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Vegetation Benchmarking from an End User Perspective

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Benchmarking Background

- 1999 – Rick Johnstone, Spring UAA Quarterly
 - Benchmarking questions are all “related to what we do, not how we do it has nothing to do it.”
 - Does “best in class really have much meaning if the whole class is failing?”
 - “I welcome your comments ...”



Benchmarking Background

- 1999 – John Goodfellow, Summer UAA Quarterly
 - “Rick, ... what has been referred to as benchmarking isn’t!”
 - Benchmarking is not completing a wide-ranging survey of outcomes, ... or a survey of what we do.”
 - “Rather ... our focus should include emphasis on how things get done.”
 - This is “Process Benchmarking”



3 different types of benchmarking

- Comparative analysis
- Process benchmarking
- Operational reviews



Comparative Analysis

- Quantitative, performance-related data and key indicators to identify opportunities for improvement.
- Its focus is on a wide-ranging survey of outcomes (what we do) rather than how things get done.
- Focuses thinking of similar companies to effectively identify industry trends, issues, and key processes.

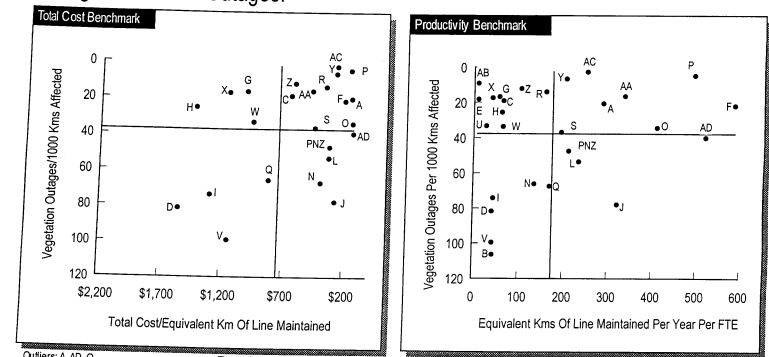


Methodology

- Questionnaires
- Analysis
- Efficiency – Effectiveness Charts
- Percentile Charts

System Reliability

Reported Low Vegetation Management Costs With An Above Average Number Of Outages.



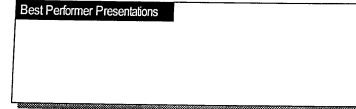
Outliers: A, AD, O

Company AB (\$4,404 - 9)
 Company AF (\$6,615 - 364)
 Company E (\$6,113 - 18)
 Company U (\$2930 - 33)
 Company K (\$931 - 155)

Data Source: Labour Data Table, Vegetation Q 1-14 (Page 106-107)

Outliers: F, P, AD, AB, E, U, X
 Company K (94 - 155)
 Company AF (7 - 364)

Best Performer Presentations



group



How You Can Benefit

- Understand what others do – program components
- Understand how much others do – budget, cycle, miles, staff, etc.
- Understand others outcomes – outages, production
- Question why others programs are different from yours



Collaborative vs. Internal

- Collaborative comparative analysis can be a basis or springboard for ongoing “Internal Benchmarking”
- Internal benchmarking helps compare you to yourself over time.
- Making progress?



Comparative Analysis Weaknesses

- Local conditions drive certain metrics
- Results can be given too much attention (regulatory targets, compensation)
- One firm has argued against the use of their benchmarking data by regulators in the UK in setting reliability targets since often the comparisons are not “apples to apples”



Process Benchmarking

- Process benchmarking takes benchmarking to the next level by showing participants where their particular processes fall short.
- Identifies where improvements can be made.
- It is a deliberate and focused investigation of a discrete business process, the intent of which is to define how the best companies got to be where they are and why.



Process Benchmarking

“Understanding how companies achieve their results is usually more important and valuable than obtaining some precisely quantified metrics”

Robert J. Boxwell

It's not about your score!



Process Benchmarking

- Involves process mapping, resulting in an as-is map for each participant's process.
- The process of interest is defined in terms of inputs and outputs, as well as the factors that drive and constrain it.
- Compare to a best practice model process (either from an outside best practice company or from creation of a composite "logical straw man").
- Identify gaps



Operational Reviews

- Individualized assessment of operations.
- A detailed study by a consultant.
- Utilizes expertise and experience of the consultant to develop valid performance comparisons that relate specifically to the client utility.



Operational Reviews

- Best practice recommendations are tailored to specific conditions found on the client utility.
- Recommendations are made for documentation of ongoing process improvements.
- Post-implementation operational review are conducted



Process Benchmarking

An example of two vegetation management Process Benchmarking studies include:

- Planning and Scheduling Process
- Closed Chain of Custody – used as a basis for the UAA BMP



Benchmarking End User Perspective

- Why did my utility get involved in benchmarking?
 - comparative ranking with others
 - budget justification
 - identify process improvement opportunities



End User Perspective

- Data Normalization:
 - Without rigorous data normalization, results are always suspect
 - Examples include growth rates, labor costs, tree density, etc.
 - Questions can often be interpreted in different ways
 - Uniform understanding of questions is key to meaningful results



Utility Involvement

- Benchmarking staff vs. operations managers
 - Utility benchmarking staff often attend rather than operations line employees
 - Sharing insight at report-out meetings has often proven as valuable if not more so than results review
 - Best insight attained by experienced employees



On Site Visits

- Understanding between participants to host on-site reviews with others
- On-site visits to best performers valuable to gaining understanding of processes leading to improvements



Value of Benchmarking

- How did benchmarking help utility?
 - even as identified benchmark in vegetation management, found program improvements from other participants
 - Regulatory plus in new rate case
 - assisted in yearly budget competition
 - completely revamped outage response moving from bottom quartile to top quartile



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