



## Management of Merger Integration Projects & Business Metrics

### ■ ■ ■ ■ INTRODUCTION

Following the Cinergy acquisition, Duke Energy standardized processes and supporting tools across the power generation businesses as part of merger integration efforts. Three projects were implemented. The first project introduced performance monitoring scorecard with a standard set of KPI's that enable power generation management to review overall fleet performance and make comparisons between sites. The performance monitoring scorecard also measures and reports Regulated and Non-Regulated businesses. The second project implemented a standard Generation Availability Data System reporting software, Micro GADS, for regulated stations in the Southeast region. The third project was implemented standard process and software, TagsPro, for lock-out/tag-out of equipment in the regulated and non-regulated stations.

### ■ ■ ■ ■ CHALLENGE

IT had lost credibility prior to NouvEON taking over the projects. Communications had been limited to status reports and email. SDLC deliverables were weak at best and often non-existent. Milestone and budget results suggested that the project had been ineffectively planned. Each project involved business partners from the Southeast region (legacy Duke Power) and the Midwest region (legacy Cinergy). The Southeast region had more familiarity and expertise executing IT projects following a formal SDLC methodology project management approach.. The Southeast had also centralized infrastructure, with most applications being hosted on corporate servers. The Midwest region business partners used informal PM processes and did not value an SDLC solution development approach to all three projects were behind schedule and suffered loss of sponsor and stakeholder confidence when NouvEON project managers were assigned to take over.

The sponsors have regained confidence that IT can deliver and are enthusiastic that their implementation objectives are understood and will be achieved – the detailed plans and executive briefing were superp.

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### ■ ■ ■ ■ THE SOLUTION

NouvEON undertook assessment of project schedules and deliverables and progress-to-date before reassessing project milestones and a projected cost to complete. New milestones and budget estimates were communicated to the project sponsors and team members to level set on current project status and future expectations. The upcoming phases and deliverables were explained to the business representatives on the respective projects to provide a better understanding of the path forward and why the various work products were required to achieve project goals. Emphasis was placed on clearly communicating project status to the team and to the sponsors on a formal, scheduled basis – weekly meetings, monthly status reporting, tracking, assignment, and resolution of open issues and action items, and adherence to the development and review of required project artifacts to ensure quality in the process.

NouvEON utilized time-proven, robust SDLC approaches to re-estimate the path forward effort and shape realistic milestones and budgets that met or exceeded sponsor expectations. Through thorough detailed planning and estimating with logical, understandable backup explanation, in combination with straight-talk.

### ■ ■ ■ ■ THE RESULTS

The performance monitoring project was deployed on-time under the new schedule, followed by a two month parallel run with the reporting process it replaced. Errors in the capture and calculation of KPI's under the old process were discovered which lengthened the acceptance period but ultimately led to approval of the new common reporting process.

The MicroGADS implementation in the Southeast region was deployed within schedule and the tool is now in usage for both Midwest and Southeast region regulatory reporting.

The TagsPro implementation project is still ongoing. The project team and software vendor have developed and deployed a solution which is in production usage at the initial pilot sites in the Midwest and Southeast with scheduled deployment of the process and tool at approximately 80 regulated and non-regulated sites.

All projects are either complete or on track – within revised budget and on schedule.

### ■ ■ ■ ■ CLIENT PROFILE

Duke Energy is one of the largest electric power companies in the United States. Duke Energy supplies and delivers energy to approximately 4 million U.S. customers. Duke Energy has approximately 35,000 megawatts of electric generating capacity in the Midwest and the Carolinas, and natural gas distribution services in Ohio and Kentucky. In addition, Duke Energy has more than 4,000 megawatts of electric generation in Latin America. Duke Energy is also a joint-venture partner in a U.S. real estate company.

The company is headquartered in Charlotte, N.C., and is a Fortune 500 company traded on the New York Stock Exchange under the symbol DUK.

#### NouvEON Services provided:

- Program / Project Management
- SDLC Methodology application

#### NouvEON Technologies Used:

- Microsoft Office products (Word, PowerPoint, Excel)
- Microsoft Project
- Microsoft SharePoint
- Business Scorecard Manager (BSM)