SMART METERING BUSINESS
Target Operating Model Design, Business System Selection & Implementation

CASE STUDY

THE CUSTOMER'S CHALLENGE

A major UK utilities company made a strategic decision to enter into the smart metering market, to act as a national smart metering services provider to other UK utilities. This required a new, legally independent, subsidiary business to be established. This project was undertaken to establish the target operating model for the new business, select and implement the required IT systems landscape and support the business to become fully operational.

The parent organization was a strategic user of SAP solutions however, a key principle for the new Smart Metering Business was that it should identify and select the most appropriate mix of software solutions to meet its business needs, that provided the necessary scalability and best value for money.

Establishing the new Smart Metering Business was a major undertaking, as it necessitated the entire target operating model to be defined from scratch, a complete target IT systems landscape to be established and all necessary IT systems to be procured and then implemented. In parallel with the IT systems selection and implementation, the business was also engaging with potential customers to develop new opportunities and establishing the necessary competencies to deliver the services – this required not designing and staffing of the internal organization but the identification and contracting of the necessary third-party service providers who would be performing the asset installation and commissioning activities in the field.

DNASTREAM were requested to support the establishment of the new business, given our experience of having previously supported other similar initiatives in the UK smart metering market. Our responsibilities encompassed all aspects of the initial business model definition, enterprise and solution architecture design, software selection and contracting, software implementation and support during ramp-up of the business operations into steady-state delivery.

FACTS & FIGURES

Client: **Utilities Company**
Business Division: **Smart Metering**
Location: **UK**
Industry: **Utilities**
Value of Engagement: **£400k +**

Key Features: Target operating model design, enterprise architecture, software selection, contract negotiation, programme management, IS leadership, IFS, ERP, CRM, Field Service

Summary:

DNASTREAM were appointed due to our track record of having supported other smart metering market entrants.

The customer required specific experience of the smart metering services business operating model and knowledge of the IT systems landscape necessary to support this type of business.

WHAT WE DID

DNASTREAM assumed a leadership role for the project, which involved:

- Defining what a "smart metering services business" should look like, including the types of services it should provide to meet market needs, the types of systems needed and what resources are required

- Establishing a future target operating model for the new Smart Metering Business in conjunction with the key stakeholders and other industry specialists

- Defining the enterprise and solution architecture required to support the entire target operating model (back office, front office and field services), including how this should be integrated into the parent organization's landscape and where integration with external parties would be necessary

- Identifying and engaging with potential software vendors that could support the target solution landscape through an accelerated procurement supported by DNASTREAM's knowledge of the market offerings

- Selection of the preferred software solution (IFS Apps), working closely with the procurement function and commercial teams

- Supporting the Smart Metering Business during contract negotiations to ensure IFS was engaged in a robust and commercially robust manner

Following conclusion of the software selection process, DNASTREAM took a leadership role within the business implementation project, which involved:

- Leading the business architecture and solutions architecture activities to deliver a robust target model to support initial start-up and future growth ambitions

- Managing the delivery activities of IFS during implementation of the solutions, which included working closely with IFS product development teams to address gaps in the solution

- Supporting the business leadership team in implementing the target operating model and with the on-boarding of internal and external resources

- Transitioning into an operational management role to support ramp-up of the business into customer delivery, including engagement with the central smart metering industry bodies and external service providers to ensure ongoing refinement of the business processes and solutions

KEY BENEFITS DELIVERED

- New business operating model and supporting solution architecture defined from scratch

- Accelerated solution selection process, with the IFS solution selected within a 10-week period

- Successful implementation of the IFS solution suite to support back office, front office and field services utilizing external service providers

- Initial market operations established within six months of having formed the new business

- Successful transition to steady-state, scalable and effective business operations capable of providing the full range of smart metering services at a national level

We are delighted to have been a key partner and enabler for this new smart metering business. This further demonstrates DNASTREAM's deep experience of the industry and our ability to engage effectively with both business stakeholders and software providers to deliver outcomes quickly, with a focus on driving business results and value for money.

Andy Milner
DNASTREAM Managing Director