SAP Fieldglass

A U.S. Electric Utility Company Gained New Data Visibility for their Entire Workforce

A U.S. Electric Utility Case Study

THE BEST RUN **SAP**

Designing a solution

Our customer, a large regional utility, markets wholesale electric power to a group of states in the U.S., sourced primarily through hydroelectric dams. In 2006, as part of an enterprise process improvement initiative, the utility chose SAP Fieldglass to help them streamline their procurement processes, improve compliance and reduce spend.

30%
of its workforce is external

This utility relies significantly on contract labor — more than 30 percent of its workforce is external. The business functions that rely on these resources the most are transmission — craft workers such as linemen, warehousing, crane operators, electrical engineers, carpenters and truck drivers — followed by IT and supply chain. Procurement manages the sourcing of all external labor.

" Our supplemental labor is critical to us achieving our mission – for example, the lineman in the field who is sustaining our infrastructure. Contract workers are likely across 95+ percent of our organization. Without them, we would grind to a halt. "

Powering down "the wild west"

When our customer embarked on their procurement-led process improvement initiative, they had no visibility into contracts across the enterprise and therefore were paying different rates for the same roles. If someone needed help hiring an external worker, they called the contracting officer and they wrote a contract. Market research on rates was also decentralized, compliance was difficult to manage, manual invoices were processed individually. "It was the Wild West."

Powering up results

The first thing that this utility did was to consolidate labor spend into one organization. Then, they drove standardization across contracts with staffing agencies, and built compliance into the process. They have realized tens of millions of dollars in cost savings in addition to significantly improving compliance, and gaining efficiencies. They now have standardized data and visibility into their entire workforce.

Consolidated labor spend into one organization

Drove standardization across contracts with staffing agencies
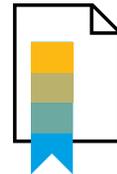
**Gained efficiency and built compliance into their process**

We have saved 10's of millions of dollars by implementing SAP Fieldglass and creating an internally managed MSP.

"Data is key. We can do rate analysis and see where our workers are. We know how many contractors our top internal customers are using. We can look at overtime usage. I have a graph that tells me that one department, which is 1% of my workforce, is driving 5% of overtime. We are rolling around in data. SAP Fieldglass has enabled us to have better data than any other back office system."

Vendor scorecard

This utility also used their new data visibility to create a Vendor Scorecard, with assistance from SAP Fieldglass. The scorecard enables them to communicate more effectively with suppliers about expectations and performance, and drive better value. It includes quantitative assessments such as service delivery (e.g., response rates for various types of labor), quality (e.g., various candidate quality and hire rates) and cost (e.g., rate compliance) and a qualitative supplier stewardship rating.

The scorecard is incorporated into contracts and suppliers can be dropped if they don't rate well. The utility meets with suppliers twice a year to inform them of their ranking. They rank their top 10 suppliers and inform them of their placement in relation to other suppliers.
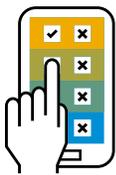
Quantitative assessments

Quality and cost

Qualitative supplier stewardship rating

What's next?

Our customer has started to expand to services procurement, as they believe they will realize significant savings by bringing additional spend under management into SAP Fieldglass. Their first objective is to bring all consulting contracts into the solution, "People will love the convenience, and they will want it for all services categories."

Learn more

The world of work is changing, and SAP Fieldglass is leading the way with innovative solutions that harness the power of the external workforce in driving the digital economy. Explore additional resources on www.fieldglass.com/resources to learn more about the external workforce and the way work gets done.

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