

# Customer Success Story – Utilities

## Salt River Project



### Overview

Salt River Project (SRP) consists of two entities: the Salt River Project Agricultural Improvement and Power District, a political subdivision of the state of Arizona; and the Salt River Valley Water Users' Association, a private corporation.

The District provides electricity to nearly 930,000 retail customers in the Phoenix area. It operates or participates in 11 major power plants and numerous other generating stations, including thermal, nuclear, natural gas and hydroelectric sources.

The Association delivers nearly one million acre-feet of water annually to a service area in central Arizona. An extensive water delivery system is maintained and operated by the Association, including reservoirs, wells, canals and irrigation laterals.

### Challenge

Salt River Project (SRP) is a 12-time J.D. Power and Associates award-winning company recognized for providing outstanding customer service. The entire SRP Customer Service organization is focused on customer satisfaction and the delivery of quality products and services.

The technology that supports the department's operations, the Customer Relationship Management (CRM) system, was outdated and required a new platform to meet future customer needs. This system development and implementation proved to be the most challenging undertaking in the organization's history, spanning multiple years. SRP was faced with meeting the demands of its internal users while responding to customer requests for technological advances.

### Highlights

#### Challenge:

- New technology platform for legacy CRM system
- Difficult communication between IT and business
- Complex applications and evolving technology
- Inconsistent project documentation
- Gaps in business rules
- Evolution to future technology (Smart Grid demands) and integration with Smart Metering functionality

#### Customer Benefits & Results:

- Visibility – see and understand processes across the organization
- Agility – respond to market changes and business demands
- Alignment – tie business strategy to execution
- Simplification – streamline process complexity
- Value – enable IT to deliver greater process improvement thereby increasing their business contribution
- Collaboration – improve communication between business and IT
- Speed to market – deliver projects in months instead of years
- Cost containment and scope control – millions of dollars saved

Understanding the impact of systems changes, training end-users, coordinating work efforts between internal and external resources, and managing the risk to the overall business and its ability to meet customer needs demanded a focused effort. Internally, there were gaps in business rules, documentation was inconsistent, and communication between IT and the business was difficult. The team faced issues such as complex applications, evolving technology, and the need for IP capture and transfer. Executive management played a critical role in ensuring the success of the effort through active involvement.

The CRM system, called PHOENIX was implemented in May 2004. For years a code freeze had prohibited any technological changes, creating pent up demand for new projects. Following implementation, a 60 day effort commenced to identify, define, estimate and prioritize all desired system enhancements for the business. A new department formed within the business to manage the program for PHOENIX enhancements.

As the two initial development efforts began to enhance the system deployed, several focus areas arose. It became evident that the business needed a new way to scope requirements, find process efficiencies, and make the most of IT budgets. IT needed a better way to deliver value to its internal customers, utilize development methodologies and leverage technology. It was costly and inefficient to continue down the old path. Clearly, there needed to be a major shift in how business change was determined, streamlined, implemented and managed—as well as increase the link between the end-users and technology.

## Solution

SRP Customer Services formed the Business Process Solutions group to successfully identify, fund and manage the development and delivery of outstanding products and services. To determine the mix of enterprise architecture (EA), business process analysis (BPA), and business process management (BPM) technology that was needed, much research was conducted on methodologies, team structures, roles and tools.

Soon a vision for success emerged and key ingredients were identified. The organization needed strong executive leadership from its business users, a governance process that was followed without exception between business and IT, and a taxonomy that was upheld and enforced.

After a thorough search and evaluation process, SRP selected Metastorm ProVision® –a complete solution for enterprise and business architecture, business process modeling, analysis and optimization. The SRP team quickly found that the software did more than solve its CRM project-related problems. Metastorm ProVision was easy to use, captured business knowledge and made sense to the organization's business people.

Metastorm ProVision is now an integral part of SRP's BPM Practice area. Utilizing this software, the Business Process Solutions group can create vision models that give organizational management insight and direction before taking on a work effort. For example, problem models within Metastorm ProVision are used to analyze safety incidents to identify ways to keep field personnel safe, as well as a base tool for all teams to identify problems. In addition, a Process Definition Document which includes the process models and business requirements is a mandatory deliverable for any project or work effort.

Some ways SRP uses Metastorm ProVision include:

- Preparing for future growth, new technologies and new services
- Prioritizing business needs through vision sessions with executive management
- Capturing business processes to ensure “pain points” are obvious
- Preserving, managing and sharing intellectual property
- Establishing process ownership
- Enabling management-driven business process improvement
- Providing business process information for training and testing
- Managing project scope and budgets more efficiently
- Ensuring the right processes get automated
- Providing IT with clearly defined business requirements

One example of a critical business initiative in which SRP utilizes Metastorm ProVision is the innovative “Smart Meters” program. Smart Meters are electric meters that can send data via radio signals to a collector unit, which transmits meter information to a computer at an SRP facility. To improve service, SRP integrated the Smart Meter system with its CRM system. SRP has approximately 370,000 smart meters installed and over one million total meters will be deployed. The “meter-to-bill” process is extremely complex and includes numerous variables and activities that change how business processes are performed during the transition from “dumb meters” to smart meters.

The Smart Metering solution must support both current and future technology needs. Multiple vendors, changing technology and evolving business needs create additional levels of complexity. As a result, SRP is developing an enterprise roadmap to drive the strategic planning process and account for future technologies. The roadmap will leverage over 100 as-is process models created using Metastorm ProVision, which depict the meter to bill process. Models include vision models, value chain models, key process models, and detailed workflow models. Additionally, there are 135 models which are focused solely on the Smart Metering technology and supporting processes. This information will enable continued project launches and allow SRP to rapidly adapt to metering technology changes in the future.

## Results

Metastorm ProVision provides capabilities that help SRP increase its agility and scalability and deliver measurable results. For example, the pilot project using Metastorm ProVision realized major business benefits faster and for significantly less money than before. The project, a credit screen initiative, took only a few months and cost \$800,000—a savings of more than 85% compared to a similar \$6 million project implemented without business process modeling utilizing Metastorm ProVision.

Metastorm ProVision assists the SRP governance process to provide executive management visibility and support the best use of resources yielding the greatest business value. Weekly governance meetings provide direction, decision, accountability and prioritization of requests from the business for process modeling and analysis. Metastorm ProVision is the standard for all new process improvement initiatives for scope determination, process discussions and business case development. The service offerings now extend beyond projects to provide process improvement opportunities across the entire

Customer Service organization. Business Process Solutions continues to provide valuable business process services to Customer Services and serves as an example to other groups at SRP on how to leverage business process analysis, business process management technology and enterprise architecture concepts to gain efficiency and “do more with less.”

Before using Metastorm ProVision for process improvement, SRP lacked cross-functional visibility and unknowingly made decisions and changed processes that sometimes created an adverse affect on others downstream. Now, with enterprise visibility, the organization can analyze the best approach and rapidly implement changes. Both customers and vendors benefit from the improved processes.

The staged path that SRP has taken has provided a lot of success and business benefit over the past couple of years. As the organization continues to build upon those successes, they are looking to incorporate other parts of the Metastorm product suite into their methodology, specifically the Metastorm BPM® Suite. A pilot is currently underway to evaluate how the two products work together to support the realization of business benefits faster through simplification and automation of processes.

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