



CASE STUDY ELECTRIC AND GAS UTILITY

Alliander

Purchasing

Alliander is an independent network company, responsible for the management and maintenance of the electricity and gas grids in a large part of the Netherlands. Via its network, Alliander provides electricity and gas to 3.3 million customers in the Netherlands. This gives the company a 37% market share. Alliander has over 6,000 employees, all of whom play a role in the many business processes.

A large number of processes take place in every organization. It is particularly difficult to keep track of these processes in larger organizations. A relatively new instrument is Perceptive Process, which uses process mining to provide better insight into how business processes actually run. In cooperation with Perceptive Software, Alliander applied this solution to the purchasing process, and several other things. The results? Clear insight, greater accountability and great potential for improvement.

Efficiency loss

“Alliander would like to place responsibilities at a low level in the organization,” according to Bart Blokland, Director of Shared Services at Alliander. “But what you see is that when you give employees responsibility for a process, they have difficulty gaining good insight into it. So my most important question was: “How can I help my staff gain their own insight into the processes for which they take responsibility?”

Alliander had a basic idea of how its processes worked, but they are always different in practice. People take different approaches or fall back into certain habits. So the procedure always varies, which leads to efficiency loss. To maximise efficiency, the company wanted to minimise procedural variation. They could have used a third party to conduct periodic reports, but decided that acquiring insight themselves would yield even better results. That’s why they chose Perceptive Process.

Analysing process data

In almost every organization, registration systems are extensively used in implementing processes. Employees provide a lot of documentation on what happened during the process. In that process data, information is stored on the activities undertaken by employees: how long they worked on an activity, the order in which the activities were performed, who completed them, and which paths were taken to complete the process. This information is “locked” in the implementation process.

Perceptive Process reveals that information. It is an intelligent system that can review the implementation of a process by people, departments and systems at a glance. This versatility was an important factor in Alliander’s selection of Perceptive Process. “There are a lot of providers that say,

✳ “The greatest benefit of this project is that we gained insight into the complexity of our processes. You can only think about improvements if you know how things actually operate.”

Bart Blokland
Director Shared Services
Alliander

‘Give us the information; we have the knowledge in house to do something with it’” Blokland says. “Perceptive Software provides intelligent software that you, as the process owner, can use to gain that insight together with your staff. I believe that is very important.”

Investigating 120,000 transactions

With the help of Perceptive Process Mining, Alliander started studying the purchasing process investigating 120,000 purchasing transactions over an 18 month period. Blokand was astonished when the company quickly gained insight into all aspects of the company’s daily processes. The company is very serious about controlling its processes, but discovered that some things that were quite different than expected. “We saw steps in the process that we thought were impossible in our system and that was a great surprise to me,” Blokand says. “The greatest benefit of this project is that we gained insight into the complexity of our processes. You can only think about improvements if you know how things actually operate.”

Setting process priorities

Blokland believes that process mining is only truly meaningful when a company starts working with the results it provides. “You have to get to work before you actually realize the potential that Perceptive Process has to offer,” he says. “And that is quite difficult – you see so much that you don’t know where to start.”

To overcome this information overload, Alliander prepared a list of the top 10 issues in the purchasing process that they wanted to tackle. For example, the company discovered that some digital orders were still printed out, which was completely unnecessary. Blokand and his team put an end to that the next day. However, other issues required more time, including employees unlearning how they had been working. The company has held a number of sessions in that respect, and has now made considerable progress. At the end of this year, Blokand will draft the action list for next year.

Transforming eight core processes

The analysis of the purchasing process was so successful that Alliander is extending Perceptive Process to other areas of its business “We quickly moved on to other processes,” Blokland explains. “Meanwhile, with the help of Perceptive Process, eight processes have now become more transparent, and we are working hard to reap the benefits of this improvement potential.”

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Quick Stats

- Location: Arnhem, The Netherlands
- Products in use: Perceptive Process
- Number of customers: 3.3 million Number of employees: more than 6,000
- Number of purchasing transactions in scope: 120,000 (in 18 months)

The Challenges

- ▶ Company managers thinks they know how processes work, but are not sure
- ▶ Find a process mining solution that can be applied to multiple processes and departments
- ▶ Discover areas of inefficiency
- ▶ Staff members have different ways of completing the same process

The Results

- ▶ Quick insight into how processes really work
- ▶ Extensive list with potential areas for improvement
- ▶ Improved process insight delivers efficiency improvements
- ▶ Complete picture of eight business processes allows for standardisation and staff re-training

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