

SOLUTIONS

BC Hydro uses Plateau 4 LMS across business units to save time and money, develop employees, and manage knowledge.

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The Business Case for New Technology

To figure out where you want to go, you have to know where you've been. That's the philosophy Olivier Schittecatte brought to BC Hydro's Field Services division when he joined as manager of training and development two years ago. It applies to Schittecatte's goal of leveraging learning technology to enhance training and development—and to his business case for justifying the cost of new technology to management.

Schittecatte implemented the Plateau 4 learning management system—a Web-based enterprise software application that enables BC Hydro to automate the delivery and management of learning for 1800 employees across 30 facilities. That is especially important to the Vancouver-based electric utility because it serves 1.6 million customers across a very wide geography. The LMS supports both on-line learning and classroom training and, more important, enables Schittecatte to take a strategic approach to employee learning and development.

With about 10 percent of BC Hydro's workforce in training at any given time, Schittecatte knew that the LMS would yield substantial, self-evident benefits. He also knew he would have to detail exactly how the benefits exceeded the costs. So, Schittecatte championed a phased implementation by easing the technology across the organization, managing the change, and measuring results every step of the way.

Results

Schittecatte says the Plateau 4 LMS delivered roughly 200 percent return-on-investment in its first year (2003) in cost avoidance and productivity gains. Conservatively, he expects that return to

grow to 2000 percent by the third year. That hard data is only part of a balanced scorecard that demonstrates the tangible and intangible value of the LMS. Intangibles include employee satisfaction and safety training. "We can't really say that safety training mediated by the LMS is causally linked to a reduction in the number of accidents," says Schittecatte. "Yet, there *are* benefits to the technology, and we know that they are benefits. The question is, What are they worth?"

Schittecatte has worked hard and soft data into a comprehensive framework that provides a compelling ROI case, which has enhanced training for BC Hydro's workforce and convinced other business units to use the LMS. Three of the four major business units are using Plateau 4 LMS for elements of employee learning and development, with the fourth planning to.

When time is money

Schittecatte placed a value on the time saved as a result of implementing the LMS. He valued employee time by function—administrative, managerial, and trade—or billable workforce to determine a dollar value. Then he applied that dollar value to each business function according to the time the LMS saved for each employee. The power-line technician examinations for an apprenticeship program are a clear example. The LMS allowed testing to migrate from paper-based to online. The average time to take exams was reduced from two hours to 16 minutes. In a single trade such as power-line technician, 60 apprentices take 10 to 12 examinations each year. Schittecatte estimates (conservatively) the LMS

time-savings for this one group to be \$100,000 (in Canadian dollars).

"I used to have an apprentice taking an exam, a certified power-line technician observing the exam, and then all of the admin support such as grading and recording," says Schittecatte. "Arguably, we're actually saving up to four or five hours per test, not two, or up to 2500 hours a year."

Additional savings are derived from the accessibility the LMS provides to learners. "An apprentice logs into the LMS when he or she is ready to take an exam. No one has to request an exam or schedule a time, an instructor, or a testing facility."

The efficiency of the LMS has been applied to other trade and apprenticeship programs such as electricians, telecontrol technicians, and meter technicians, yielding a total estimated savings of nearly US\$800,000 per year. In theory, the value of time saved grows exponentially—especially for the billable workforce such as technicians, who can spend that saved time engaging in customer work. Moving forward, Schittecatte notes, "Examinations will now all be done online. End of story."

Examinations are just one element of the time-savings BC Hydro is achieving through use of Plateau's LMS. There are training requirements that must be completed by law. This year, BC Hydro is using the LMS to support various content and authoring tools that provide dynamic online learning events, exams, and automated tracking of completion for regulatory audit purposes.

"Training on the transportation of dangerous goods is a recurring statutory requirement for our employees," says Schittecatte. Every two years, employees must take a course on this topic and be tested. For the first time, this learning event will be conducted entirely online, eliminating the need for a three-hour class. Schittecatte believes BC Hydro will save \$100,000 in time away from work and

travel for one course.

Regulatory compliance training remains unquantified in Schittecatte's business case but is still noted as a benefit because the outcome has enormous implications for cost avoidance, which can include fines levied by regulators or litigation costs in the event that a regulatory violation triggers an investigation or a judicial action—such as if an employee mishandles the transportation of dangerous goods. With the LMS, BC Hydro can produce an auditable report that includes whether the employee received training on the transportation of dangerous goods, when the training was taken, and whether the employee implicated in the violation passed the exam. In other words, BC Hydro can undeniably prove it has been diligent and proactive in providing training.

Coaching with confidence

With a t&d program based largely on apprenticeship, coaching employees is a fundamental skill to BC Hydro. Schittecatte notes that the company has gone to great lengths to develop programs to improve this skill. He recently has been the driving force behind a pilot program called Coaching With Confidence. The LMS will be a key to delivering related training and helping measure outcome.

In the pilot, two groups of volunteers will engage two separate variations of the same coaching program. The first group will have access to online coaching courses through the LMS and engage the program based entirely on their own motivation. The second group will have a more structured program that incorporates a blend of classroom-based workshops and online courses. In addition, a facilitator will contact those learners as they work through the course—offering tips, advice, and assistance. Schittecatte hopes to measure empirically which coaching method is more effective. Measuring the degree of learner progress from each group will help establish which delivery method is most

effective, while getting feedback from the people being coached.

BC Hydro has gradually leveraged more functionality of the LMS, diligently documenting the results and outcomes to continuously strengthen the business case. Schittecatte has been careful to establish baseline measurements as he has developed an increasing number of uses for the LMS. He will also begin measuring the value of competency assessments and knowledge management. By integrating the LMS with BC Hydro's HR information systems, managers are able to understand employees in unprecedented depth and breadth. A manager can easily tap into the LMS to analyze the courses employees have taken and determine what they need to advance their careers. Clearly, there's a time-saving value that can be attributed to the manager, but Schittecatte is also exploring ways to measure the value that brings for the employees in improvements in career and succession planning.

Another long-term measurement goal centers on knowledge management. A retirement wave is looming at BC Hydro. Capturing institutional knowledge before retirees walk out of the door for the last time is a key priority.

"Knowledge management will be a key initiative for us this fiscal year," says Schittecatte. "This will incorporate elements of our LMS and our document management system, and we're working out how we are going to measure the results."

As BC Hydro has expanded the use of Plateau's LMS, Schittecatte has noted milestones along the way. As a result, he knows where his training and development programs have been, and he has applied that knowledge to future learning endeavors.

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