff time as information is automatically shared with SAP, not manually entered by purchasing staff. DBP are also anticipating reduced transportation costs, and avoiding returned materials due to incorrect supply.

DBP are now able to reduce the potential for over-servicing of assets, and direct the limited maintenance resources to critical equipment and activities, as the pipeline expands. Savings due to proper history management and pro-active re-engineering are now possible, with an expected saving on corrective maintenance. IBM Maximo is now the core enterprise maintenance solution including all aspects of asset maintenance, procurement, planning, and inventory management.

A big challenge for DBP was change management. As Kuhn says, "Culture change for 200 people working in the bush doesn't happen overnight. We had a lot of operational input in the project to ensure we were creating processes and procedures that would be workable for field staff, yet still provide the discipline and control the business needed."

So significant are the business management implications of the IBM Maximo implementation that DBP's Executive Chairman spoke about the project in his presentation for the 25 year anniversary of DBP. "IBM Maximo and the solution expertise from IBM Global Business Services has transformed DBP from an old, manual company to a new regime that allows for streamlined asset management processes and enables us to better respond to specific business challenges," concluded Kuhn.

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– Hugo Kuhn, Manager Engineering and Operational Projects, DBP.

For more information

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