

Transforming into a Value Based Organisation

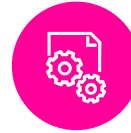
Scenario

Our 'Big Six' client supplied energy to Corporate customers and wanted to understand if their customers with a contract value in excess of £1m per annum were generating positive contributions towards their financial position.

Sagacity Activities & Findings

By deploying our Value Model solution, data analytics and deep dive into operational processes, we discovered the following:

- Each of the contracts exceeding £1m had more than 50 sites in their portfolio which required a high level of manual effort to service each account
- Our client's billing and CRM systems did not support a Corporate accounts structure, resulting in manual intervention to produce bills
- The margin generated by each contract was eroding the contribution to the financial position



Margin Improvement



Value Model and Analytics



Process Improvement

£12m
opex saving

Outcome

Our Value Based Management solution recommended a revised operation model to support Corporate customers and generate the required return on investment. Based on the business case we developed with our client, they initiated a programme to proactively close the existing contracts over the following 12 months. In parallel, they implemented systems and operational improvements allowing them to re-contract with corporate customers.