

# Fast Forward

## HPSEB adopts comprehensive IT plan to regain lost ground

Information technology (IT) and its various applications can play a significant role in power sector development. A number of utilities and state electricity boards (SEBs), which were so far lagging behind on IT uptake, are getting into gear. One such SEB is the Himachal Pradesh State Electricity Board (HPSEB), which recently completed the rollout of India's first integrated customer relationship management (CRM) and network analysis project in 10 subdivisions in Shimla.

The initial efforts for IT implementation at HPSEB were made in 1990-91 when computerisation and basic IT implementation was done at selected offices of chief engineers. In 1997-98, the first phase of a World Bank-funded project was started under which more HPSEB offices were computerised and IT-enabled. Isolated packages like payroll and inventory management were developed and implemented at certain locations. During the second phase of the project in 2000-01, HPSEB computerised and connected all offices up to

the circle level. Consumer billing solutions were implemented at select urban divisions for both high tension and low tension consumers.

In 2006, the board started its CRM and network analysis project in Shimla on a pilot basis. The project has been completed and the board is ready to roll out the full project in all its service areas. It is implementing another pilot project in Shimla related to asset mapping, which includes consumer indexing and valuation of assets based on a geographical information system (GIS). Tata Consultancy Services is the technical agency implementing the project.

Under the ongoing Himachal Pradesh Clean Energy Development Investment Programme funded by the Asian Development Bank, \$3 million has been allotted for implementation of an enterprise resource planning (ERP) solution at HPSEB. The consultants for the ERP project have submitted the feasibility report, the functional requirement study and the draft tender documents. The

project is expected to be completed by September 2010.

In the next three years, HPSEB is also expected to complete the rollout of its IT and GIS package. The board is planning hardware integration and setting up a disaster recovery site. It is also planning to initiate a distribution management system (DMS) project that includes automated meter reading and supervisory control and data acquisition (SCADA) systems at the circle level.

HPSEB has a separate budget for IT. It has allocated Rs 45 million for IT and GIS and about Rs 40 million for ERP in 2008-09. The ERP budget for 2009-10 is Rs 80 million. HPSEB has also allocated Rs 6 billion for buying hardware by the end of the Eleventh Plan period.

### CRM and network analysis

The CRM solution is being adopted to maintain a balance between profitability and the increasing expectation of customers. There are two basic functions of CRM – customer data management and



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customer service management.

The customer data management system includes data warehousing and data analysis for profiling of customers. Data mining can help to analyse previous trends in customer behaviour. Customer service management involves planning of customer-related activities both in the short and long term. It helps measure, control and improve all aspects of customer relationship. Some of its key features are customer segmentation, customer satisfaction measurement, feedback analysis and problem-solving.

HPSEB's pilot CRM and network analysis project in the 10 subdivisions has benefited over 70,000 consumers. While the pilot project cost Rs 50.1 million, the complete project, covering 122 subdivisions and 1.1 million consumers, will cost another Rs 190 million. This will bring the total cost of the CRM and network analysis project to Rs 240 million.

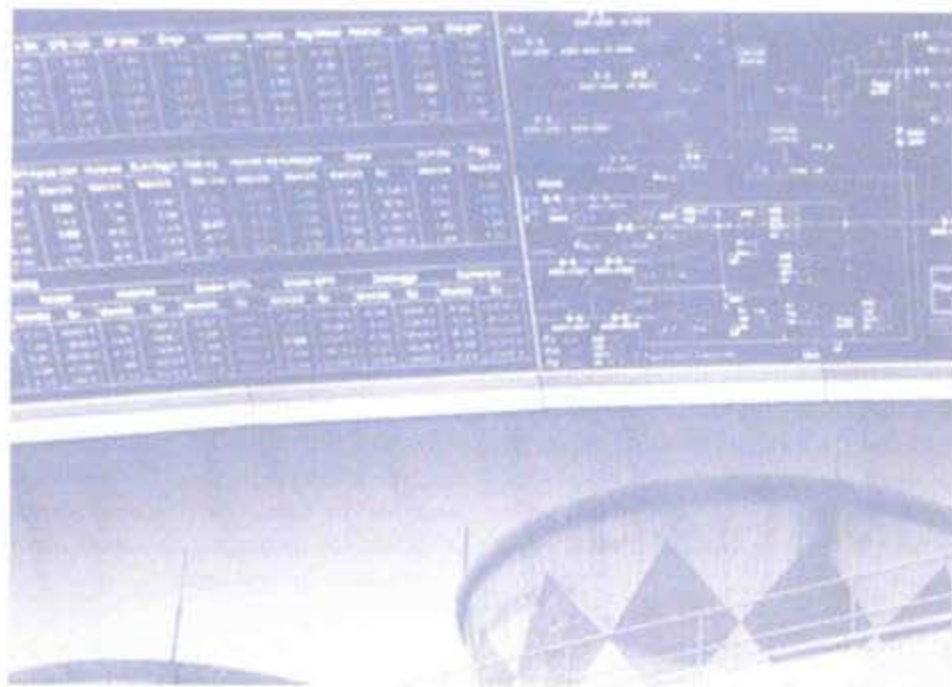
The pilot project covers functions such as meter reading, billing and collection, energy auditing and accounting, management information system (MIS), consumer grievance redressal and establishment of IT-enabled consumer service centres. As a result of the pilot project, consumers can get information regarding their current energy bill and previous payment as well as register a complaint through a toll-free number. They can also view, print and pay their energy bills through payment kiosks.

HCL, the implementing agency of the project, used its expertise in system integration to address the end-to-end requirements of the board.

#### Benefits

The CRM and network analysis project, after complete rollout, will improve consumer grievance redressal through faster response and resolution of complaints, and improve quality of supply through better planning and optimisation of the distribution network.

The consumer experience would be



greatly enhanced as all users would be able to pay their bills through the web portal of HPSEB or at any subdivisional office of HPSEB. Third-party bill payment options shall also be made available to the consumers, such as at Sugam Centres of the state government or through prepaid mobile cards, gateways of different banks with credit or debit options, and e-banking.

In turn, HPSEB's revenue collection is expected to increase. This will lead to better financial performance. Also, with the implementation of the IT package, the technology framework would be ready to support a DMS, which will lead to reduced transmission and distribution losses, better reliability and quality of supply, and more transparency and accountability in the system.

HPSEB recently rolled out India's first integrated CRM and network analysis project in 10 subdivisions in Shimla. These will improve consumer grievance redressal and quality of distribution through better planning and optimisation.

The proposed implementation of an ERP package is also expected to yield considerable benefits. The package will cover material management, project management, human resource management including payrolls and financial accounting. It will ensure the availability of online information across the organisation for the efficient decision-making process. The streamlined business processes will also provide an excellent audit trail for all transactions.

#### Key challenges

As is the case in most public enterprises, HPSEB employees and their unions are resisting the changes that the implementation of the IT projects will bring about. Another challenge is training the staff in the use of the new systems. Moreover, once the CRM and ERP projects are rolled out across the entire system, the level of complexity will increase considerably and give rise to more challenges.

But these problems are an inherent part of a systems makeover. HPSEB has taken a major step forward by implementing its CRM and network analysis project. More initiatives are being taken. The challenge now is to sustain the efforts and overcome the hurdles rollout in order to reap the benefits of a cohesive and integrated IT strategy. ■