INTRODUCTION

- Continuous improvement journey at Seattle City Light

- Description of performance management

- Example of how performance management is implemented as a base for continuous improvement

SEATTLE CITY LIGHT

Seattle City Light is a municipally owned utility serving over 408,000 customers in Seattle and eight suburbs. It is governed by the City Council and it reports to the Mayor.

Seattle City Light

SEATTLE CITY LIGHT

- In 2005 became a carbon neutral utility

- 90 percent of power comes from hydroelectric resources

- Maintains Skagit river water quality and monitors returning salmon populations
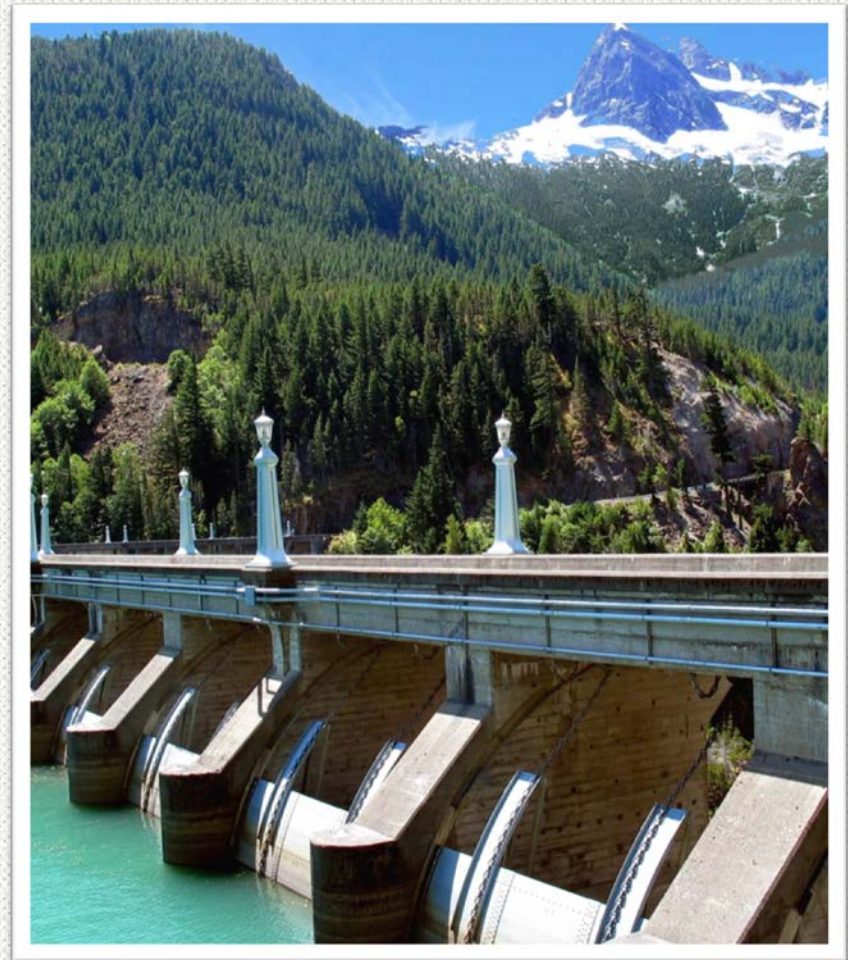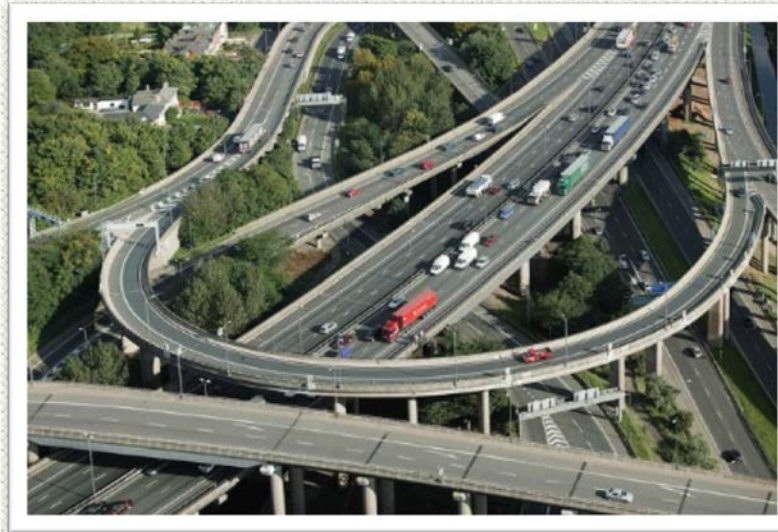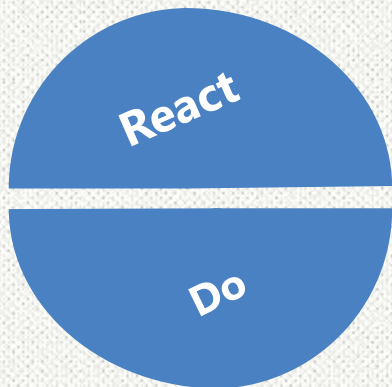
CREATING THE FOUNDATION

