



## CASE STUDY

# Smart DCC drives performance improvement and innovation from its strategic suppliers in collaboration with The Smart Cube

## Business challenge

The smart meter roll-out is of national strategic importance; digitising Britain's energy market will bring more consumer flexibility and play a key role in the decarbonisation needed to bring cleaner air. Smart DCC (DCC) is licensed by government to build and manage the secure data network that will connect 30 million homes and small businesses to energy suppliers and network operators.

Smart DCC's Commercial Team covers all procurement, contract management and supplier relationship management activities. The team recognised the importance of maximising value from its strategic suppliers in order to ensure effective delivery of the smart metering data and communications infrastructure. This included the need to drive performance improvement and innovation, and the ability to identify and manage risks, all within the supply chain.

DCC found a major challenge with the high volume of detailed data available on suppliers' service delivery, programme and commercial performance. The lack of a clear picture of each supplier's overall performance made it difficult for senior stakeholders to 'see the wood for the trees' and hindered DCC in managing its key suppliers effectively and getting best value from the relationships.

In May 2018, the Commercial Team began development of a new Supplier Relationship Management (SRM) programme to address this problem. Understanding that effective supplier management and reporting required a system to provide high visibility of performance data and intelligence, a rigorous procurement exercise was carried out to identify a third-party partner and The Smart Cube was selected to work in collaboration with DCC and its strategic suppliers.

Client:



**Data Communications Company**

Sector:



**Energy**

Solution:



**Supplier Engagement**

## Key highlights

- ▶ The client needed to maximise value from its strategic suppliers, including driving performance improvement and innovation, and identifying and managing risks
- ▶ The Smart Cube deployed its Supplier Engagement solution to provide 360° visibility of strategic supplier performance data and actionable insights through monthly dashboards
- ▶ Fact-based intelligence has enabled the client to deliver improvements in supplier performance, and drive more strategic value through increased focus on innovation initiatives



## The Smart Cube solution

The Smart Cube strategy to support DCC's SRM programme is deployed through its Supplier Engagement solution. The strategic approach includes:

- ▶ Developing a customised executive strategic supplier dashboard template
- ▶ Collaborating with DCC and its strategic suppliers to gather performance data
- ▶ Conducting monthly surveys to capture the views of key stakeholders
- ▶ A detailed monthly workflow and governance procedure for populating the dashboards
- ▶ Producing monthly strategic supplier dashboards to present key supplier and external market data.

The collaborative partnership now delivers:

- ▶ A holistic view of each strategic supplier relationship through a set of monthly SRM dashboards, which highlight the key metrics across the engagements between DCC and the suppliers
- ▶ Supplier innovation tracking and reporting, which recognises and encourages innovation activity
- ▶ Fact-based briefs for senior DCC executives responsible for managing the suppliers, as well as supplier stakeholders, in advance of regular governance meetings
- ▶ Intelligence, analytics and insights that enable DCC to make strategic decisions, and maximise supplier relationships and outcomes.



## Results

Through the fact-based intelligence provided by The Smart Cube, combined with regular supplier governance meetings, DCC has driven:



**Improvements in supplier performance and KPI adherence:** The overall monthly supplier performance rating on the dashboards is driven by four key metrics (Service, Programmes, Commercial and Relationship) based on a set of underlying SMART KPIs. Highlighting the SMART KPIs that are driving the overall rating has led suppliers to concentrate their efforts on improving those KPIs. The DCC Commercial team has also focused on driving innovation, particularly with those suppliers exhibiting consistently high dashboard performance.



**Timely reporting and feedback:** Under its Smart Meter License, DCC has a regulatory obligation to rate and publish each supplier's performance in an Annual Service Report. Producing this has been a major undertaking for DCC: the 2018 report ran to over 175 pages and took six months to produce. Under DCC's new SRM programme, each supplier receives an overall rating on their monthly dashboard, meaning they can see how they are tracking towards the year-end rating and can act to improve if necessary.



**A more strategic approach for longer-term supplier engagement:** The success of the first phase of the SRM programme has led to the decision to expand the number of suppliers involved – and not just adding Tier 1 suppliers but expanding to Tier 2.

## Value delivered

The partnership with The Smart Cube has enabled DCC's Commercial Team to:

- ▶ **Gain a holistic view of relevant supplier relationship intelligence:** The new dashboards highlight, on an A3 page, the key metrics across the engagement between DCC and each strategic supplier. This holistic picture enables DCC and the suppliers to come to a mutual understanding of the overall state of the relationship and of the key levers which need to be pulled to effect change.
- ▶ **Improve efficiency and effectiveness of supplier relationships:** Agreeing factual SMART metrics with the suppliers and using The Smart Cube as an impartial third party to collate the dashboard data has led to executives from both DCC and the suppliers having targeted discussions on issues and opportunities that have been highlighted and informed by the dashboard metrics, rather than wasting time in disputes over the accuracy of the data.
- ▶ **Move away from tactical to strategic SRM activities:** In particular, focusing on the many opportunities the DCC network provides for innovation and partnerships, particularly with those suppliers exhibiting consistently high dashboard performance.

### Roger Maybury

Head of Supplier Relationship Management, Smart DCC said:

“The Smart DCC SRM programme has helped DCC to better manage its suppliers, have fact-based discussions over supplier performance and drive both performance improvement and innovation. The monthly supplier dashboards produced for Smart DCC by The Smart Cube have enabled Smart DCC to carry out this activity.”

Learn more about how our Supplier Engagement solution can help you measure, analyse and proactively manage the performance of your strategic suppliers, and drive continuous improvement and innovation across your supply chain.

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