

Ausgrid Learning & Development

A cost neutral 'train the trainer' story



Ausgrid, a State Owned Corporation, has been providing power for 100 years and their network currently provides power to 1.6 million homes and businesses in New South Wales.

ANALYSIS

Renoir carried out a three week analysis, identifying opportunities including:

- > 50% of Trainer time was not spent on face-to-face training, and up to 55% of classes were taught by external contractors
- > 25% of available classroom seats were being left empty
- Additional opportunities to gain savings from management of suppliers

PROJECT APPROACH

The Project focused on maximising the Learning and Development Branch's overall utilisation by ensuring that appropriate resource levels, skills and standards of quality and cost were met. The scope included ensuring the Centre's classes and classrooms were optimally attended and utilised.

In order to deliver \$4M dollars of annualised benefits, and be cost neutral by the end of the financial year, six areas of focus were identified.

Management Control System

A lack of visibility of planning and performance was evident. Introduction of structured meetings, appropriate KPIs and clearly defined processes allowed management at all levels to understand, interpret and take action, based on performance, in a timely fashion.

- Appropriate resource levels were established, ensuring secondees were not used when capacity was available in-house
- Improved information flow, up and down the chain of command, addressing concerns of staff

Trainer Utilisation

An unclear and volatile demand profile reduced the course capacity of training staff. A customised scheduling tool was developed and introduced, smoothing demand profile. Qualified trainers are now providing training traditionally completed by different sections.

- Dependency on seconded trainers reduced
- Utilisation of trainers increased
- **\$2.2M annualised benefits**

Resource Efficiencies

Classes run with empty seats require additional classes to train the required number of people. Minimum levels were revised, and an existing process, requiring Superintendent approval for lower class sizes (in cases of exceptional business need) was reinforced.

- Fewer classes run with below minimum attendance

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"The Project has been remarkably successful in driving sustainable cultural change and embedding continuous commercial improvement. Staff were engaged in the process and they understood the vision from the outset"

Maree Slater
Executive General
Manager, HR

Key Results

Increase in Trainer
Utilisation of 22%

Cost reduction of \$4.6M

Accurate visibility of
branch performance

Reduced reliance on contractors

- More effective use of resources (people trained per class)
- **\$910k annualised savings**

Contractor Use

Contractors are used to deliver training due to resource constraints and specialist skill sets. Improved utilisation of both trainers and classes, as well as visibility of business performance, allowed data based decisions to be made. A skills matrix was updated to provide full visibility of existing capabilities and requirements for up skilling.

- Contracted training returned in-house
- **\$1.2M annualised savings**

Facility Marketing

Training and classroom requirements are not constant, leaving periods when the Ausgrid Learning Centre is substantially underutilised. A targeted marketing campaign focused on realising income from external sources during periods of lower internal demand.

- Transactional website and direct marketing campaigns developed
- External revenue from Centre hire realised and repeat customers acquired.

Procurement

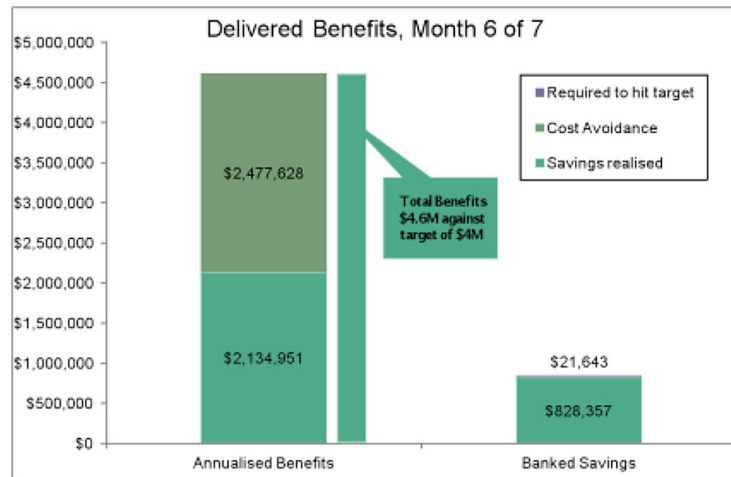
Opportunities were identified in the procurement area, with a comprehensive review of competitiveness of supplier offerings being undertaken. Two calls for tender were initiated.

- Supplier cost reduced by up to 70%
- **\$354k annualised savings**

PROJECT RESULTS

In addition to delivering sustainable annualised savings of \$4.6M, the Project delivered notable intrinsic benefits.

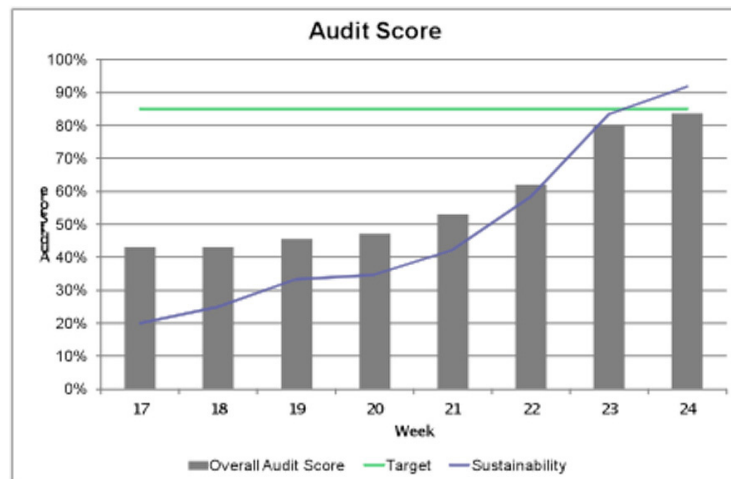
- A more commercial approach to operations has been introduced without losing sight of Safety and Quality, benefitting the organisation at large, as well as the L&D branch
- Communication between groups and throughout the organisation has improved as a result of the elements in the Management Control System (MCS)
- The MCS and integrated scheduling have led to workforce flexibility and cross utilisation of trainers across traditional boundaries
- The project has fostered innovative thinking. Trainers have come forward with suggestions to change processes for cost savings, managing suppliers to reduce costs and identifying courses that could be considered for repatriation



Sustainability

In order to ensure that benefits are sustained and a culture of continuous improvement becomes embedded, a Sustainability Audit was conducted both during and after the Project closed.

This Audit tracks the stages of ownership of solutions, from basic compliance though to full establishment, or 'business as usual'.



THE RENOIR GROUP

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