In order to move forward, we need to know:

- Where we are   *(Current State)*

- What we are doing   *(Performance Management*)

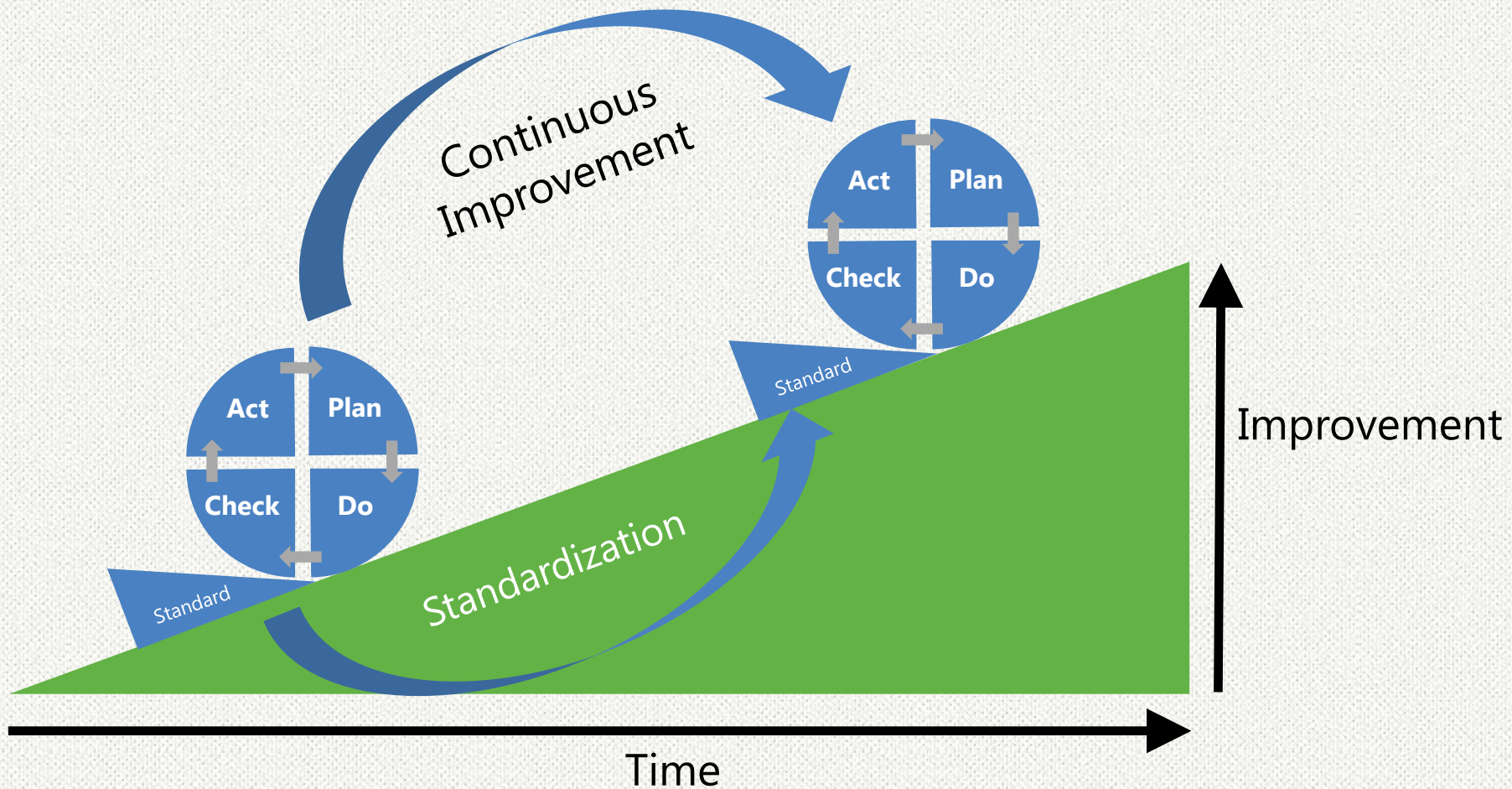- Where we are going   *(Future State)*

REALITY WE OFTEN FACE

- Fire fighting mode reacting to customer complaints

- Repetitive problems

- Little coordination between groups

- Poor communication

React

Do

Time

CONTINUOUS IMPROVEMENT APPROACH

WHAT HAVE WE LEARNED?

The utility needs the following three conditions for sustainable change:

- Goals and progress are monitored with metrics and visual management

