

UTILITY SAVES MORE THAN 1.1 MILLION EURO WITH PROCESS IMPROVEMENT

Challenge

To boost efficiency, JSC Irkutskenergo took a process-oriented approach to company management and launched a Business Process Management (BPM) initiative based on MS Visio. However, the company soon realized it needed a comprehensive methodology and specialized tools to integrate process models used by different business units.

Solution

JSC Irkutskenergo selected ARIS to publish, distribute and provide company-wide access to process models. Then, IDS Scheer Consulting set up a project office that serves as a competency center for corporate business processes. Using a comprehensive methodology and a specialized workflow system with ARIS Process Governance, the office now manages business process changes enterprise-wide, which reduces costs and improves standardization.

Benefits

- More than 1.1 million Euro saved, thanks to process standardization and improvement
- Higher productivity—process models approved and shared up to 15 percent faster
- Greater operational efficiency due to streamlined processes
- Continuous process improvement due to greater visibility of process models
- Better process control with access to process metrics

**ИРКУТСКЭНЕРГО**

ЭНЕРГОУГОЛЬНАЯ КОМПАНИЯ

JSC Irkutskenergo, a power generation and distribution company, is one of Russia's largest companies. The enterprise ranked third among Russian companies by volume of generated electric power and second by volume of generated thermal power. It is the top supplier of power to Siberia. Its generation complex in the Irkutsk and Krasnoyarsk regions includes three hydraulic power plants, nine thermal power plants, six coal strip mines and a coal preparation plant.

Get There Faster.™

“The selection of ARIS for BPM initiatives and the establishment of process office ... allows us to boost the efficiency of company operations by streamlining our processes.”

Dmitry Timoshenko | Head of BPM and Standardization, BPM Project Manager | JSC Irkutskenergo

Becoming process-oriented

Focused on boosting efficiency and taking a process-oriented approach to management, JSC Irkutskenergo launched a project aimed at process documentation and re-engineering in mid-2008. Almost every employee contributed to the effort with the establishment of work teams, persons responsible in every business unit and regular meetings.

Initially, process models were drawn in MS Visio. This allowed the documentation of nearly all the company's operations in a short time. However, the integration of process models of different business units was impossible without a common methodology and specialized tools. It was difficult to establish a hierarchy of business processes, identify redundant function descriptions in models created by different units and differentiate functions.

Nevertheless, this first BPM initiative engaged all company personnel in modeling and brought the corporate culture closer to the implementation of process-oriented management.

Achieving process excellence

Taking this initiative the next step, JSC Irkutskenergo recognized it needed a specialized tool to:

- Distribute documentation of company's processes
- Assure multi-user access to process repository
- Publish process models via corporate intranet

Publishing the models would enable every employee to get the process information from any business unit and understand his or her roles and responsibilities. After analyzing competitive offerings, JSC Irkutskenergo selected ARIS to meet these objectives.

Six months later, the company decided to set up a process office to serve as a single process competency center and a vehicle of modeling methodology and key process management knowledge. To meet this requirement, JSC Irkutskenergo selected IDS Scheer Consulting, which offered a comprehensive methodology and

specialized workflow system called ARIS Process Governance that would enable the full automation of all process office functions.

In two months, IDS Scheer Consulting designed a process office for JSC Irkutskenergo. Using the APG system, they also developed and automated the model change management process. The launch of the system and the training of process office personnel took only one month, according to Dmitry Timoshenko, in charge of BPM and standardization.

“The selection of ARIS for BPM initiatives and the establishment of process office is an extremely important step in our progress towards integrating the process-oriented approach into our corporate management system,” he said. “This will bring the process maturity of our company one or two steps up the Gartner scale.

“On a practical level, it allows us to boost the efficiency of company operations by streamlining our processes. Irkutskenergo aims at efficient and safe production, orientation towards external and internal customers, and continuous development, and, thus, we need to set up a foundation of comprehensible and transparent business processes.”

A foundation for change management

Today, the process office supports centralized management of documentation and change management in such areas as BPM, IT applications and organizational structure management. The office assures consistency in business process change management and allows the enterprise to cut costs by eliminating redundant descriptions and by re-using process models for different purposes.

Every employee can view process models and submit suggestions for their improvement. Communication and approval of process models is now faster—taking up to 15 percent less time. The ARIS Process Governance system also monitors the schedule times in BPM processes and provides vital statistics for continuous process optimization.

Explained Irina Dyatlova, who supervised the project on behalf of IDS Scheer Consulting: “The broad involvement of JSC Irkutskenergo employees in process documentation was the key success factor for the implementation of process-oriented approach to management.

“Now, this work is much more efficient. ARIS allows the company to address the full range of BPM tasks, such as regulation, process improvement and cost analysis, alignment of job descriptions with actual responsibilities of the employees, process controlling and process change management.”

Overall, the process standardization and improvement effort has saved the company more than 1.1 million Euro.

KEY COMPONENTS

ARIS Business Architect & Designer are used to publish, distribute and provide company-wide access to process models.

ARIS Process Governance provides a comprehensive methodology and a specialized workflow system for enterprise-wide management of business process changes, reducing costs and improving standardization.

IDS Scheer Consulting helped JSC Irkutskenergo achieve process excellence by designing a process office, developing and automating the model change management process and training staff.

ABOUT SOFTWARE AG

Software AG is the global leader in Business Process Excellence. Our 40 years of innovation include the invention of the first high-performance transactional database, Adabas; the first business process analysis platform, ARIS; and the first B2B server and SOA-based integration platform, webMethods.

We offer our customers end-to-end Business Process Management (BPM) solutions delivering low Total-Cost-of-Ownership and high ease of use. Our industry-leading brands, ARIS, webMethods, Adabas, Natural, CentraSite and IDS Scheer Consulting, represent a unique portfolio encompassing: process strategy, design, integration and control; SOA-based integration and data management; process-driven SAP implementation; and strategic process consulting and services.

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