

InVizion® Features at Work

- Multi-year planning of capital projects and recurring engineering work, with cost elements at a meaningful level of detail.
- Models impacts of changing schedules on target “in-service dates” with clearly identified consequences during what-if analysis.
- Automatically combines approved budget, actual costs and forecasts by month, at any level of detail from multiple enterprise sources (e.g. SAP®, Oracle®, PowerPlan®)
- Uses easy, drag-and-drop user-interface to create standard reports and ad-hoc summary views for monthly analysis, reporting, and oversight.
- Displays alerts for missed milestones and cost overruns, as actual and forecast costs are imported.
- Saved 2 months from the previously 5-month annual collaborative capital planning process.



Capital Planning and Variance Management Case Study

Client Profile

Engineering Department of a Large Investor-Owned Water Company

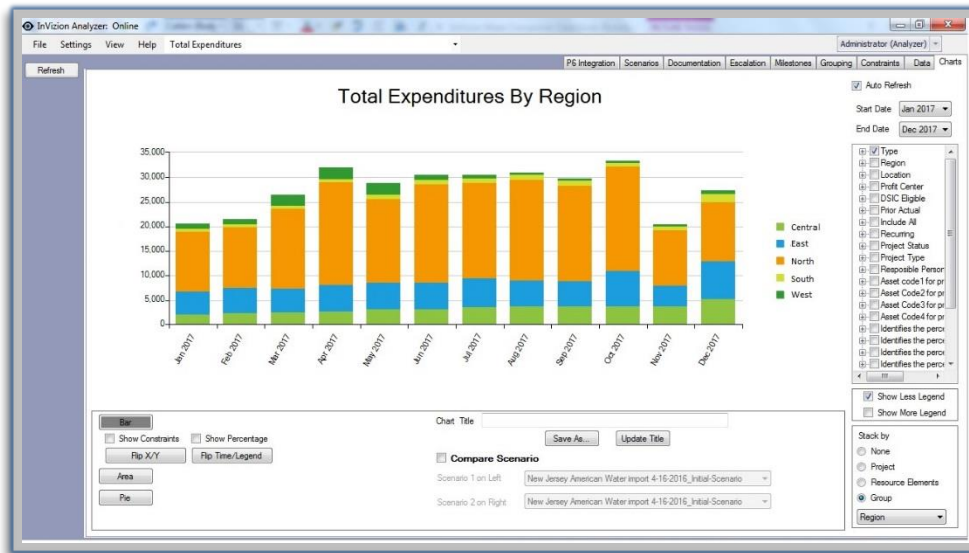
The Vice Presidents and Directors of Engineering are responsible for planning and executing projects to maintain the reliability and safety of the region’s aging water infrastructure that requires regular replacement, repairs and upgrades. The projects include water main replacement, new meter installation, water treatment plant upgrades, and water pump station improvements. Management must ensure the approved capital budgets are optimized with well-timed in-service dates of capital projects to enhance the Utility’s rate recovery and financial bottom line.

Challenges

Regulated Water Utilities must operate as closely as possible to an approved Return on Assets (ROA), typically around 10%. Regulatory, finance, treasury, engineering and operations must balance their respective departmental constraints and agree on a budget roadmap that supports the ROA goal. The Engineering Department alone oversees a \$1.5 billion portfolio for nearly 600 projects over a 5 year period. The detailed budget estimates and cost elements are stored in a corporate financial system, while the actual monthly expenditures are stored in a different corporate system. Although the corporate financial systems are ideal for storing and reporting transactions, this type of configuration creates barriers when performing the analysis and preparing for collaborative efforts that support long range planning and monthly variance management.

The annual process for 5-year capital planning requires two experienced analysts and more than a dozen engineering stakeholders to prepare over a 5 month period. Using a manual process combined with institutional knowledge, the analysts first extract large quantities of relevant data from their corporate system. The data is then saved or pasted into Excel spreadsheets. This process requires extreme diligence to prevent inadvertent calculation errors or broken links between cells, rows, formulas and tabs. As analysts manually level the monthly budget to maximize allocated funds, they must also carefully monitor each project milestone to ensure the in-service dates are timed to rate recovery dates. Once the analysis is complete, the interim results are distributed to stakeholders throughout the company. This process repeats itself until all parties reach agreement.

“InVizion streamlined our annual capital planning by quickly replacing our tedious and manual processes to link and relate large datasets out of our Corporate Systems. Instead of wasting time on the mechanics of spreadsheets, we can now focus our energy on managing our budgets, variances and forecasts.”



InVizion quickly imports project schedule and cost data from multiple corporate systems for review and analysis. By leveraging all real and relevant data at a meaningful level of detail, multiple scenarios are evaluated so management can confidently determine the best course of action.

Benefits Realized

Save Time: Completed individual “what-if” scenarios of long range capital plans 2 months faster than the traditional approach, while preserving the integrity of each individual project’s costs, schedule, logic ties, milestones and detailed costs elements. Automatic recalculation of gross and net expenditures and in-service dates reduces analysis time and allows analysts and stakeholders to devote their time and talent to manage exceptions and tighten up corporate performance.

Save Money: By reducing the annual effort required for planning, the water company quickly realized their return on investment (ROI) well within the first year of implementing InVizion. Eliminating the wasteful and error-prone mechanics of spreadsheet manipulations resulted in quantifiable cost savings.

Optimize Decisions: InVizion automatically produces visual alerts for significant delays of in-service dates relative to rate recovery, to increase efficiency of what-if analysis and (re)planning. InVizion allowed managers to step back and prioritize projects objectively in the long range plan, by region, district and type of work, while leveraging official sources.

Improve Communication: InVizion established a consistent platform that makes it easy to communicate the monthly performance results and the impacts of required or proposed changes. It easily compares top-down guidance to aggregate requests from the bottom-up.

Solution

InVizion automated the import of all relevant corporate data at a meaningful level of detail into a relational database, and completely eliminated all the manual links, look-ups, formulas and other manipulations of spreadsheets. It gave Engineering Management the capability to quickly analyze various scenarios and compare outcomes. Using InVizion reduced the annual capital planning process by 2 months, while increasing data confidence and collaboration between the stakeholders.

Throughout the year, InVizion made it easy to merge recurring and project actual costs and forecasts from two different corporate systems, prepare monthly reports, and manage variances by region, district, type of work, and project manager. Managers can see the impacts of project delays and make decisions to allocate available capital to prioritized projects in the pipeline. Project-level cost elements, transactions and comments could also be displayed; ensuring all questions in regards to variance inquiries could be answered.

“We don’t have to worry about version control and data integrity in manual spreadsheets anymore. InVizion increased our confidence in report data, so we can focus on higher value analysis and manage by exception.”

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