- Roles and responsibilities of managers, supervisors and employees are clearly defined

- Employees are empowered to monitor the process and initiate improvements

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DEFINITION OF PERFORMANCE MANAGEMENT

Performance management is the term used to refer to activities, tools, processes, and programs that organizations apply to ensure individuals, teams, and departments deliver on commitments.

- It is the way to enhance operations and improve the services we deliver.

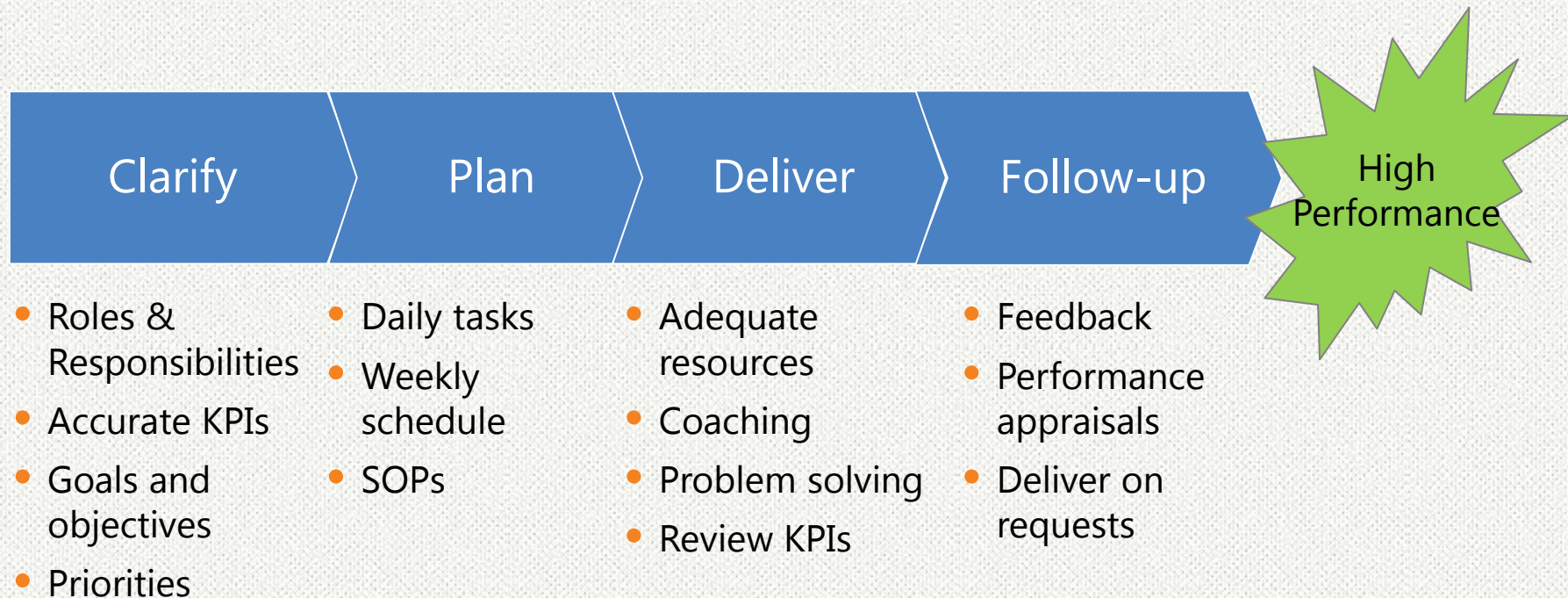- It is the way we serve our customers.

