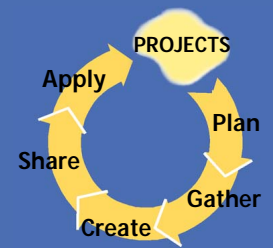


National Grid Transco

Learning about e-commerce



Background

National Grid Transco owns and operates the substantial majority of the UK gas transportation system that is used by some 60 energy companies. It is a network of seven coastal terminals bringing gas on shore, several storage facilities placed at strategic locations across the country and 275,000 kilometres of pipeline transporting gas to individual consumers. The network supplies around half the UK's energy needs, more in the winter. Transco purchases goods and services to a value of about £1 billion each year to run and develop its national transmission system. This procurement is regulated under the Utilities Directives and the Utilities Contract Regulations.

Beginning in May 2001, a 22km stretch of new, high-pressure pipeline was laid in the English Midlands. Though most of the route was through pasture, there were numerous major and minor road crossings as well as one major rail crossing. The project cost £17m in labour and materials. The six-month programme was completed on time in October 2001 and the contract was free from any construction problems of consequence.

A pilot for e-commerce

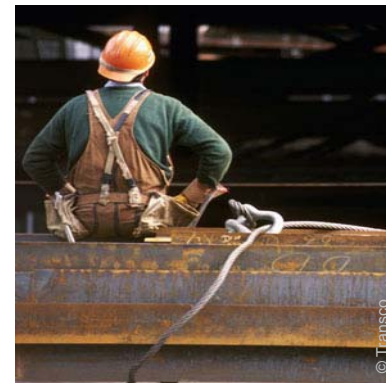
Building the pipeline was used as an opportunity to pilot a new system of electronic tendering between the NTS section of Transco and its many contractors. Within Transco, the e-tendering pilot was perceived to be very much a cutting-edge project, without much previous experience available to call upon, either in or outside the company. A specialist software company, BuildOnLine, was contracted to set up a secure centralised Internet platform to issue and respond to tenders on line. BuildOnLine ran internal and external client-contractor briefings and undertook interviews and questionnaires to gauge internal and external perceptions of the new e-tendering system.

The New Business section of Transco was interested in the pilot as an opportunity to learn about new ways of doing business, particularly in learning about opportunities in e-commerce. The analysis of the pilot roll-out was undertaken because senior management considered it to be essential to learn from and promote experience in handling new work practices. Questionnaires were prepared to send out to contractors who had been successful and also to those who had failed to win work. These were backed up with telephone interviews to elicit information about project development and management from participants inside and outside Transco. The Learning from Experience Toolkit only became available towards the end of the project. It was therefore used in a hindsight review of a pilot project in which learning was already an objective.

For Transco the principle of learning from experience was not new, and the Learning from Experience Toolkit was seen as a means to improve on the learning that already takes place within the organisation. Transco prides itself on its excellent safety record. It requires engineering to very high standards and it encourages innovation. Processes are tested and lessons learnt so that, in the words of one engineer, "We learn it and then we change it. That is Transco isn't it?"

Using the Hindsight Review

The chosen learning method was the **Hindsight Review** described in the Toolkit. It was used in two distinct ways. First it was used to handle the large amount of qualitative data generated by the interviews and the questionnaires undertaken during the pilot. The



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volume of qualitative data was difficult to handle but the three-part framework of the *Review* process — asking ‘What happened?’ ‘Why did it happen?’ and ‘Can we do it better?’ — came to the rescue and simplified a complex debriefing. The results of this initial analysis were then linked to a risk register to make the data accessible to the engineers running the pilot.

Second, the Review process was used to promote a face-to-face debriefing between all the pilot project stakeholders (except the contractors). This was the first time some of them had met in person. The discussion focused around answering the three questions. The participants were all able to grasp and use the concept of the Review very quickly. It appeared to fit with previous training and experience but as a useful, simple framework. Indeed, one engineer commented “If it’s that easy, why aren’t we doing it already?”

Comments on the process

“The Learning from Experience Toolkit was a helpful and flexible way to simplify the analysis of the project” according to Mary Mitchell, the business analyst charged with identifying lessons learnt from the pilot. Others, during the debriefing, stated that the quality of information about the project process was “better face-to-face” and the discussion was positive in tone.

A practical tool in use

Transco would like to increase its use and understanding of e-tendering and B2B information exchange. It is currently considered an industry leader and would like to retain that position. The Learning from Experience Toolkit was seen as a “simple tool to support this process”. The Review was particularly successful in highlighting organisational cultures and the impact of cultural variation in the roll-out of novel procedures — not just the culture within Transco but also the cultural difference between the consultants and the company and the company and its contractors.

Lessons learnt about Learning from Experience

- Debrief the ‘lessons learnt’ as soon as possible after the event using the Hindsight Review, regardless of outcome. Staff must expect to be held accountable for and to learn from their actions. In this particular case study, accountability could be integrated with current risk management processes.
- Spend time considering the project information flow at the start of the project, including the needs of contractors/suppliers/consultants once the contract is in place.
- Plan the strategic support likely to be necessary for learning from experience in advance — and be specific about how it will be provided
- Set up a protocol for project data so that the project intranet does not just become an area in which to dump files.

*“If it’s that
easy, why
aren’t we doing
it already?”
(Transco
Engineer)*

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Experience project was
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