

## Supports efforts at attracting and retaining new customers

**IFS Applications played a critical role in helping the Gullspång Group, Sweden's third largest electric utility company, make a successful transition into a competitive power market. The IFS Applications suite is the foundation for new preventive maintenance, purchasing and personnel management programs that support Gullspång's efforts at attracting and retaining new customers.**



### The problem

In early 1996, Gullspångs Kraftaktiebolag, which at the time was Sweden's fourth largest utility, merged with two other companies in deals that consolidated resources and expertise that each of the separate entities would need to survive the competitive forces sweeping through Sweden's newly deregulated energy industry. The company formed from these mergers—the Gullspång Group—had more than 355,000 customers and 1,500 employees spread throughout approximately 60 towns in the Midwestern part of Sweden. It also faced challenges that Gullspång had not encountered in its previous 90 years of operation.

Soon after competition was unleashed, Norwegian power companies—bolstered by an excess supply of hydro power in their country—began flooding Sweden's market with low-priced electricity. Many of the large industrial users—primarily steel mills and paper mills—in Gullspång's traditional service area signed contracts with the Norwegian producers—forcing Gullspång to begin looking for a new customer base.

Gullspång responded by packaging competitively priced power with services that help customers lower their energy consumption. It then created brand names for those packages that would appeal to niche markets. One brand—called HemEl (home electricity)—is aimed at residential customers, while a similar brand dubbed JobbEl targets small and medium-sized businesses.

Establishing these target markets helped Gullspång recover from the loss of some large industrial customers. But the utility had to make some adjustments in order to serve its new customer base.

First, these customers are spread around a much larger geographic area than the large industries Gullspång was accustomed to serving. Second, some of the small business customers—construction companies are a prime example—have numerous sites that require electricity, and those sites change frequently as some projects end and others began. Finally, Gullspång had not consolidated data on the equipment or personnel from its three merged companies, a situation that threatened to hamper Gullspång's ability to meet its pledge to be both a flexible and reliable electricity supplier.

“We had data on 400 or 500 generators and turbines located in 200 different power plants,” recalls Bengt Olson, a Gullspång engineer. “This information was located in several different databases, and no one was sure if any of them were up to date.” In essence, Olson says, there was no reliable history of what maintenance work had been performed in any of the

plants. This often led to situations in which maintenance workers would travel as much as 300 kilometers to investigate an equipment problem at a particular plant only to have to return the next day because they did not bring the parts needed to fix the problem. Olson says the fragmented information systems also made it difficult to track the time—which translates into costs—workers spent repairing equipment.

### **The solution**

The IFS Applications suite allowed Gullspång to consolidate its equipment data into a single database. It also has made it easier to record maintenance activities and track their associated costs. All of these activities now are part of a preventive maintenance program that Olson says makes Gullspång, “much more effective” at meeting both its customer service and profit goals.

### **Implementation**

The Gullspång Group purchased IFS Maintenance, IFS/Purchasing and IFS Resource Management of the IFS Applications suite. The first step in the implementation was to transfer all of the company’s equipment data into a single Oracle base within the IFS suite. Personnel records also were consolidated in a single place, and a procedure for accurate reporting of time worked was put in place.

IFS Maintenance was used to create a preventive maintenance program that calls electronic documentation of all work performed on each piece of equipment. This is creating a historical record that already is being used to establish schedules for performing maintenance on individual pieces of equipment. Maintenance workers already can be dispatched to various plants—with appropriate replacement parts—to perform required maintenance before

equipment breaks down. Maintenance workers also have access to IFS/Purchasing and IFS/Inventory modules in order to check the availability of parts needed for upcoming jobs. Future plans call for linking suppliers to the system, so they can look in and see what parts they need to ship to Gullspång facilities in order to keep the utility’s preventive maintenance program running smoothly.

Olson says the IFS Applications suite already has had a major impact on Gullspång’s operations. “We now have one system that everyone within the company can look into and see where the problems are,” he says. “It also has greatly improved our ability to prevent problems from occurring.” That provides a sense of security to a company that still is adjusting to competing for customers.

### **Facts about IFS Applications at Gullspång Kraft AB**

#### **Software**

IFS Maintenance: IFS/Purchasing for Maintenance, IFS/Equipment, IFS/Preventive Maintenance, IFS/Scheduling, IFS/Accounting Rules, IFS/Document Management, IFS/Equipment Performance, IFS/Work Order, IFS/Inventory for Maintenance  
 IFS Resource Management: IFS/Travel Expenses, IFS/Payroll, IFS/Time & Attendance, IFS/Time Management, IFS/Shop Floor Reporting, IFS/Skills & Certification, IFS/Leave Administration, IFS/Data Capture

#### **Hardware**

Digital Alpha NT Server running Windows

#### **Workstations**

Windows-based PCs