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USING PERFORMANCE MANAGEMENT

We want to:

- Get everyone in the organization **focused** on what they can do to improve performance

- Create real **rigor** around how the organization sets priorities, executes, and tracks progress

- Increase **accountability** for making improvements and delivering results, across all levels of the organization

STEPS TO PERFORMANCE MANAGEMENT

| Clarify | Plan | Deliver | Follow-up | High Performance |

Clarify
- Roles & Responsibilities
- Accurate KPIs
- Goals and objectives
- Priorities

Plan
- Daily tasks
- Weekly schedule
- SOPs

Deliver
- Adequate resources
- Coaching
- Problem solving
- Review KPIs

Follow-up
- Feedback
- Performance appraisals
- Deliver on requests

Performance management is a simple process that is often taken for granted

ENHANCE PERFORMANCE BY ENGAGING THE HEARTS AND MINDS OF EMPLOYEES

Involvement

- Problem definition and problem solving
- Setting objectives
- Communicating

Accountability

- Doing the work
- Achieving objectives

Support

- Building new skills
- Accessing information and expertise
- Hands-on leadership focus
- Simple progress measurement

CUSTOMER ACCOUNTS

Customer Accounts has approximately 50 employees. Major functions include:

- Opening and closing customer accounts
- Billing adjustments
- Administration of the solar incentive program
- Cash balancing

CHALLENGES

The group had the following challenges that needed to be resolved:

- Unclear production targets for the work groups

- Lack of a consistent way to assign work

- Lack of metrics and work standards for the different tasks

KEY POINT FOR PERFORMANCE MANAGEMENT – DEFINE ROLES & RESPONSIBILITIES

Need to ensure clear roles and responsibilities are defined to prevent overlap and ensure all resources are used efficiently:

- Identified major work types and how resources are allocated

- Clarified role of "Lead" employees

- Coached supervisors and managers to ensure work is completed

KEY POINT FOR PERFORMANCE MANAGEMENT – MEANINGFUL METRICS

Leads and supervisors identified:

- Main work backlogs that could put the new billing system at risk (quantity and customer delay)
- Production targets for the major types of work

KEY POINT FOR PERFORMANCE MANAGEMENT – SCHEDULING PROCESS

Inputs
- New work
- Backlog
- Forecast planned work

Schedule
- **Allocate resources (people) to meet the work demand**

- **Prepare schedule ahead of time based on work priorities**

Outputs
- Completed
- On schedule

Supervisor to Manage Schedule:
- Address emergency requests
- Monitor employee performance
- Adjust schedule in the event of absenteeism

CUSTOMER ACCOUNTS SCHEDULE

Example of Weekly Work Schedule

Name	Account Control		Monday June 08		Tuesday June 09		Wednesday June 10	
			Planned	Actual	Planned	Actual	Planned	Actual
Mike	Task 1	Work Type	CASHBAL 15	CASHBAL **19**	CASHBAL 15	CASHBAL **12**	CASHBAL 15	CASHBAL **23**
	Task 2	Work Type	EXCP 100	EXCP **192**	EXCP 100	EXCP **216**	EXCP 100	EXCP **190**
	Task 3	Work Type	NEG	NEG	NEG	NEG	NEG	NEG
Mark	Task 1	Work Type	ECTR 20	ECTR **32**	ECTR 20	ECTR **44**	ECTR 20	ECTR **25**
	Task 2	Work Type	ECRF 20	ECRF **67**	ECRF 20	ECRF **17**	ECRF 20	ECRF **46**
	Task 3	Work Type						
Jeff	Task 1	Work Type	FLEX		LP 25	LP **48**	LP 25	LP **31**
	Task 2	Work Type	FLEX		EXCP 100	EXCP **68**	EXCP 100	EXCP **101**
	Task 3	Work Type	FLEX					

