

SIEMENS

Client: Siemens Energy Services (SES)
Assignment: Business transformation through implementation of Lean processes, organisation structure and ways of working

Lean success at Siemens: service levels up 14%, profitability up 35%

Siemens Energy Services (SES) came to us in 2006 with a challenge. As a leading provider of Metering Services for the major utility companies, they were delivering a number of fixed term contracts to customers with very different demands. Being able to demonstrate consistent performance against these current contracts would be critical in the competition for both their renewal and in winning new business.

Service levels up and almost 100% consistent SES had the resources and capacity to deliver the service but was struggling to make the best use of them. Unless they changed, they ran the risk of failing to meet profitability targets and losing business.

When we arrived, complaints from end consumers were high because 20% of their appointments were being cancelled. The big utilities were complaining because SES service made them look inefficient. SES shareholders were complaining over worries about the value of the company. And the workforce was complaining because they were caught in the middle.

Our task was to untangle this situation, to identify the wasted energy, streamline the processes towards greater profitability, and make SES self-sufficient for future growth.

Customer complaints down 50% **Our approach:** SES Meter Operations had a field workforce of several hundred qualified engineers, a number of local depots, a central call centre and a significant back office operation planning and scheduling the work.

As with all large and complex change programmes such as this, we needed an approach that would:

- Transform processes and restructure the business to make best use of engineers
- Increase levels of ownership and accountability
- Demonstrate significant and early return on our client's investment

Getting started

We began by carrying out scoping and diagnostic to understand the current and required levels of performance. Then we developed an approach that would tackle the required changes in a holistic and structured way to ensure sustained improvement.

**Productivity
up 28%**

Process improvements

The first stage was to develop a detailed Future State Design for the core processes. The key issues to be tackled included: streamlining capacity planning, work scheduling, job completion and billing; redesigning districts to optimise coverage; augmenting IT systems, logistics processes, performance measurement and reward mechanisms; and developing new ways of communicating with customers and consumers.

We went on to develop new ways of working and a new organisation structure to implement the new processes. This involved redefining roles and interfaces; creating integrated field and back office teams; retraining engineers to increase flexibility, minimize travelling time and improve customer service; and introducing new management and leadership practices. We worked with line managers and team members in the development, adoption and refinement of the new ways of working in to ensure practicality and buy-in.

Once we had determined the implementation route, we conducted a pilot before rolling the approach out across the rest of the business. Quick wins were identified and implemented in parallel.

**Significant
quality issues
down 50%**

Building capability

We supported our client's team throughout the implementation. We trained their core project team in the principles and tools of Lean and introduced Lean disciplines such as the Lean Daily Management System[®] during solution development workshops.

The programme included a tailored Leadership Development Programme for line managers and team leaders to help them adopt the approaches and behaviours that would ensure consistency and sustainability as the changes rolled out to their teams.

Managing for success

A steering group was set up and performance measures that reflected the organisation's business plan were agreed. We established a series of workstreams

and a joint core programme team to work with managers in the various parts of the business to drive the plan forward. As well as technical and

experienced input to the various workstreams, we provided overall programme management and change management advice. Throughout the programme, we held regular steering and implementation reviews. Benefits were rolled up and best practice captured and shared across Siemens Energy Services operating businesses.

Value delivered

- For the customers: consumer complaints dropped by 50%, service levels (on time arrivals) improved by 14% and are consistent at almost 100%, backlogs of meter installations were cleared and all customer installation plans are consistently on schedule.
- For the shareholders: field contribution increased by almost 40%, profitability by 35%, field productivity by 28%, 90% reduction in lost time due to accidents, and 50% reduction in significant quality issues.
- Employee satisfaction greatly increased: people stated they feel more involved, motivated and had a greater sense of responsibility – and could earn more money.
- The project won the Siemens UK TOP+ Award 2007.

“It makes perfect sense. We do better and the company does better”

Field Engineer, SES Meter Operations, East Region

“Bourton Group engaged with us in depth - to understand our issues and concerns - in a way I’ve never experienced with any other consulting business. In the end, you couldn’t tell the difference between our people and their people. An amazing turnaround. My team was incredibly unified with fantastic skills transfer from Bourton. Every one of my KPIs turned green.”

Finbarr Dowling, Operations Director, SES Meter Operations

“Since Project Everest has been fully operational, it has been noticeable that the level of failed or missed appointments which are being brought to the attention of EDF Energy Networks has greatly reduced”

Steve Musiol, Billing Manager, EDF