

Implementing a new operating model for a major electricity distribution business

the challenge

Our client is an urban and rural electricity distribution business, created from the merging of many local electricity boards. Our client struggled with several structural issues: unclear alignment between structure and strategy, duplication of resources between central and dispersed functions, and the cumulative impact of various uncoordinated organic changes.

Our client therefore found it timely to review its structure in order to serve the evolving strategic objectives of its owners. Among these objectives were satisfactorily releasing value from a recent systems upgrade, containing cost ahead of an impending regulatory reset, and implementing more intuitive and robust models of asset management and investment governance.

Marchment Hill Consulting had developed a flatter, leaner structure and operating model, which would support these objectives, while keeping the flexibility to cope with continued 'organic' changes that occur in any business environment over time. Marchment Hill Consulting was subsequently retained to implement this model.

what Marchment Hill Consulting did

Through workshops with the client's executive team, Marchment Hill Consulting articulated the implications of the new organisation structure so that the impacts on roles, accountabilities, and interfaces could be understood. These implications went beyond simple role changes, to the root of how staff would understand and perform their roles. Significant improvements in clarity, transparency and efficiency were now possible.

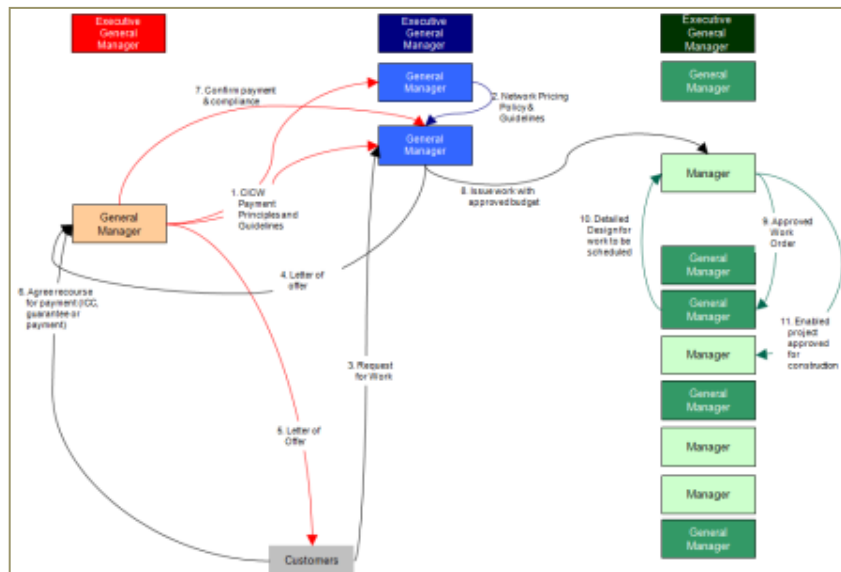


Figure 1: Workflow Diagram

We developed an approach to credit management that minimised delays and rework.

In order to capture these improvements, Marchment Hill Consulting analysed 26 workflows that comprised the core of our client's business. These included the formation of asset management plans, the development and execution of the work program, health and safety programs, and new business development.

Previously, these workflows had been hampered by unclear accountabilities, misplaced resource pools, and opaque processes where performance could be improved. Marchment Hill Consulting helped the client reimagine them, using the window of opportunity opened by the redesign of their organisation. Our intuitive, visual representations made it easy for our client's people to understand what they were accountable for, which areas were dependent on them, and which in turn they depended on.

the benefit

The client gained a clear, concise operating model for each key area of their business, tailored to their unique needs. More importantly though, the model was one which the client's people could see their contributions to and felt they owned. With a clear and easy-to-understand reference guide, the organisation could anchor itself to this new way of working, and avoid the erosion of benefits over time.

For further information, visit marchmenthill.com