All major work types are scheduled and tracked (planned vs actual)

KEY POINT FOR PERFORMANCE MANAGEMENT – ACCOUNTABILITY AND LEADERSHIP

Leaders need to:

Drive

- Be open to change and new experiences
- Have a "Do it, try it, fix it" mentality

Set Goals

- Be willing to set targets and help employees meet them
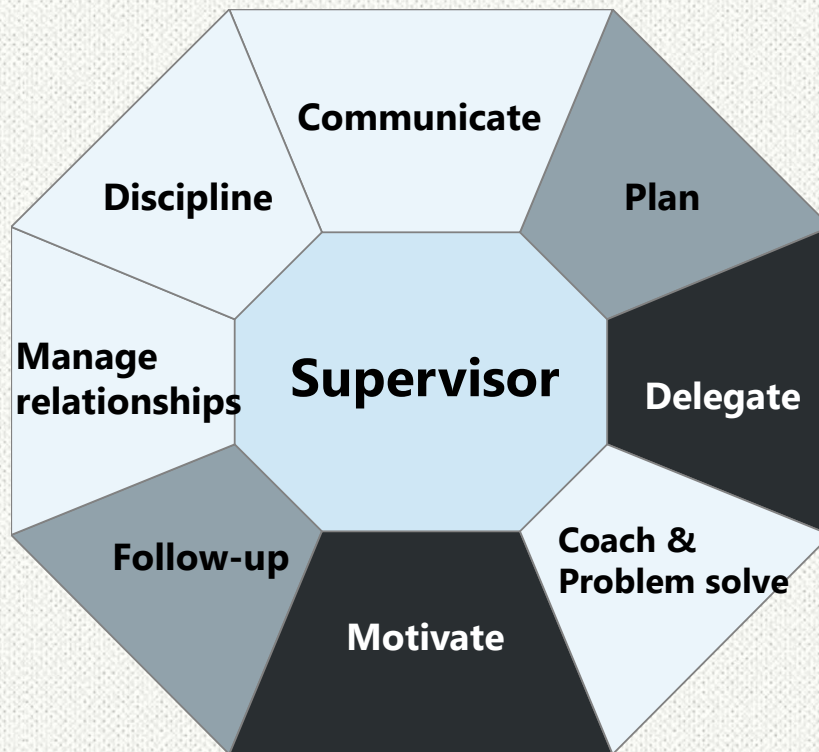
Deliver

- Be a coach, motivate, and energize others
- Initiate and sustain change

CUSTOMER ACCOUNTS ACCOUNTABILITY AND LEADERSHIP

The following support was provided to supervisors and managers to ensure success with the process:

- Coach supervisors and managers to ensure employees understand how to plan and schedule work

- Engage employees to set targets and achieve them

- Monitor and forecast workloads to ensure backlog stays near zero

KEY POINT – FRONT LINE EXECUTION

Communicate

Plan

Discipline

Manage relationships

Supervisor

Delegate

Follow-up

Coach & Problem solve

Motivate

How do we engage supervisors?

CUSTOMER ACCOUNTS – RESULTS

- Improved visibility of workload in all areas

  - Created visual workload boards

  - Justification for overtime

  - Highlighted areas requiring flexibility though cross training (cross trained 5 employees)

- Decreased backlog in some areas by 75%

- Reduced refund delay from 15 days to 4 days

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CUSTOMER ACCOUNTS – NEXT STEPS

- Develop SOPs to ensure employees are trained

- Continue to coach supervisors and managers to ensure employees stay engaged and continue to perform

Prepare Customer Accounts for Lean using foundation established by performance management

SUMMARY

Performance management is:

- Transferable – can be applied to any project or task
- Fundamental management:
    - Clear roles and responsibilities
    - Focused set of objectives and targets
    - Better planning
    - Real time performance conversations
    - Follow-up and closure
- Sustainable and ongoing

OUR VISION
To set the standard—to deliver the best customer service experience of any utility in the nation.

OUR MISSION
Seattle City Light is dedicated to exceeding our customers' expectations in producing and delivering environmentally responsible, safe, low-cost and reliable power.

OUR VALUES
Excellence, Accountability, Trust and Stewardship.

Seattle City Light