

Managing the Combined Workforce of Contractors and Internal Resources



The Workforce Management Challenge

From a management perspective, utility companies manage their internal and external workforce in a manner that is 180 degrees opposite from the way that they could, given today's technology systems and industry best practices.

Here's why: Most utilities employ contractors to work eight hour days on projects that are defined, engineered and certain, usually for a prolonged period. Put another way, their crews' hands are on a wrench eight hours a day working on a construction or maintenance project that lasts weeks or months. In other words, the employees' core skills are being utilized 100 percent of the time.

The utility's internal workforce is then forced to take on all the tasks that are uncertain and require rapid response — outages, accidents, customer shutoffs or turn-ons. Unscheduled work is typically in different places, driving up crew's windshield time while driving down productivity. As the balance swings to more contractors, regulators ask why more contractors should not be used, since they are more efficient. While this may not be the real story, it is what the statistics report.

Another dynamic forcing utilities' hand is the industry's ageing workforce: fewer internal crews will be available. Since most

companies have union contracts that allow them to “build down” the internal workforce as people retire, this is accelerating the trend toward employment of more external resources. There's little doubt that the utility of tomorrow will need become the manager of an ever-increasing external work force that combines with its own resources. There will come a tipping point in some companies where the contractors will have to be able to communicate with external crews and integrate them into the full flow of dispatch and emergent work. For some utilities they have already reached this point. For others it may only be a few years away. Internal crews are a valuable resource bringing long-term knowledge of the system and the customers to the table along with a clear understanding of the utility's needs.

How will utility companies make seamless the process of scheduling and assigning work between contractors and internal resources? How can the utility make internal and external resources interchangeable?

Making Effective Teams

The ultimate goal of the utility should be developing its operations and maintenance organization to the point where such operations reflect the strategic views of the company, positions it for future success, plans for the long-term and

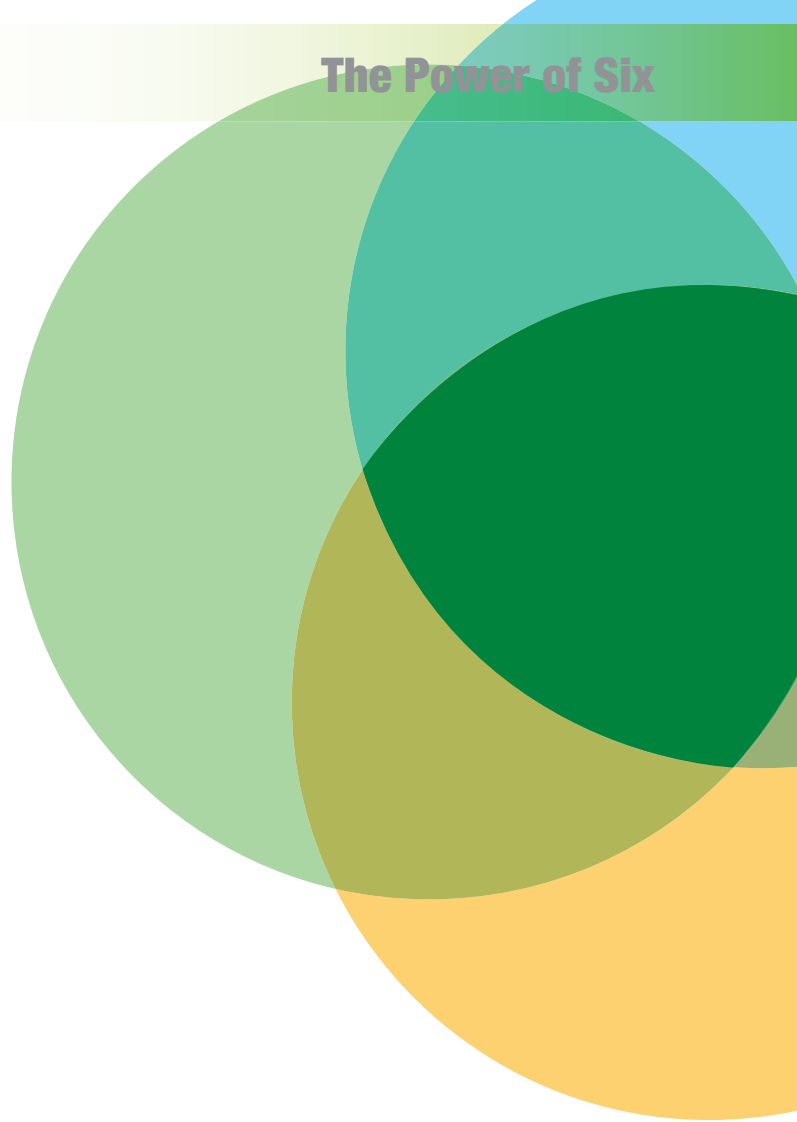
measures success by the quality of output and degrees of improvement. But that's not the case now. All too often utilities manage their internal workforce to solve problems as they occur, performing only as little as it takes to fix the problem, and move the rest of the work to external sources. This does not bode well for the utility that's required to plan more and better schedule an the integrated workforce. Utilities who honestly determine they are too reactive in the way they make decisions need better workforce management systems and processes.

Achieving Now

The Smart Energy Alliance™ (SEA™), comprised of six of the world's leading technology companies, was created in 2006 to help utilities turn such operational planning challenges into opportunities to transform the entire utility organization.

The SEA believes that there are better ways to manage an integrated workforce of internal and external resources. This better way utilizes a proven four stage "Process and Decision Maturity Model" as the basis for assessing the current state of a utility's workforce management processes, its organization and technology, and its chartering of a course for improvement that supports a utility's specific business objectives

The Smart Energy Alliance has the right mix of deep industry experience coupled with a broad understanding of the technology solutions needed for tomorrow's utility. The members of SEA have the change management skills, equipment, information systems and know-how to create an integrated workforce. The SEA has defined processes for engaging with a utility to understand how it is managing its workforce and how it can become a proactive organization. Using a collaborative process with the utility and the six SEA members – Capgemini, Cisco, GE Energy, HP, Intel, and Oracle Corporation – there is a proven methodology for creating an integrated workforce system that makes sense.



For more information please contact a representative of the Smart Energy Alliance member companies listed below:

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The Smart Energy Alliance combines deep industry experience with a broad understanding of technology solutions from Capgemini, Cisco Systems, GE Energy, Hewlett-Packard Company, Intel and Oracle Corporation to accelerate adoption of new technologies in the utility industry worldwide.

For more information on the Smart Energy Alliance, visit <http://www.smart-energy-alliance.com>.

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