UMS Group Inc.
SOS: Unit Costing Approach and Change Management Focus

COMPANY

A Dutch Electric and Gas Distribution System Operator serving over 5 million customers.

BACKGROUND & BUSINESS CHALLENGE

The company, facing increasing budget pressures, was looking for an application to support a robust and transparent investment planning process with high levels of configurability. They also wanted to include the capability to build up projects costs based on stored unit costs (i.e. for various labor and material types). This data was already available and was to be stored within the software including filtering based on various product designations and activity codes, multi-year pricing, ease of user entry, simple upload for stored data updates, and ultimately, translation of the data into higher level cost categories for use in optimization. The overarching goals of this functionality were to have common detailed costing data across all projects, as well as to drive consistency in estimating project costs.

APPROACH

UMS Group worked with the company core team and subject matter experts to refine their business value framework and develop value and risk of deferral scoring approaches across their Success Criteria scoring measures. In addition, UMS Group worked with company core team to determine the specifications for the 'Cost Calculator' functionality, developing a highly configurable function for loading, collecting, and managing multi-year unit cost data and associated driving categories.

A high level of focus was also placed on the change management process by the company and UMS Group, with designated change ambassadors and workshop-style live training sessions for all end users, organized by department.

RESULTS

The company achieved an improved and robust investment planning process and application, configured to meet their specific needs along with a well-trained user group. They were able to perform optimization scenario analyses to support decisions on an optimal investment portfolio, even with increased budget constraints. In addition, they were able to utilize the 'Cost Calculator' function to collect consistent cost data across projects with a user-friendly format and their existing data stored and available behind the scenes, with mechanisms to update and manage that data over time.

Highlight: Change Management "Lessons Learned"

1. Change Management Approach as Part of SOS Implementation Effort

What Worked Well
- Having strong management support
- Showing a clear need – increasing pressure on budget
- Setting up a core team of one key user per region for both Gas, Power (LV/MV) and Power HV
- Using key users as ambassadors of the project
- Involving key users in testing the system
- Holding central sessions for input and scoring projects:
    - 2 one-day training sessions
    - Over 4 weeks, 2 days/week holding central sessions reaching all end users
    - Validation sessions with different departments
    - Management team workshops to look at the results

What We Would Change
- Involve users even earlier in the process (design phase instead of test phase)
- Allow for more time to enter test projects in order to better calibrate the scoring logic
- Involve more end-users in defining scoring logic
- First pilot scoring logic for limited types of projects

2. SOS User Training Experience

What Worked Well
- Involving end users in developing training materials
- Having a group of key users as system ambassadors
- Including both system and business change aspects in the training
- Using a case study to support the change
- Apart from the training sessions, organizing daily workshops for end users

What We Would Change
- Push harder to get a larger sample set of investments to be able to do even better scoring calibration up front

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