

CASE STUDY – SOUTH WEST WATER (UTILITY SECTOR)

The Company/Organisation

South West Water is a Utility company that provides water and sewerage services to 1.5 million people in England's South West region. SWW employs more than 1,600 staff based around the region and is part of a large group of companies. The company's Engineering & Maintenance group is responsible for managing the building, refurbishment and maintenance of the region's many water and wastewater processing facilities.

The Challenge

Like all water companies, South West Water (SWW) has to satisfy the requirements of its customers, the water regulator and its shareholders. In terms of operations management, this called for a high return on net assets, high plant availability and reliability and a cutback in operating and capital costs. In order to ascertain the potential and scope for business improvements, the company decided to assign an independent party to undertake a top-down review of the Engineering & Maintenance function.

SWW understood that successful completion of this multi-faceted assignment within a 4-week timescale would require the consultant to have relevant water sector experience, strong project management skills and a well-defined analytical methodology. Having being involved in similar projects for other Water Utilities, a Lysis consultant subsequently delivered this work (via a main Engineering Contractor).

The Solution

Work involved establishing the 10 key elements that together characterise the Engineering & Maintenance function; for example, Maintenance Strategy, Metrics/Scorecards and Organisational Effectiveness. Via a series of structured interviews, observations, computer data analyses and internal benchmarking comparisons, our consultants rated the performance of each "element". We produced evidence, for instance, that Workload Management and Materials Management were problematic and any improvements would lead to significant cost savings.

Based on the findings, we formulated an improvement approach aiming to bring together changes to certain aspects of Maintenance, under the umbrella of a Business Transformation initiative. This in-house initiative would have been supported by dedicated, expert teams, operating both at central and regional level, with each team being responsible for practising value-adding methodologies to raise asset performance to a world-class level. Some of the techniques that were put forward included Reliability-Centred Maintenance, Condition Monitoring and Total Productive Maintenance.

Benefits

The review undertaken by Lysis consultants identified in a short time many improvement opportunities, produced a clear plan for realising those opportunities and calculated projected annualised savings of over £1.1 million. The company took our recommendations on board and proceeded with implementing the proposed Business Transformation initiative.