

A CLEAR VISION AND ENGAGED SUPPLY CHAIN CAN DELIVER SIGNIFICANT EFFICIENCY SAVINGS



“The offshore wind industry has a fantastic opportunity to deliver higher margins through cost reductions. However, with the sector in its infancy compared to others such as Oil & Gas and Utilities, it will require a major step in efficiency to gain parity and maximise the opportunity.” Paul Stapleton - Partner, Head of Energy & Manufacturing

The opportunities to make real cost savings and drive efficiency are significant and can be up to 25%. This approach has already borne fruit with clients as diverse as the Water Utilities, Oil and Gas companies, Property Developers and Infrastructure Authorities.

To meet this challenge the whole sector, including the supply chain, must be aligned in its vision and approach to maximise the opportunity. We find there are some key attributes which, only when implemented together, enable efficiency and cost savings to be fully maximised. The key factors are:

- An aligned vision and strategic business objectives within the Offshore Wind Sector
- Clear visibility of the programme / project of works
- An operating model and organisation structure that is aligned to the delivery challenge
- A supply chain that is aligned to the delivery requirements.

Vision and objectives

Stakeholder alignment with the overall vision and objectives is necessary to drive accountability and ownership. To make this truly effective an organisation needs to ensure that there is agreed leadership in place, with appropriate governance to keep focus plus clear and strong sponsorship at board level.

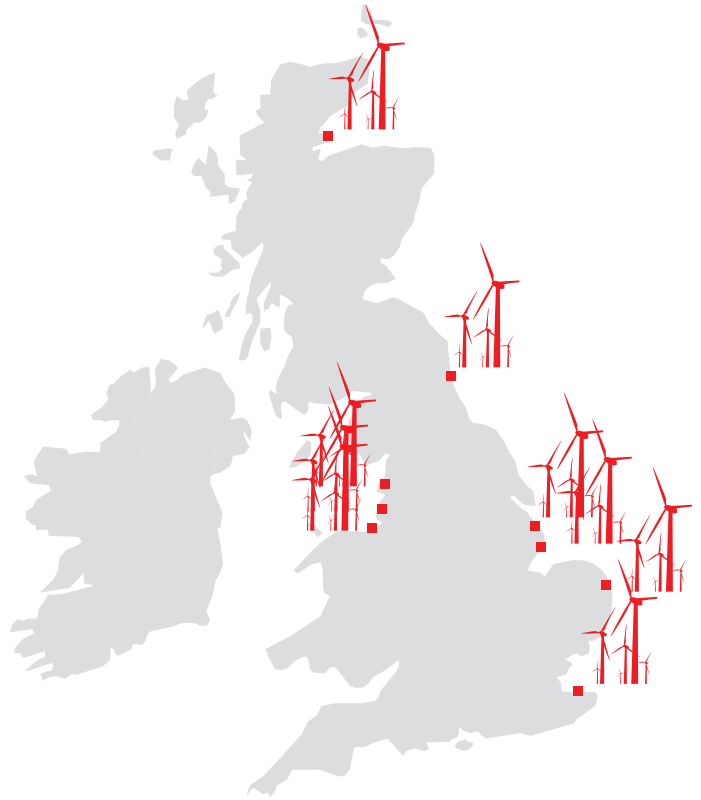
Programme / project visibility

Programme and project visibility defines exactly what you need to deliver as a business and defines the operating model and supply chain requirements. Without this in place we often see organisations that have significant wastage around their supply chain and overhead costs.

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There are 9 operational offshore wind farms in the UK at present

By 2010
wind farms will produce at least 8% of the UK's total electricity supply.



Operating model and organisation structure

A clear understanding of the vision and the strategy is crucial to designing the right organisation and to understanding the journey required to get organisations to where they want to be. The operating model will define the following:

- An organisation structure, including future processes, capabilities and systems
- A governance structure
- Roles, responsibilities and job profiles
- A clear route to transitioning to the new organisation.

The optimal operating model aligned to the delivery requirements of the organisation will enable the right levels of control and governance around key functions such as planning, procurement, cost and commercial management.

Supply chain

Within the Utilities / Power Sector the majority of an organisation's spend is on its end to end supply chain; therefore a supply chain which is aligned to the organisation's objectives and deliverables is key to optimising delivery and avoiding unnecessary costs.

Supplier engagement is also key and can lead to further reduction in costs, standardisation in design, driving innovation and reducing waste and driving performance improvement.

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