

Matching Business Strategy with Current Capabilities and Competencies

the challenge

Our client is a major energy transmission and distribution business that offers contracting services in Australia for electrical overhead and underground construction and maintenance.

The business had lost a key source of revenue which had significantly impacted their financial performance. Furthermore, it was not well-positioned in the local market place and lacked a substantial forward book of works, thus providing an unstable environment for staff and investment in the business.

We were engaged to quickly answer the key questions: What is the business's current capability and competency, and what is their potential delivery capacity?

what Marchment Hill did

Marchment Hill Consulting conducted an independent review of the current capability and competence of each service stream within the business, with a view to then determine their potential delivery capacity to execute their Current Market Offerings, and Prospective Service Offering A and B. Marchment Hill conducted this review according to the dimensions of Leadership, People, Plant and Equipment, Facilities, Systems, Contracts and Customers across each service stream. The review was based on a series of interviews with key business representatives, customers and other industry stakeholders, and was supported by organisational and market insights gained from past Marchment Hill electricity sector engagements.

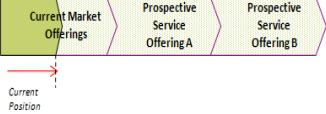
Dimension	Capability and Competence Observations	Delivery Execution Assessment
Leadership	<ul style="list-style-type: none"> The manager is not effectively managing the business. Supervisors are required to step up and project manage. 	 <ul style="list-style-type: none"> The area needs stronger management to take the business forward. The current Manager will require considerable mentoring and training to develop into this role. Staff and assets have less than optimal utilisation and are able to deliver additional work, however, there are insufficient skilled resources and leaders in the business to deliver an increased workload. Facilities would need to be significantly redeveloped to meet an expanded service offering. A forward book of profitable work must be grown. This business area is struggling to manage and control the work both operationally and financially in the current service offering, and could not deliver Prospective Offering A and B.
People	<ul style="list-style-type: none"> The safety record of the business is improving. There is low morale, low recruitment and high turnover. Less than optimal staff utilisation. Depleted skills base with low field supervision. 	
Plant and Equipment	<ul style="list-style-type: none"> The plant and equipment fleets are underutilised. There is scope to sell certain underutilised assets. 	
Facilities	<ul style="list-style-type: none"> The work and warehouse areas are underutilised. There is a high level of non productive time attributable to traffic congestion at shift start and finish times. The amenities at the site are totally inadequate. 	
Systems	<ul style="list-style-type: none"> The current IT strategy doesn't support the business. Limited systems to support the business at a site level, and a lack of data available to manage the cost and performance of the people and fleet. 	
Contracts	<ul style="list-style-type: none"> Standing offer contracts with no work guarantees exist. 	
Customers	<ul style="list-style-type: none"> Business development is non-existent. Clients are satisfied with the quality of work completed and the improvements in safety performance. 	

Figure 1: Assessment of Delivery Execution

Our Study highlighted performance gaps and required actions to improve delivery execution across the dimensions of Leadership, People, Plant and Equipment, Facilities, Systems, Contracts and Customers.

Our Final Report was presented to the client Executive Management Team that identified the gaps in each service stream in relation to the Leadership, People, Plant and Equipment, Facilities, Systems, Contracts and Customers dimensions.

A series of recommendations were provided in each dimension, in order for the business to provide the necessary delivery capacity to execute their Current Market Offerings, and to move toward execution of future market strategies based on Prospective Service Offering A and B.

the benefit

An intimate knowledge of the Australian utility services market and local electricity industry allowed Marchment Hill to provide an independent and rapid assessment of the capabilities and competency of each service stream within the business, and determine the potential to execute current and future market strategies.

The Executive Management Team were provided with a series of practical recommendations and high level implementation plans in the areas of Leadership, People, Plant and Equipment, Facilities, Systems, Contracts and Customers to allow the business to:

- Focus on improved execution of Current Market Offerings in the short to medium term; and
- Stabilise staff and financial performance within a ten month period.

Marchment Hill Consulting has offices in three locations which serve Australia and New Zealand, Asia and the Middle East.

Melbourne

Level 4
530 Lonsdale Street
Melbourne Vic 3000, Australia
Phone: +61 3 9602 5604
Fax: +61 3 9642 5626

Brisbane

Level 24, AMP Place
10 Eagle Street
Brisbane Qld 4000, Australia
Phone: +61 7 3303 0264
Fax: +61 7 3303 8445

Hong Kong

Level 39
One Exchange Square
Central Hong Kong
Phone: +85 2 3101 7948
Fax: +85 2 3101 7949

marchmenthill.com