



## Energex

Fit for purpose

Energex is an Australian electric power distribution company owned by the Government of Queensland. It is based in Brisbane and was founded in 1922 as the City Electric Light Co. (CEL). From 1977 to 1997, prior to the formation of the National Electricity Market (NEM), the company was known as the South East Queensland Electricity Board (SEQEB), the role of which was to provide electricity to South East Queensland.

Following the formation of the NEM, the SEQEB was corporatised in 1997, becoming Energex. It established itself as a multi-utility provider, supplying LPG and natural gas in addition to electricity, and expanded its operations into the southern states, and now supplies gas to New South Wales and Victoria.

“...these solutions will drive better collaboration between the teams and help me nail down accountability...”

**Executive GM**

### Key Results

14 solutions focusing on moving effort to the front end of the project delivery stage

A measurement system, including a field based Activity Tracker, to capture data at the point of execution – to drive the continuous improvement process

Benefits equating to at least a 5% FTE equivalent reduction

In conjunction with the above project an analysis of the Service Delivery function corrected for volume based reductions yielded a further 12% FTE reduction

### ANALYSIS

The client's key motivator was to develop and implement systems and processes to drive a reduction in rework and churn of planned work. The focus was restricted to the Service Delivery Division – complex projects. This would result in a reduction of total workload and heightened productivity and accordingly, the identification of surplus resources.

The context of these initiatives was to control commercial drivers to minimise project costs and complexity and improve delivery of projects on time and on cost.

The objective of this first phase of the Project was hand-over from Asset Management to Design and Project Management. The programme was to develop and implement ‘fit for purpose’ processes and management control systems to provide a framework in which people could work, efficiently and effectively. These processes encompassed: Business Operations, Network Programming, Project Design and planning.

Outcomes of the DEP (Delivery Enhancement Project) are formal management tools and working practice hand-overs from Asset Management to Service Delivery, all the way through to the point of execution, forming the foundation for continuous improvement, including:

- Operational metrics at each process step;;
- Short interval control via KPIs of planned activities to highlight and act on variances;
- Improved management routines to gain consistency and predictability of performance;
- Improved communications at interfaces;
- Energex Project management team trained in structured Change Management processes;
- A blue-print for operational processes and management control systems that can be made the standard way-of-working for Energex Limited;

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- A practical method to optimise performance within this first phase scope;
- Enhanced communication and clear roles and accountabilities;
- Improved alignment of planning and priorities between departments;
- Faster reaction on data variances, allowing for effective corrective actions;

The above will support a reduction of cycle times of processing work, which at the current volume levels would translate into a resource reduction ranged between AUD 4.3M to AUD 8.2M annualised, based on payroll expenditure equivalent to between 30 to 60 FTE.

### PROJECT APPROACH

The DEP Project was carried out over 25 weeks and consisted of a 2 week Project Initiation, 11 week Focus Process™, and a 12 week Implementation phase.

It was lead by a full time Renoir team - senior Project Manager and two consultants - supported by a dedicated full time client Task Force consisting of a senior department manager (internal Project Manager), a line manager and two members representing key focus areas (Design and Construction)

The DEP team reported to a fortnightly Steering Committee and was guided by a cross functional MAT (Management Action Team) which sat weekly.

The project was restricted to the Transmission work stream - with solutions (and benefits) applied to the Distribution work stream.

Studies were undertaken to identify the magnitude and nature of Churn and Rework. These studies included first person observations across all functional roles within scope, field based data collection utilizing an Activity Tracker tool specially designed for this environment, and Management Control System analysis to identify process gaps.

### IMPLEMENTATION

All stakeholders were mapped for communication needs: Frequency, Messages, Forums. Included in this communication strategy were key strategic messages to unions in line with the formal consultation processes in the Enterprise Agreement.

A SharePoint intranet site was established to ensure access by all stakeholders. An on-line Activity Tracker was installed to measure Rework. Deployment sessions were convened to bring together principle stakeholders to share relevant solutions and behaviour expectations. This was further supported with one-on-one coaching by the taskforce.

Project metrics were:

- Rework reduction
- Overtime reduction
- Utilisation improvement
- Work-order compliance
- Change request reduction

### RESULTS

- Improved focus on variance management
- Volume based right-sizing
- Streamlined internal processes
- Improved single-point accountability
- A short interval control mindset that manages the parts to deliver the whole

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A transfer of effort to the front end of the process to inject correct inputs at the correct time to drive comprehensive fact based decision making in the early stages of concept and planning to avoid adding value (and effort) with incomplete information.

## THE RENOIR GROUP

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