

## Support Services Review and Business Case for Change for a Portfolio Generation Business

### the challenge

Our client managed a diverse portfolio of geographically dispersed power plants, which operated under a model where Support Services (Finance, HR, IT, Safety, Environment and Procurement) were delivered locally at the site, with head office retaining Policy and Strategy roles only.

As such the business experienced significant difficulty with consistency, coordination, risk management and equitable distribution of capabilities and resources in these functions.

The addition of a new power plant to the portfolio gave the management team the opportunity to develop a new model of centralised support at that site. Marchment Hill Consulting was asked to review the delivery model in place on the existing sites in this context.

### what Marchment Hill did

We introduced five conceptual models which were to be considered during the review. These models were to be assessed against criteria set by the steering committee: efficiency, effectiveness, robustness and scalability.

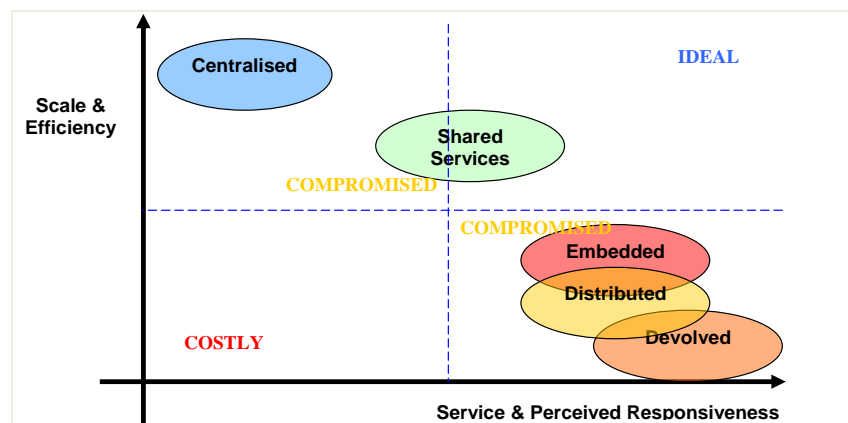


Figure 1: Service Delivery Model Options

Marchment Hill Consulting presented five generic service delivery models that were examined – selected from a range of known models applicable to the delivery of support services to geographically dispersed operational units. While these models have theoretical underlying rationale for their application, each was tailored to fit the client circumstance and the range of functions under consideration.

A comprehensive data gathering exercise was undertaken that reviewed all support service functions, identifying current resourcing, functions delivered, and variation between sites. This helped the steering committee understand and evaluate the current situation. From this, Marchment Hill Consulting was able to deliver key insight into the business's organisational model, and recommend an appropriate delivery model more aligned with the client's strategies.

From the perspective of both efficiency and strategic objectives, it was clear that a model incorporating both stronger central control and elements of central delivery was more appropriate than that currently employed. Once this indicative direction was established, Marchment Hill Consulting worked to build support with key stakeholders, addressing concerns and seeking input into how the preferred model would be deployed. This proved a significant challenge considering the perceived loss of control by the Site Managers.

the benefit

A more centralised approach was ultimately implemented that would grow with the company, and allow it to leverage the portfolio effect of its assets. Further iterations of change mirrored this model for Asset Management and the provision of Technical Services.

Continued effective operation through subsequent periods of high management turnover is testimony to the strength and ownership of the model.

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