



## Drax Power Station

*Supporting the future of the business with up to GBP5 million in operational cost savings*

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### Overview

#### The need

To support its long-term business strategy, Drax wanted to boost operational cost-efficiency by ensuring that it was not over-stocking high-value components – but how?

#### The solution

Drax worked with BPD Zenith to refresh its supply chain, asset and work management processes with IBM® Maximo® solutions – providing clear visibility of stock levels and the historical data needed to forecast requirements.

#### The benefit

Tracking stock usage over time will enable Drax to forecast optimal stock levels, reduce over-stocking and support the future of the business with up to GBP5 million in cost savings.

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Part of the Drax Group, Drax Power Station in Selby, England, employs 830 people. The largest of the UK's power stations, Drax Power Station's six units have a total capacity of approximately 4,000 MW – typically producing enough power to meet seven to eight percent of the UK's electricity requirements.

### Supporting the future of the business

Drax is driving a major transformation project to convert three of the six generating units at its power station to burn sustainable biomass in place of coal. To help support its future-looking business strategy, the company targeted both operational cost savings and greater maintenance efficiency – but existing processes and systems presented a challenge.

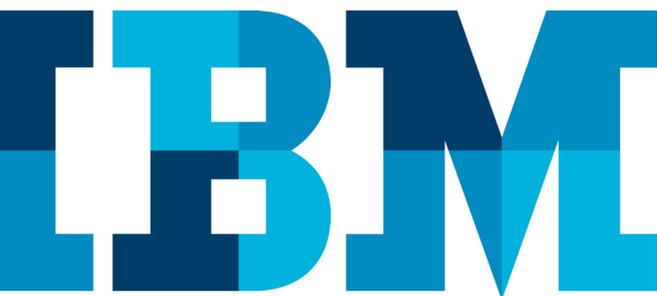
Richard Barber, Maintenance Systems Section Head at Drax, explains: “Our previous asset management solution had met our operational needs for many years, but we had outgrown the limited range of capabilities it offered.

“For example, we could not easily manage maintenance dependences, which include crucial infrastructure such as scaffolding. This sometimes meant that craftsmen could travel all the way out to a scheduled job, only to find that they were unable to gain access – with obvious consequences for operational efficiency, and frustrating the team.”

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*Keeping energy plants running smoothly demands tight control of a wide range of assets. “With IBM Maximo Asset Management, we can determine the optimal approaches to maintenance – enabling us to deliver the highest levels of asset availability without driving up operational costs,” says Richard Barber, Maintenance Systems Section Head, Drax.*

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## Solution components

### Software

- IBM® Maximo® Asset Management
- IBM Maximo Asset Management Scheduler
- IBM Maximo Health, Safety and Environment Manager

### IBM Business Partner

- BPD Zenith Limited
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## Targeting millions in cost savings

The company's previous approach to asset management also presented challenges for the supply chain organization.

Lisa Bower, Head of Procurement and Facilities at Drax, says: "The lack of clear information on stock levels and utilization made it challenging to calculate the optimal quantity of each component to carry. Our critical stock is worth more than GBP35 million, so optimization in this area could be very valuable to the business."

## Selecting the right partner

To help achieve its objectives, Drax engaged trusted IBM Business Partner BPD Zenith to deploy IBM Maximo Asset Management solutions.

"We selected IBM Maximo software because it combines the advanced asset management capabilities we were looking for with built-in best-practices, helping to ensure compliance with stringent health and safety regulations," says Richard Barber.

Lisa Bower adds: "When it came to selecting an implementation partner, BPD Zenith was an excellent fit for Drax. The BPD Zenith team's business culture, technical expertise and deep understanding of our industry made it clear that they had performed complex work of this kind before. Their guidance throughout the implementation proved invaluable."

## Gaining tighter control of asset management

In the first stage of the project, Drax replaced multiple legacy stock management and procurement systems with IBM Maximo Supply Chain Management, and migrated 18 months of historical data on active suppliers and purchase orders into the solution.

