



“We’re at a point in time in the propane industry where technology is starting to become a bigger investment for us and our competitors.”

— Jerry Sheridan, President and CEO, AmeriGas Propane

Driven by data: How a focus on customer service is creating an industry leader.

CEO Jerry Sheridan has focused AmeriGas on customer service excellence in order to win in the competitive propane industry. But with 8,500 employees and an outdated ERP system, how could AmeriGas Propane create a seamless experience for each one of its more than two million customers?

Propane is a highly fragmented industry with more than 3,000 independent marketers in the United States alone. In this landscape, AmeriGas has relied on an aggressive acquisition strategy to become the nation’s largest propane company, with more than 750 retail outlets in all 50 states.

For much of its history, AmeriGas was able to successfully integrate customer data from acquisitions into its existing systems. But in an increasingly mobile, online world marked by rising customer expectations for readily available information, the company’s promise of being “reliable, safe, and responsive” became harder and harder to fulfill with its legacy systems. To stay competitive, AmeriGas had to be faster. It needed real-time information, which wasn’t possible with its outdated overnight batch processing systems.

For Sheridan, the writing was on the wall: “We knew that we had to take the company to the next technological level because we saw the industry was changing. Our legacy system was 25 years old—it was time.”

Focusing on Customer Service

The AmeriGas senior team was specifically charged with selecting and implementing an ERP system.

With customer service a top priority, Sheridan and his team selected SAP. He knew that SAP—when implemented—could help connect all AmeriGas employees with the real-time information they needed to provide quick responses to customer requests. To that end, AmeriGas embarked on Project Foundation, a company-wide effort to effectively implement SAP and integrate the company’s systems across three areas:

- Order-to-cash processes
- Service management
- Business intelligence

AmeriGas relied on Deloitte’s implementation knowledge to make sure its SAP system effectively facilitated the rapid flow of information that was critical for a company determined to lead the industry.

“AmeriGas is a company that just cannot operate with anything less than a world-class system that was going to be real-time sharing information among retail stores and our national call center,” says Sheridan.

Impacts from transformation:

- Access to real-time information
- Greater pricing sophistication
- Stronger customer service

Creating a Propane Industry Pioneer

Over the course of the multi-year Project Foundation initiative, AmeriGas and Deloitte reshaped the company into one of the most technologically savvy organizations in the industry. Project Foundation highlights include:

- **Real-time data sharing**
Retail, delivery, and call center employees can access up-to-the-minute information to more effectively serve customers.
- **24/7 online bill payment**
SAP's biller direct Web application reduces processing costs while providing customers with an easily accessible Web portal to manage their AmeriGas transactions.
- **Sophisticated pricing**
SAP allows AmeriGas to better segment the customer base and create unique attractive offers.
- **Mobile upload capabilities**
AmeriGas delivery drivers will soon be outfitted with tablets in order to execute deliveries and then upload data at the end of each day, saving the company thousands of hours of paperwork each day.

And in the midst of Project Foundation, AmeriGas acquired another propane industry giant, Heritage Propane—a purchase that put the team's SAP implementation to the test.

Acquiring Heritage Propane meant AmeriGas would go from selling roughly 800 million gallons of propane to selling approximately 1.3 billion gallons each year. Adding 60% more business wasn't the only significant addition related to the acquisition: Heritage also had nine disparate legacy systems and operated under more than 150 different brand names.

This was new ground for AmeriGas. They'd never retained separate brands after an acquisition. Sheridan and his team knew that keeping select Heritage brands would maintain Heritage's brand recognition and minimize customer turnover; however, they hadn't designed SAP to handle multiple brands. In working with Deloitte, AmeriGas had the confidence that the team was able to configure SAP to support multiple brands and provide a platform to bolster the Heritage acquisition and future acquisitions. AmeriGas extended the Project Foundation team and effectively:

- **Implemented a company-wide template** that integrated more than 200 locations and more than half a million customers to its existing SAP system
- **Migrated data** from nine different Heritage Propane legacy systems
- **Created a flexible branding template** that allowed AmeriGas to leverage the name recognition of more than 50 brands

SAP and Project Foundation have helped AmeriGas evolve itself into a new kind of industry leader—one that leverages information to not only improve its business processes, but also drive innovative customer service. It's a transformation that the company knows will have far-reaching effects.

"SAP will help us create a greater online experience for our customers and provide a new level of management information to keep improving performance. This implementation was a major milestone for the company and an investment that the next generation of management after us will be very thankful that we put it in place," says Sheridan.

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“The quality of the team and the fact that Deloitte knew us so well meant that it was just plug-and-play—we were able to put the band back together and make it happen.”

— Jerry Sheridan, President and CEO,
AmeriGas Propane

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