

# KyungDong City Gas Improves Efficiency by Consolidating on Integrated ERP System



KyungDong City Gas  
Seoul, Korea  
www.kdgas.co.kr

## Industry:

Utilities

## Annual Revenue:

US\$450 million

## Employees:

250

## Oracle Products & Services:

Oracle E-Business Suite  
Oracle Financials  
Oracle Purchasing  
Oracle Inventory  
Oracle Project Costing  
Oracle Sales  
Oracle Enterprise Asset Management

*“Implementing Oracle E-Business Suite has helped us streamline operations and improve efficiency. We also have easier access to accurate, up-to-date information so we can make faster, better informed decisions that boost our competitiveness.” – Han Gyun Kim, Head of Management Innovation TFT, KyungDong City Gas*

Established in 1977, KyungDong City Gas is one of the top five gas providers in Korea and the only utility provider in Ulsan, a metropolitan city in the southeast of South Korea. In 2005, the company’s annual sales exceeded KRW 450 billion.

The Korean gas market has undergone dramatic changes in the past decade, including a restructure of the industry in response to international environmental agreements. A sharp reduction in industrial demand for gas added further pressure on the 32 providers in the country.

To boost its competitive edge, KyungDong City Gas replaced its disparate management information system with a single, integrated enterprise resource planning (ERP) system based on Oracle E-Business Suite.

The move to Oracle helped the company re-engineer business processes and increase efficiency. By integrating the Oracle platform with other systems, KyungDong City Gas gained an enterprise-wide view of its operations and improved overall business control. In addition, easier access to information has given senior managers a better understanding of market trends, enabling them to make informed decisions.

## Integrated System Improves Business Understanding

KyungDong City Gas was using a management information system that did not provide an integrated view of its business. Information was held in different databases, making it difficult for staff to share data. The company was also keen to increase productivity by introducing more efficient processes, and boost business intelligence by providing senior managers with the tools to conduct high-level analysis.

**Key Benefits:**

- Enhanced access to enterprise-wide data by implementing an integrated information management system
- Improved efficiency by standardizing business processes according to best-practice guidelines
- Facilitated informed decision-making by giving managers access to accurate, current data
- Eased maintenance by replacing disparate systems with single platform

The new Oracle system is linked to KyungDong City Gas' geographic information system (GIS) and executive information system (EIS), ensuring the company can analyze data from across its business.

Business information is now collected and stored in a single repository. By introducing a single entry point and eliminating the need for repetitive data input, the company improved information accuracy and currency.

Authorized staff can access and view data at any time, and senior managers can conduct analysis of procurement, inventory, sales, project costs, profitability, and more. Better insight into performance and market trends has helped managers make faster, smarter decisions that enhance competitiveness.

**Standardized Processes Boost Productivity**

KyungDong City Gas adopted best-practice guidelines for standardizing business processes included as part of Oracle E-Business Suite. The company experienced significant improvements in efficiency as a result of streamlining workflows and eliminating redundant processes.

Staff also has a clearer idea of their roles and responsibilities within the new environment. Combined with better cooperation between departments, KyungDong City Gas expects the improved performance of individual employees to contribute to the overall productivity of the company.

**Single ERP System Eases Maintenance Workload**

Migrating to a single, integrated business management platform has eased the maintenance workload on the IT team. In the past, technical staff had to maintain a wide range of systems, which interfered with their ability to complete higher-value work. Because information is now held in a single database, there is no need for IT staff to undertake data cleansing, freeing them to concentrate on other tasks.

**Why Oracle?**

The cost and complexity of managing disparate systems prompted KyungDong City Gas to search for a replacement that was easy and cost-effective to maintain, while still providing the comprehensive features needed to oversee its business. Oracle E-Business Suite proved the best fit for its operations.

“Of all the ERP solutions we evaluated, only Oracle E-Business Suite could provide the functionality needed to manage complicated workflows typical of the gas industry,” said Han Kyun Kim, head of Management Innovation TFT at KyungDong City Gas. “The solution’s open interfaces meant it was easy to integrate it with our existing systems. This is important because it gives us the flexibility to draw information from all parts of our business into a single database for analysis and reporting.”

### **Implementation Process**

Before beginning deployment, KyungDong City Gas undertook an in-depth analysis of its business processes, systems, and organizational goals. This analysis informed the design and development of the new Oracle platform, ensuring it would deliver the information and efficiency gains the company was looking for.

KyungDong City Gas began implementing Oracle E-Business Suite in September 2005 and went live with the system in June 2006.

*KyungDong City Gas is one of the top five gas providers in Korea and the number one utility in Seoul. The company’s sales revenue exceeded KRW 450 billion in 2005.*