

Reinventing work management to build customer satisfaction and productivity

As utilities look for ways to improve the basics in energy delivery, one area that's ripe for reinvention is work management, the vital planning and scheduling function that connects engineering and design with field force execution. At many utilities, for example, schedule adherence remains poor, which raises costs and lowers customer satisfaction.

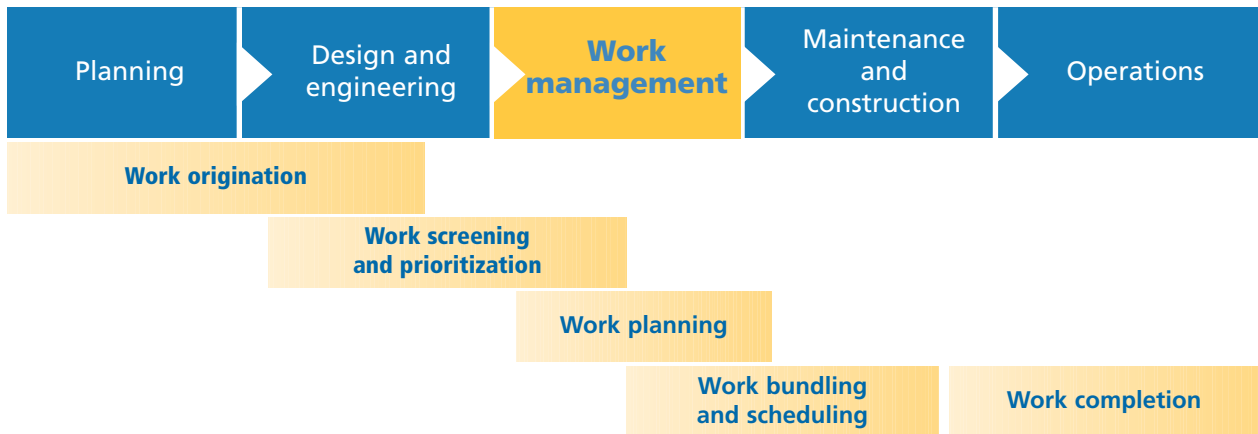
We have found that many companies are experiencing one or more of the following:

Symptoms of poor work management

Missed customer commitments	<ul style="list-style-type: none"> • Jobs not completed on schedule • Crews not present when expected by customer or developer
Productivity losses	<ul style="list-style-type: none"> • Crews waiting at job sites because switching not complete; material or equipment not there when needed • Construction rescheduled because job sites not ready • Work started, then stopped; resources shifted to other jobs • Distribution and substation schedules not coordinated, requiring multiple job site visits or planned outages
Lack of trust among work groups	<ul style="list-style-type: none"> • Overlaps and tension between planners and supervisors • Perceived need to check another person's work

The time has come for utilities to question existing approaches and take a fresh look at practices from other industries. It's time to reinvent work management.

Work management is a critical connection in the work flow...



Goal: Increase fulfillment of customer commitments, scheduling efficiency, and worker productivity

... but significant challenges make it difficult to do well.

Specific work management challenges			
Work issues	Complexity, volume, and variety of work	Emergent work, storms, and outages	Disagreements on priorities
Information issues	Inaccurate information (e.g., "customer need dates")	Data overload	Lack of contingency plans
Process issues	"One size fits all" process design	Complex and cumbersome processes	Low standardization or consistency across regions
Cultural issues	Low trust between planners and supervisors	Short, 1-day to 3-day planning horizon	"Firefighting" mentality (planning is boring)

Oliver Wyman's approach

In our experience, addressing the root causes of these issues can yield significant gains of 10% or more in customer satisfaction, productivity, and cost savings. Our assignments leverage utility best practices to take work management to the next level in several areas:

Ensure that the right work gets scheduled



Better prioritization of work

- Understand or clarify customer's/developer's relative priorities and expectations
 - Speed
 - Certainty of schedule
- Train employees to negotiate customer expectations and schedules based on work priority and resource availability
- Redesign priority-setting processes (e.g., construction schedule meetings) by improving:
 - Participation (departments, individuals)
 - Decision-making processes

Better meet customer commitments, increase lead times, and reduce schedule changes



Improving schedule adherence and performance

- Recalibrate "scheduled" resource levels to create slack (crews easily redeployed for emergent work) based on historical patterns and forecasts
- Build contingency plans into regular work plans and schedules
 - Redefine work that can be "inventoried"
 - Distinguish work that must be fully planned from work that supervisors or crews can schedule and execute themselves
- Set guidelines for managing emergent work—e.g., restoration vs. repair, scope creep on work orders
- Consider incentives and penalties tied to accuracy of developers' information

