



**COGON**  
FINANCE SOLUTIONS



PERFECTION IN DETAIL.

**SUCCESS STORY**

**E.ON IT**

## E.ON IT

BY USING A CENTRAL PAYMENT SOLUTION ON THE BASIS OF EBSEC<sup>®</sup>, E.ON IT OPTIMIZES PAYMENT PROCESSES AND COMMUNICATION WITH BANKS FOR E.ON GROUP ACROSS BORDERS.

### Company

E.ON IT GmbH is the IT unit of E.ON AG, one of the world's largest private power and gas company. E.ON IT controls all IT matters of the E.ON Group and employs more than 2800 people. The organization is headquartered in Hanover and, across Europe, is present in Bulgaria, the United Kingdom, Italy, the Netherlands, Romania, Sweden, Slovakia, the Czech Republic and Hungary.

### Initial Situation: Complex processes and a decentral, mixed system landscape

With the growth of the company, complexity of payments at E.ON increased as well. For example, up to 7 million direct debits have to be collected from customers per month, these were then processed in 40 individual, often bank-specific system landscapes. In addition to mass payments, intercompany payments also play an important part. Execution of all the payment matters was previously performed using numerous different isolated solutions. This resulted in long processing times and high operating costs.

*"EBsec<sup>®</sup> uncovered significant synergy potentials: on the one hand by reducing operating costs in the scope of bank communication, on the other hand by automating and standardizing business processes. In addition, EBsec<sup>®</sup> can be enhanced with additional functionalities and is ideally equipped to support future requirements of E.ON IT. "*

Jens Reipsch  
Head of Treasury & Risk Management Solutions  
E.ON IT

## Objective: Centralized data processing and standardized processes

A fundamental redesign of all payment systems in the group was the focus, both to optimize execution of mass payments with customers and intercompany payments on the basis of one central payment platform. Processing of payments was to be performed in the same way for all connected units and communication to all connected banks was to be ensured.

One priority was the increase of transparency. Systematic standardization and optimization of the entire payment platform was to make execution more concise, and, by automating recurring workflows, more efficient. The central platform also was to ensure quick processing of the high volumes of payment orders and of course offer the necessary data security for every E.ON company. Client capabilities and a multi-level authorization concept were a must.

In addition, the new system should be based on new technologies and support migration from FTAM to EBICS and the upcoming SEPA migration.

## Result: Group-wide standardized payment processes on the basis of EBsec®

An extensive market and product evaluation was performed on the basis of requirements defined in a catalog. The choice was made in favor of the payment solution EBsec® in a corresponding selection process because of its outstanding features and the fact that it covers most requirements for a payment solution. After the team, both users and IT specialists, was convinced of the benefits of the system solution in a one-month trial, the necessary details for implementation and roll out were worked out together with cogn and the required activities were started immediately. Shortly, the implementation in the production environment and gradual connection of E.ON companies to the central platform on the basis of EBsec® could be performed.

Based on the system's modern architecture and outstanding performance, processing of high data volumes for mass payments is ensured just as separate data management for the different entities. The primary objectives – significant increase in efficiency, high transparency of processes and central data management – were achieved without restrictions. The flexible authorization concept allows the efficient control of all payments of all integrated E.ON organizations and at the same time ensures required transparency for the individual entities. The modern architecture with its flexible connection options could significantly optimized the execution of mass payments despite the numerous ERP systems used in the group. Secure transfer of payment order data from feeder systems. Automatic preparation and processing in EBsec® and event or time-controlled processes, such as notification functions in case of errors or specific events, allow automation of recurring steps and lead to a lower error rate. These optimizations reduced processing time of payments by 90%.

The consolidated execution of payments for all integrated entities, incl. intercompany payments, allows a central payment platform with mostly fully-automated workflows for all relevant payment processes in the connected E.ON organizations and with the connected banks. For intercompany payments, the connection to a specific in-house banking system was created.

After a short period, significant cost and efficiency advantages were realized. Another benefit is the possible connection to the existing infrastructure and existing interfaces which limited the effort for implementation and ensured a smooth start of the application.

The solution is continuously advanced: the connection of all E.ON organizations in Germany is scheduled until the end of 2011, in order to the connect the European locations such as Italy, Hungary, the Czech Republic, etc. At the same time, the scope of functions will be successively advanced, e.g., for the execution of cross-border payments on the basis of SEPA or local formats.

## Your Partner for Innovation: cogon

The cogon GmbH is one of the leading software providers of financial solutions. With a clear focus on the optimization and professionalization of the entire financial process chain we have been creating tangible added values for our customers for more than 10 years. A holistic approach is central to our products and services – from the development of innovative software solutions to banking and technical consultancy. Renowned customers from all industry sectors benefit from our comprehensive IT services that are based on the extensive know-how of our development, consultancy and project teams.

The success and the innovative strength of cogon are based on the expertise of our employees which positively influences the consistent further development of our solutions – a guarantee for best practices and highest quality. As we develop the solutions

ourselves, customers can rely on our know-how for an optimal project implementation, a professional support service and consultancy throughout the entire project. Flexibility due to a modular and extendable service offer, fast and seamless integration in existing system landscapes, pioneering technologies – this is what makes our solutions stand out in the market. With this we have not only convinced our customers, but also independent expert committees. Several awards confirm the innovative quality of our solutions.

Our products are always developed on the basis of up-to-date standard technologies so that our customers benefit from numerous advantages. You obtain highly efficient tools that are easy to use and put into operation quickly. Moreover, maintainability and scalability are positively influenced.

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