



JAMIESON GROUP

Client Success

ERGON ENERGY



Ergon Energy changes operating paradigm to achieve increases in effective application of best procurement practices

Background

Ergon Energy Corporation Ltd, one of Australia's largest utilities companies, distributes electricity to more than 560,000 household and business customers in a franchise area covering 97% of the State of Queensland. Its electricity network is the most diverse in Australia and the largest of its kind operated by a single distributor in the Western world.

Formed in 1999 following the merger of Ergon Energy Pty Ltd and six Queensland electricity distribution companies, the new company was faced with the enormous challenge of introducing common business systems and procedures to all the depots and offices, spread the length and breadth of Queensland.

The Challenge

Establishing and maintaining a consistent level of compliance proved a difficult task and so Jamieson Group was selected to help identify the operational roadblocks that existed and subsequently provide the necessary training to return the company to optimum levels of procedural efficiency and consistency.

A key area of concern was related to the procurement process where it was found, with only a few exceptions, that the established procedures were not being followed. Placing orders on suppliers, without first raising the orders for approval through the Oracle system, had become the norm and was justified on the premise that it seemed efficient and work got done faster. Additionally, administration personnel would have to wait for invoices to arrive before work data could be entered into the system. This meant that Ergon Energy effectively operated in an accountability vacuum with no clear lines of responsibility and the true level of financial culpability only being measurable after the fact. Further, a considerable amount of rework was required downstream and inappropriate outcomes eventuated.

The Approach

The differences in levels of accountability, responsibility and conformance to process from depot to depot clearly identified the need for the training to not only be process-based, but to be focused on long term behavioural change as well. The Jamieson Group solution was delivered through its Business Consistency Coaching programme which ensured staff gained a greater sense of ownership of the processes to be employed through a fuller understanding and appreciation of the processes themselves.

"Ergon Energy saw our role as a facilitator of the change management process necessary to complete the loop that started in 1999 with the formation of the new company. Business Consistency Coaching was initiated to address both the symptoms and root causes of the problems and increase the level of active management control of the process" says Paul Snowdon, Jamieson Group General Manager – Global Operations.

Project at a Glance

REGION

Australasia - Australia

INDUSTRY

Power & Utilities

PROJECT FOCUS

Standardise business systems and processes
Provide training to key supervisory personnel

KEY ACHIEVEMENTS

- Overall application of correct procurement process up from 15% to 50%



The programme, covering some sixty-nine depots and involving field, administrative and other staff, commenced as a pilot project in Townsville before being successfully rolled out to other northern region areas and then central and southern regions.

The coaching methodology adopted was to keep the process workplace relevant, and the delivery to the point. Specifically:

- Explaining, clarifying and highlighting the end-to-end connections of the process as far as the upstream and downstream affects of actions were concerned
- Developing appropriate tools, such as purchase order request forms and project trackers, to assist staff in their effective implementation of the process
- Developing an understanding of the benefits of correct data capture and how best to process the raw data into information of operational value.
- Confirming individual and group performance expectations

A real bonus of the coaching process was that the methodology employed successfully promoted empowerment of the individual to exert leadership in their particular areas of influence.

The four week programme conducted by the Jamieson Group was also effective because the coaches worked with the relevant people in their operational environments, developing and sequentially implementing changes to their work practices whilst transferring skills and knowledge to them as part of that process. This ensured that management and supervisory habits could be implemented consistently and uniformly within the process or business unit and heightened the focus and attention to the work that had to be done to the mutual benefit of all parties involved.

The Success

The required outcomes were met and a successful process was the result for Ergon. Participants became better acquainted with the requirements and any remaining obstacles to doing business were removed, simultaneously. Ongoing audits are designed to maintain the momentum generated and ensure improvement targets are being met.

Dramatic results have been achieved company-wide with the overall application of correct procurement process up from 15% to 50%.

By region the short term results were equally as impressive:

Northern Region

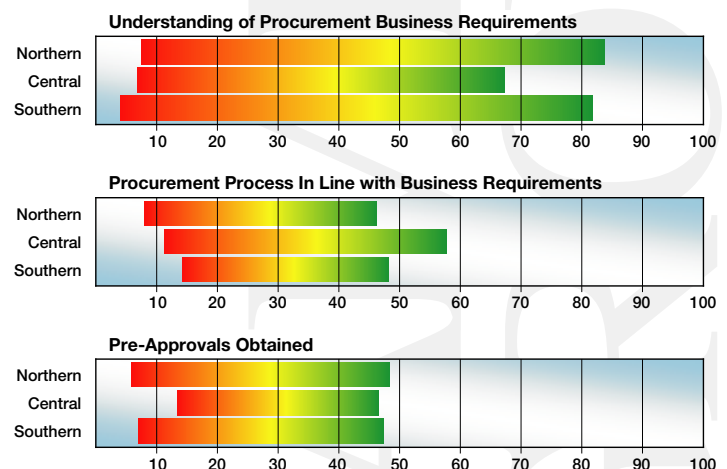
- Understanding of procurement business requirements up from 8% to 84%
- Procurement process in line with business requirements up from 8% to 47%
- Pre-approvals obtained up from 6% to 48%

Central Region

- Understanding of procurement business requirements up from 7% to 67%
- Procurement process in line with business requirements up from 11% to 58%
- Pre-approvals obtained up from 13% to 46%

Southern Region

- Understanding of procurement business requirements up from 4% to 81%
- Procurement process in line with business requirements up from 14% to 48%
- Pre-approvals obtained up from 7% to 47%



FOR MORE INFORMATION CONTACT JAMIESON GROUP

Suite 12, Level 1, 40 Karalta Rd, Erina NSW 2250 Australia

Tel: (612) 4365 4886

Em: contact@jamieson-group.com

www.jamieson-group.com