Lisa Bower comments: "We completed the first phase of the IBM Maximo project within just nine months – an extremely tight deadline for a project of this scale and scope."

Next, the company implemented the Maximo Work Management System, Scheduler and Health, Safety and Environment Manager modules, enabling a graphical view of human resources and open work orders, in addition to automated work planning capabilities. By using the IBM Maximo Risk Assessment module to assign the correct safety processes according to the status of every work order, Drax ensures compliance with workplace safety requirements.

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*“IBM solutions will help us to reduce the cost and boost the efficiency of essential maintenance processes.”*

— Richard Barber, Maintenance Systems  
Section Head, Drax

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Richard Barber says: “Today, IBM Maximo is fully integrated into our business processes. Practically everyone in the business now interacts with the Maximo solution to some degree – from our finance and procurement departments to our operations managers and engineering teams.”

### **Targeting GBP5 million in cost savings**

Drax is now using its IBM solutions to identify and drive efficiencies, and is on target to realize its business goals.

“With Maximo at the heart of our supply chain, we have replaced an almost ad hoc approach to procurement with an unprecedented degree of central control,” says Lisa Bower. “By implementing a strict maximum spend per employee, the solution enables a level of transparency in the procurement process that was simply not possible before.

“We are now collecting accurate data on our stock – including the number of times a given type of component is used within a year. After we have around 12 months of historical data, we plan to utilize forecasting capabilities in Maximo to calculate the optimal stock levels for each high-value component. We predict that reducing our stock down to more optimal levels will enable us to drive cost savings of up to GBP5 million within three years, which could be redirected elsewhere in the business.”

### **Boosting efficiency for plant maintenance**

Lisa Bower says: “We have been striving for an asset management interface that delivers the information we need at a glance – and IBM Maximo offers us exactly that. Today, we can automatically integrate information on stock levels, repair priorities and dependences to determine the best times to schedule essential work. As a next step, we will use the single source of accurate data offered by Maximo to generate reports that show exactly how long each type of maintenance task takes to complete.

“In the long term, reporting in Maximo will enable us to refine the accuracy of our maintenance schedules, and help our engineering teams to perform their roles with even greater efficiency. We anticipate that this will be a significant benefit to the business.”

## Preparing for strategic procurement

IBM Maximo enables Drax to gain tighter control of an extensive network of suppliers.

“Regulations in the energy industry are stringent, and it is vital that we can ensure all of our suppliers are compliant,” says Lisa Bower. “Maximo helps us to ensure that suppliers have the appropriate insurance in place for on-site work, minimizing our business risk.”

“In addition, the supplier visibility we gain from Maximo has helped us to develop a comprehensive audit process for our tier-one suppliers. These suppliers represent 85 percent of all our procurement, and developing strategic relationships with them is a priority.”

## Ready for the future

With IBM solutions powering its asset management process, Drax is laying the foundations for a smooth transition to its future strategy.

Richard Barber concludes: “Drax is only scratching the surface of what IBM Maximo Asset Management can do for the business, and we look forward to unlocking its full potential.”

## For more information

To learn more about IBM Maximo solutions, contact your IBM representative or IBM Business Partner, or visit the following website: [ibm.com/software/products/maximoassetmanagement](http://ibm.com/software/products/maximoassetmanagement)

## About BPD Zenith Limited

Founded in 1994 and with operations in Carlisle and Aberdeen in the UK and Calgary, Canada, IBM Premier Business Partner BPD Zenith is a leading provider of enterprise asset management solutions. BPD Zenith combines top-level accreditation in IBM Maximo software with deep expertise in a range of industries and sectors, including oil and gas, facilities management, power generation, renewables and utilities, government and transport.

To learn more about products, services and solutions from BPD Zenith, please visit [bpdzenith.com](http://bpdzenith.com)



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