

Tenaga Nasional Distribution

Discipline for achievement

This project followed the successful engagement carried out in Tenaga Transmission. Tenaga Nasional, the largest company in Malaysia, had recorded losses and its image was tarnished because of supply reliability problems and inefficiencies in customer management. Not long after this project and with financial improvements flowing from the earlier Transmission project, Tenaga achieved record profitability.

ANALYSIS

Renoir carried out an Analysis that identified the following issues:

- Breakdowns: The supply network and maintenance systems were not adequate to provide satisfactory levels of supply reliability.
- Project Work In Progress: There were too many concurrent infrastructure projects.
- Debtors: There was a substantial debtor problem.
- Non-Technical Losses: A substantial amount of money was being lost from theft and faulty meter readings.
- Lack of relevant information: Affected decision making, particularly at middle management level.
- A lack of accountability/ownership: particularly at supervisory level.

PROJECT

Following a one week, off-site, task force training programme, the project team, comprising 8 Renoir staff and 30 Tenaga task force employees, set about tackling these issues, having committed to the following targets:

Network Services:

- 25% Reduction in breakdowns.
- 15% Reduction in WIP.

Customer Services:

- 15% Reduction in non-technical losses
- 15% Reduction in debtors

The Renoir methodology helped Tenaga achieve considerable operational and financial benefits and played its part in helping Tenaga reach record profits. With direct financial benefits from the project of £15m and an ROI of nearly 7:1, the project was acknowledged as a resounding success.

As well as the considerable tangible benefits that were achieved, the culture had changed towards a results orientated, performance driven workforce. A total of 60 Tenaga employees had been seconded to the project team, learning first hand, from Renoir consultants, the methodology of defining and developing systems and processes to achieve tangible and sustainable results. These employees now form the core of the new Strategic Unit of Tenaga Nasional (Distribution).

According to one Tenaga veteran, "The culture of TNBD staff is evolving to become results focused, performance indicator driven, and action orientated. Wherever you go within TNBD people are talking about their KPI's, their targets, their Management Control Systems (MCS) and their Action logs. This is a new TNBD."

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"I like the 'discipline' that the systems and processes that you (Renoir) have put in place has achieved. People now know exactly what it is they have to achieve, and how they should go about achieving this."

Yazid Adon
General Manager,
Customer Services

Key Results

Network Services

15% to 25% reduction in breakdowns

30% to 50% Reduction in WIP/ outstanding projects

Customer Services

30% to 60% reduction in non-technical losses

10% to 20% reduction in debtors

Financial benefits over £15,000,000