

# Nuclear Power Utilities

## Transformation into a Customer Centric Organization

“ I knew from the beginning it would not be easy to change the bureaucratic mindset of our organization. However, Alexander Proudfoot had such a positive influence on our staff that buy-in to our proposed changes was almost immediate. Needless to say, I am extremely impressed with the outcome.”

**CEO, UTILITY COMPANY**

### Objective and vision

A prominent Canadian utility provider was under pressure from its board of directors to cut costs. The CEO was frustrated because previous attempts to sustain a high level of efficiency in the workplace had failed. He knew misaligned employee behaviors needed to change if the organization was to become a top quartile performer. His vision was for the utility to become more customer-centric and be perceived as a valuable asset to the entire province.

### Approach

Expert coaching and training initiatives led to a more aligned and productive organization. Efficient practices were introduced and duplicate efforts eliminated. Customized metrics were used to monitor productivity and drive accountability.

### Sustainable results

Major improvements in labor management and procurement resulted in \$33.7 million in benefits. Active management behaviors helped the client sustain peak performance levels.

### The Challenges

Customer usage dropped by 300 megawatts over the course of a three-year period and operation costs had

increased by 40%. The CEO was under pressure from both customers and the government to adjust its inflated price structure. He launched various internal projects that would temporarily eliminate some of the bottlenecks and barriers, but his level of influence could not change the behaviors necessary to gain any momentum. Senior leadership needed to find ways to increase savings and develop consistent processes across its five operating companies. Supervisors did not have the training necessary to lead their respective departments and there was no sense of ownership in the workplace due to the lack of performance tracking measures.

### The Approach

After hiring Alexander Proudfoot to conduct a thorough business review in the areas of generation, distribution, transmission and procurement strategy, both the client and Proudfoot initiated a productivity and process improvement project across the enterprise. The project identified seven potential areas for cost savings: labor, hired services, overtime, inventory, vehicles, supply chain and real estate. A shared methodology for annual forecasting, monthly planning, scheduling and reporting variances was adopted by each management team. Coaching audits were performed to sustain positive results and strengthen employee skills. All levels of supervision were trained to be more

effective leaders by displaying active management behaviors.

### The Results

The combination of refined operations and the ability to measure key performance indicators resulted in \$33.7 million in benefits for the client. Sound procurement practices produced an additional \$10 million in savings. The team also identified another \$16 million in future savings opportunities for the remainder of the year. By project's end, the client was poised for future growth and had created a team-oriented environment. Training gave management a new set of skills to facilitate change, as well as a clear understanding of how to sustain optimum results.

### PROJECT IMPACT

- Project Impact: 33.7 Million in annualized, recurring benefits
- Coaching and training initiatives led to an aligned and productive organization
- Streamlined practices: Achieved synergies and eliminated duplicate efforts
- Customized Metrics: Utilized to monitor productivity and drive accountability