

Electric insights for Bord Gais

By using simulation modelling techniques, StaffBalance helps drive profitability, manage costs and improve operational efficiency.

When Bord Gais introduced its electricity to the Irish residential market in February 2009, the company grew its client base by 300,000. When it became concerned that such growth could have an adverse impact on profitability, it called in the expertise of StaffBalance.

StaffBalance helps companies to drive profitability, manage costs and improve operational efficiency using simulation modelling techniques. To date, it has helped companies save over €1,500,000 in costs.

Using simulation software, designed by founder Ciaran McGowan, the StaffBalance team modelled the Bord Gais business. The aim was to determine 'right size' teams in order to meet business objectives, to prioritise workloads in order to maximise customer service, and to seek out opportunities to improve operational efficiency. Bord Gais is an organisation that prides itself on exemplary customer service at a competitive price, so the

StaffBalance forensic evaluation of their business model was vital.

"Our collaboration with StaffBalance resulted in cost savings of over €400,000," said Joe Walsh, head of sales with Bord Gais. "We were able to pin-point costs associated with non-core activities using the simulation modelling. That led to us changing our processes, automating certain activities and reallocating non-sales activities to ensure that our sales teams could maximise their time with customers. We also implemented a save team, which has led to significant reduction in our customer chum."

The success of this initial project led Bord Gais to award StaffBalance a contract to build simulation models to calculate the cost to acquire, serve and retain customers and to identify the true profitability of customer and product segments. This project is currently in progress and the team is already identifying quick wins as well as longer-term strategic



Fiona Flynn, business development director, StaffBalance; Ciaran McGowan MD, StaffBalance; and Joe Walsh, head of sales, Bord Gais

opportunities that will fuel an even greater competitive edge for Bord Gais.

This further forensic investigation allowed Bord Gais to understand exactly how its valuable resources were spent - performing non-customer activity, acquiring customers and servicing existing customers.

"Understanding your cost-to-serve and cost-to-acquire customers is tremendously powerful," says Fiona Flynn, sales director with StaffBalance. "It allows you to price your product or service more flexibly, to put your best resources into your most profitable segments and to be highly competitive in the market. Bord Gais is a compelling illustration of how simulation modelling can lead to solid growth and profitability."

For more information, log on to www.staffbalance.ie ■