

## Middle Tennessee Electric Membership Corporation

### *“Project Total Connection” Provides Basis for Deloitte Consulting LLP/SAP Utilities Template*

Owned by the 160,000 customers that it serves, the Middle Tennessee Electric Membership Corporation (MTEMC) is a cooperative distributor of power generated by the Tennessee Valley Authority (TVA). Formed by farmers and homeowners in 1936, MTEMC has grown to become Tennessee’s largest electric cooperative and the sixth largest in the United States.

Today, MTEMC has total plant assets of nearly \$300 million with total annual revenue of \$300 million. These figures are anticipated to increase as the cooperative serves a high growth area in Tennessee that is attracting new customers. An expanding customer base along with maintenance challenges associated with aging legacy systems were the driving factors behind MTEMC’s decision to implement a new Customer Information System (CIS).

To accommodate these needs and to lay the foundation for future technological expansion, MTEMC decided to implement SAP’s world-class customer care and service solution for utilities.

#### **The Situation**

As a cooperative, MTEMC understood the value of efficiency. Tasked with providing the best possible service at the lowest possible price, MTEMC had one of the smallest employee-to-customer ratios in the utility space: 300 employees to 160,000+ customers. Because the organization was so lean, MTEMC believed it could not afford to have its employees spend a long time transitioning to a new system. It also realized that it would also need to rely on an outside systems



integrator for the extra IT resources and experience it simply didn’t have. In short, MTEMC needed a true implementation “collaborator,” as opposed to a cadre of technology specialists. With these criteria in mind, MTEMC selected Deloitte Consulting LLP to assist in designing and implementing *Project Total Connection*.

#### **The Challenge**

SAP’s technology would fundamentally change the way MTEMC worked, demanding substantial business process change. This included standardizing processes across MTEMC’s three main districts, which had developed their own distinct ways of doing things. Plus, the system itself would be quite different from

what the company’s employees had used before. MTEMC’s legacy systems operated with “green screens” as opposed to SAP’s user-friendly Web-interface, and while the change would be welcome, it represented a substantial departure from employees’ typical routines. MTEMC’s lean structure complicated the matter further. Since the organization had so few employees, people couldn’t be pulled away from their regular jobs for very long without the organization suffering a decline in quality customer service. This limited the amount of time that was available for training people on the new system.

## The Solution

The scope of Project Total Connection encompassed several SAP components: SAP Industry Solution for Utilities/Customer Care Service (IS-U/CCS) Version 4.72; SAP CRM Version 4.0; SAP BW 3.1 with 3.3 Content: Web Application Server (WAS) Version 6.20; Utility Customer E-Services (UCES); and Solution Manager Version 3.1.

To accommodate MTEM's specific needs, the implementation required more than 80 enhancements. Among the most significant were:

- A new cash desk screen for processing walk-in and drive-up payments
- An 80 percent customer overview that enables service reps to answer most customer questions from a single information screen
- An interface with an ESRI Geographic Information System
- Two new invoice designs

In addition to these innovations, the implementation also required the development of courseware to support more than 200 hours of classroom training for more than 200 end users.

*"The solution seamlessly integrated MTEM's customer-facing activities with powerful back-office capabilities for the very first time," explained Don Stafford, Deloitte Consulting's Project Manager. "In addition to helping MTEM improve operational efficiency immediately, it also laid the groundwork for them to easily expand and integrate with other solutions in the future."*

## The Collaborative Approach

Effective execution of Project Total Connection required a broad range of IT, business process and industry experience, knowledge and skills. Consequently, the core implementation team was staffed with representatives from MTEM, Deloitte Consulting and SAP Consulting. Assistance

was also enlisted from Deloitte Consulting's remote development and Application Maintenance Outsourcing groups for application development support and post go-live maintenance and support.

Throughout the project, the team maintained a dual focus: Designing and implementing an affordable, yet powerful, solution while simultaneously preparing MTEM to use the solution effectively and to maximize its benefits after go-live. John Florida, VP of Information Systems for MTEM, commented on the team's approach:

*"The people that worked on the project were exceptional, and they were very well prepared to do what they had to do. They have focused on relationships and that was important to Middle Tennessee. Deloitte's Consulting's specific focus was on transferring the information and knowledge after the implementation was done. They pushed us to take on the responsibility so that we could support this after go-live."*

## The Results

Approximately 14 months after its inception, Project Total Connection went live in September 2005. 160,000+ accounts were converted with less than one percent error rate. In the first week after go-live, MTEM's call centers successfully handled over 4,700 calls and their cashiers processed 9,000 "walk-up" payments.

*"The accomplishments during week one of post go-live far exceeded our expectations," noted John Florida, MTEM's VP of Information Systems. "This is not by luck, but is attributed to the planning, experience, and hard work demonstrated by Deloitte Consulting and MTEM in the prior year. The Deloitte Consulting team has become much more than a business service provider, but good friends."*

Project Total Connection also represented two important milestones for Deloitte Consulting: It was the first Mid-market Deloitte/SAP Utility implementation in the US, and the solution now serves as the basis for the Deloitte/SAP Utility template, which is helping to bring SAP's customer care and service technology within easier reach of middle-market utilities throughout North America.

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