0912 240897 Thesis

for Mike Shannon

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Can Velocity

Management be introduced

to the repair chain of a utilities

monopoly?

Abstract

Background The challenge of introducing Velocity Management which is a performance improvement technique may be too much for a repair chain of a regulated utility monopoly which provides one of the basic core needs of society. The need to increase repairs, water saved and income within existing staff numbers, whilst reducing repair backlogs and delivering high returns for shareholders and mitigating an increasing capital challenge of aging infrastructure does create a situation resulting in velocity management becoming a burden to the company. A three year study of whether Velocity Management could be successfully introduced into the repair chain of a utility monopoly is reported here.

Results Statistical analysis was used to determine if Velocity Managements introduction improved the repair chains performance against some Key Performance Indicators (KPI's). The KPI's were an increase in the number of repairs, Mega Litres a day saved, income, and a decrease in age of the backlog, average age of repairs and personnel all achieved the targets that were set at the beginning of the study. This showed that velocity management could be introduced to a utilities monopoly and markedly improved the repair chain performance of the organisation.

Conclusion A theoretical analysis supported by statistical results that are independently verified by the utilities regulator shows that Velocity Management can be introduced successfully into the repair chain of a utilities monopoly. Future research would be beneficial to assess which tools and techniques can be embedded into other utility organisations, when additional training is required and what is the value for money increase for the whole utility and not just the repair chain in areas such as customer complaints and repair rework.

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