

Case Study

ALSTOM Power – Consolidated Programme Management Infrastructure



Power Turbo-Systems



Power Service



Power Environment

The Challenge

ALSTOM Power is a wholly owned subsidiary of ALSTOM Holdings S.A., one of the world's largest energy infrastructure providers. ALSTOM designs, builds and services technologically advanced products and systems for the world's energy and transport infrastructure including building power plants and supplying over 20% of the world's installed capacity in power generation.

ALSTOM sales were around €16.7 billion for FY 2004 and employ 76,800 people in 70 countries worldwide.

As ALSTOM strives to ramp up its operational performance it aims at delivering solid recurring benefits to the bottom line. ALSTOM's quality improvement programme is Six Sigma, which covers all group functions and sectors. A methodology used to define, measure, analyse problems, implement improvements, check results and standardise procedures, Six Sigma also helps to build a culture of continuous improvement whilst delivering financial benefits to the bottom line. In 2004, 2,000 improvement projects were conducted and €85 Million in recorded benefits were achieved.

When the ALSTOM management team first introduced Six Sigma 2 years ago it realised that tracking all of the projects and consolidating the benefits accrued would become difficult and time consuming. As the programme scaled, the challenges would become larger pointing to several key issues :

- How to accelerate projects and hence reduce the time taken to deliver financial benefits?
- How to drive up the ROI in each project?
- How to drive up the percentage of successful projects?
- How to maximise the utilisation of project leaders?
- How to drive down the overall cost of the business programme?
- How to harmonise the results from several different methodologies into one consistent report?

ALSTOM Power's management decided that technology would be the solution to their challenges and considered whether to build an internal software application, or source a purpose built application.

"During the fiscal year 2002/2003 ALSTOM also introduced a Six Sigma tracking application across the three Power Sectors. The web based application, known as i-nexus, provides consistent workflow, tracking, management, reporting and review for Quality Focus 6 Sigma projects. The particular strengths of i-nexus are its ability to provide real-time data on projects, including recorded financial benefits, as well as access for users to examples of best practice. Full deployment of the application is scheduled during Fiscal Year 2004/2005."
ALSTOM Annual Report 2003/04

The Approach

A decision was made in May 2002, to run a two stage pilot of i-nexus. Stage 1 would be run with a team of 50 project leaders dispersed globally within the ALSTOM organisation. The software was hosted and fully configured by i-solutions, with training of the pilot users commencing in June 2002 giving the team 14 days to prepare.

The training of the first batch of pilot users commenced in Knoxville, Tennessee, USA in June 2002 as planned and the pilot kicked off. Further training was provided in 3 other global locations over the next two weeks.

As the pilot of the externally hosted application was completed, i-nexus was then migrated to ALSTOM's data centre and run internally to ensure effective operation within their infrastructure.

By the end of this period, ALSTOM had completed a detailed "buy vs. build" analysis and the decision was made to move forward with i-solutions.

ALSTOM chose i-solutions and their software for the following key reasons:

- i-nexus™ provides ability to track live Six Sigma data instantly and enforce Six Sigma methodology on a project basis
- i-nexus™ provides easy to use project management and programme management capability
- i-nexus™ provides the foundation for developing a knowledge base that can be filtered and searched to leverage best practise and maximise ROI.
- i-nexus™ was designed by practitioners for practitioners

Deployment

The decision was made to deploy i-nexus™ and to promote it as the tool of choice throughout ALSTOM's organisation worldwide. With business units worldwide, the decision was made to target those areas of the business that had supported the pilot stage and build on their success. Internal i-nexus trainers have now been certified and i-solutions provided a primer that fits neatly into ALSTOM's Six Sigma training course material, introducing i-nexus as the tool of choice.

Two years later, i-nexus™ is widely accepted and welcomed as helping ALSTOM to achieve their goals with 2,000 users, €34M recorded benefits, recognised as the tool for Six Sigma and Business Improvement Management.

To put it in the words of an ALSTOM Master Black Belt, "I have 220 projects covering 19 geographies - using Excel was a nightmare and rarely accurate or efficient. i-nexus gives us the chance of getting more accurate project and benefits data extremely quickly. This is the way to go."

2004 Programme Performance:

- 2000 Projects under management
- €85 Million Total Financial Benefits under management
- 350 Champions/Sponsors
- 200 Six Sigma Black Belts
- 800 Six Sigma Green Belts
- i-nexus now used to track other phase gate projects e.g. business development, strategic procurement

Customer Comments

"With 2000+ Six Sigma projects of various types running across ALSTOM worldwide, we needed a tool which would be flexible enough to support multiple methodologies, scalable enough to support many thousands of users and capable enough to meet our need for a single project portfolio and performance management system" John Baltay, Director, Performance Management