Re-prioritize and reschedule work, and communicate changes to customers



Enhancing recovery from schedule slippage

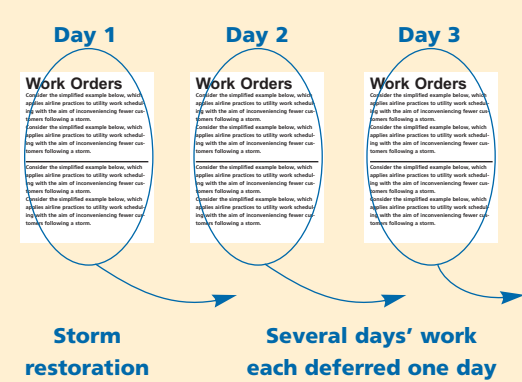
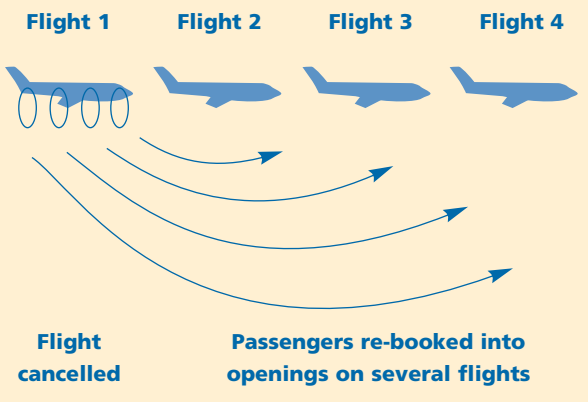
- Establish priority-setting guidelines for rescheduling work
 - Segmenting customers—e.g., big vs. small developers, homeowners
 - Handling work involving planned outages
 - Responding to people who had projects delayed by prior storms
- Turn schedule recovery into a normal, planned event rather than a "firefighting" activity, not just for big storms but for smaller disruptions as well
 - Establish formal schedule recovery processes to reschedule work and communicate with customers
 - Assign schedule recovery roles (local, regional, or companywide)

Lessons from other industries

It pays to look outside the utility sector for best practices that can be applied to work management in energy delivery.

Consider the simplified example below, which applies airline practices to utility work scheduling with the aim of inconveniencing fewer customers following a storm.

Schedule recovery following storm or weather disruption

<p>Utility practice</p> <ul style="list-style-type: none"> • Storm hits on Day 1, and restoration efforts displace scheduled work • Work schedules are shifted successively back one day, disrupting customers' schedules for the next several days • Local area work planners reschedule work • Local crews perform work; crews from other regions help with restoration, but typically not with schedule recovery 	 <p style="text-align: center;"> Day 1 Day 2 Day 3 </p> <p style="text-align: center;"> Storm restoration Several days' work each deferred one day </p>
<p>Aviation practice</p> <ul style="list-style-type: none"> • Flight 1 is cancelled • Passengers from Flight 1 are moved into open seats on later flights • Schedules of people already booked on later flights remain the same and are not disrupted • Airline personnel apply pre-set priorities (e.g., frequent flyer status) for who goes on flight 2, 3, etc. • Customers are re-booked locally and through a centralized national center 	 <p style="text-align: center;"> Flight 1 Flight 2 Flight 3 Flight 4 </p> <p style="text-align: center;"> Flight cancelled Passengers re-booked into openings on several flights </p>

Questions for managers

- Are we satisfied with current work management and scheduling performance?
- What are the greatest opportunities to improve performance, customer service, or cost?
- Which practices from other companies or industries should be considered?
- How should these practices be tailored to fit our company's needs, work environment, and culture?
- How do we expect customer satisfaction to be affected?

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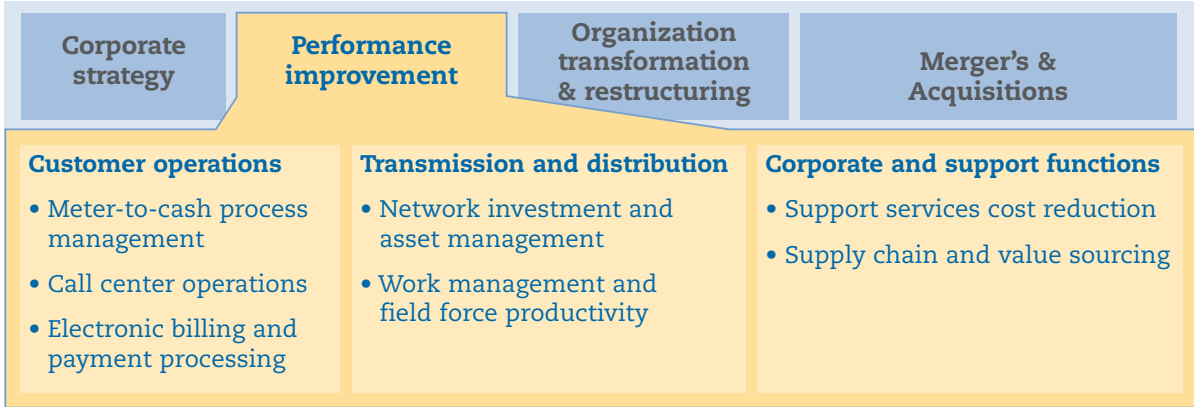
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