



Company: Northern Ireland Electricity

Sector: Public

Project: Six Sigma

Productivity Improvement
Learn how to maximise output
from your assets

NIE Provide a Quality Power Supply

NIE was one of the first utilities in the UK to use Six Sigma to improve processes, deliver significant savings and further quality improvements.

NIE have worked alongside the Centre of Competitiveness to adopt the Six Sigma approach as a logical extension of previous work on quality.

Key Project Outcomes

A summary of the key project outcomes are as follows:

- Change of Tenancy successes improved by 23% (i.e. 65% to 80%)
- Debt chase productivity for delinquent accounts (defects) increased from 36% to 100% effectiveness
- Settlement of debtor accounts increased from 76% success to 90% (up 19%)
- Process Sigma from 0.5 to 2.8

About NIE

Northern Ireland Electricity (NIE) distributes and supplies electricity to over 740,000 customers. NIE, together with its high voltage contracting division NIE Powerteam, employs 1300 full time staff and serves over 740,000 customers. NIE manages 35,000 miles of network over some of the most rural terrain in the British Isles.

In 1998 the Viridian Group was established to enable the traditional NIE businesses to develop into new markets. Viridian has taken a strong position in competitive all island energy markets in Ireland through Energia, an electricity supply business and the construction of the Huntstown Power Station near Dublin. Our subsidiary IT company Sx3 is a leading player in NI and UK markets. One of only two N.I. companies listed on the London Stock Exchange, Viridian has an annual turnover in excess of £834 million.

MILESTONES TO DATE:

- NIE won the Northern Ireland Millennium Quality Award in 2000
- 2001: British Quality Foundation Business Excellence Award against a shortlist that included Rolls Royce, Marconi Defence Systems and Siemens Communications.

The judges stated that they: *“were particularly impressed by the NIE’s strong focus on, and commitment to, their customers. The fundamental concepts of business excellence were demonstrated to be clearly in place and alive within the whole of NIE.”*

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The Centre for Competitiveness is a private sector, independent, not for profit, membership organisation.

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“For Northern Ireland Electricity, the implementation of Six Sigma throughout the company four years ago has contributed greatly to business excellence in our service, price and reliability. It is also a vital business tool for NIE as we prepare to enter new and competitive markets.”

Harry McCracken, Group Managing Director

Six Sigma and NIE

Six Sigma is a disciplined, data driven technique for eliminating defects in any process and NIE is one of the first utilities in the UK to use this approach to improve processes, resulting in more effective solutions, improved customer satisfaction, strong financial returns and increased shareholder value.

Each business within NIE has developed a Six Sigma strategic plan, defining all key business processes and weighting these to the key performance indicators detailed in each business plan. This has highlighted key processes that strongly impact critical business outcomes and therefore giving strategic direction for Six Sigma focus.

COST SAVINGS

Six Sigma has provided tangible business results and cost savings that are directly traceable to the bottom line.

- This Six Sigma project took a proactive approach using technology solutions to improve billing processes for customers who are moving premises. Enhanced Change of Tenancy procedures have delivered savings of over £1.3m since the project began.
- The 17 projects completed to date have generated savings of £9 million (£4.54M Operating Cost Reduction and £4.46M Working Capital Reduction)