



Our Digital Transformation enables us to become more efficient in operations. Photograph of Trecsa employees



**Think digital**

24. Digital Transformation™



# Digital Transformation

**Our aim is to integrate new technologies in all areas of the Group and its affiliates in order to optimize processes, become more efficient, enhance service quality and reduce costs.**

## Why is it important?

In order to be more competitive and aligned with international trends, we began to implement a Digital Transformation process, involving an organizational change in which the people, the processes and the Business Model understand that technology is a tool to create value for employees and stakeholders. Our Digital Transformation aims to integrate new technologies in all areas of the Group and its affiliates in order to optimize processes, become more efficient, enhance service quality and reduce costs.

In our *2017 Sustainability Report* we highlighted the consolidation of GEB as a conglomerate of energy companies, and our role as connectors. In 2018 we highlighted Change Management, which drives our transformation. And in 2019 we promote Digital Transformation as a tool to leverage our growth.

In order to carry out this process in our Group, it is essential that all employees develop the capacity to learn, to adapt to change, to manage and to analyze, in order to ensure its adequate implementation.

We started out our Digital Transformation by restructuring our processes in order to simply and standardize them, as follows:

- **Diagnosis of the current situation** It consisted in reviewing GEB's current processes and organizational structure, and comparing them to those required according to the guidelines defined in the Corporate Strategic Plan (CSP).
- **Alignment with the strategy** An operating model was designed based on the required processes and organizational structure, both for the corporate offices and the Transmission business, which had already been split off from the corporate area.
- **Plan to close gaps** The gap-closing stage consisted in identifying the initiatives required in order to bring the Group's current processes and organizational structure to the desired level, in order to fulfill the goals set out in the CSP.

As a result, in 2019 the CSP defined the objective of leading GEB towards a Digital Transformation. This was instrumented through a program we call NIDO, which groups together seven projects that cover all the requirements and which is executed by the Information Technology (IT) area.

We have addressed the transformation processes of the various businesses in order to standardize them and ensure that the Group has structured information available to facilitate consolidation and decision-making.

These actions led to restructuring the Technology Department's Work Model two years ago, in order to provide support for solutions that are favorable for the company and that have an impact throughout the technology platform with new equipment and services.



Launch of the SAP Ariba tool to enhance relations with our suppliers

## How we manage it

The Project Management (PMO), Information Technology and Talent Management areas have jointly taken the lead in GEB's technological development through a common project performance and assistance framework, through seven major projects:

- **SAP S4 HANA** This is the Group's main management technological platform and the largest of the seven NIDO projects. It manages all GEB financial and accounting data based on a single centralized account plan, currency information, financial consolidation and cost accounting for the Group and its affiliates. It also enables reporting on the maintenance of each of the organization's assets and of each of the affiliates. In Colombia we integrated the Success Factors talent management system into the platform.
- **SAP Ariba** This tool focuses on smart and strategic Sourcing management. It enables controlling the supply of goods and services, identifying the buyers, creating synergies with other companies to share experiences and perform collaborative activities. It also enables more efficient contracting processes, thereby improving our relationships with suppliers and creating a teamwork environment within the company. Lastly, this tool strengthens GEB's Sourcing Model, which is one of the Group's six operating models.

**Information is one of GEB's most important assets. The Digital Transformation has enabled us to streamline, standardize and manage the information for decision-making.**



- **SAP Concur** This travel management system facilitates the mobility of our employees who travel to the various regions of the country in which we operate (travel management).
- **Geographic Information System (SIG)** This is a tool under development, led by the Transmission Branch's Sustainability Department, which will help materialize Social Awareness by systematizing economic, environmental and social information on the territories, to assist in decision-making and provide guidance to Shared Value proposals and for GEB energy transmission projects. It will enable geo-referencing key locations (such as rights of way), energy infrastructure and properties in order to provide better service.
- **Documentation Management** In 2019, we performed a diagnosis to determine the companies' status in this area and to identify best practices. TGI and Contugas displayed the most outstanding practices. Based on the diagnosis results, in 2020 we will launch a project to digitize information in a more structured and organized manner and thus avoid reprocessing and duplicating the same information in several areas, which will translate into lower costs.

Through this project we aim to go beyond simply filing documents, in order to enable, in a cross-cutting manner, all areas to generate reports in accordance with each user's access profile. Documentation Management goes hand-in-hand with Information Governance, as it determines which applications have access to master files, and which applications can take information derived from it.

- **Information security and cybersecurity** This model aims to identify, protect and detect the company's information assets, as well as respond to information security incidents and protect the company against cyber-attacks.
- **Full outsourcing** It is an IT management model that enables decision-making and assigns associated responsibilities, and ensures collaboration between the business lines and the Information Technology area.

Our organization also has a Mega tool, and even though it is not included in the NIDO program, it is part of the Digital Transformation, because it enables decision-making by the Corporate Group to integrate digital technologies, automate and transform processes.



## RESULTS

- We contracted a consulting firm to implement the SAP S4 HANA platform, which enables structuring all activities related primarily to finance. This involved reaching an agreement with the legal areas of four affiliates, two in Colombia and two in Peru, as part of an objective that had been defined in 2016.
- We launched SAP Ariba for Sourcing, a solution that has enabled us to standardize processes and improve response times with suppliers. This tool was 100% implemented in 2019.
- We strengthened our process-focused approach in line with the strategy and corporate governance.
- We managed to transform the technological tool, which has made it possible to change the mentality of the teams and employees with a high level of mobility, because we move around a lot and we need information anywhere at any time.

## CHALLENGES

- We will establish centralized Information Governance to unify the documentation of the Group and its affiliates.
- We will continue to standardized the process-based approach at all GEB affiliates.

**GEB's NIDO program consists of seven projects.**

**Digital Transformation requires all employees to develop the capacity to learn, to adapt to change, and to manage and analyze processes.**

The core of our operation is the control center, where we monitor our transmission lines



Our substations have state of the art technology that enhanced service quality