



# Case Study

## Consolidated Edison



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### ROI

- \$600,000 in annual savings after examining less than 15% of Con Edison processes. Millions more in savings anticipated
- Increase in employee creativity, morale, and motivation

### Company Profile

Con Edison is a subsidiary of Consolidated Edison, Inc. [NYSE: ED], one of the nation's largest investor-owned energy companies, with approximately \$10 billion in annual revenues and \$21 billion in assets. The utility provides electric, gas and steam service to more than three million customers in New York City and Westchester County, New York.

### Objective

Identify and implement a project management solution that will enable the IT engineering team to transparently manage projects and communicate to all participants.

### Challenge

Cut costs in a tight market by involving employees in a campaign to find and correct workplace inefficiencies.

### Process Improvement

#### Use of business maps increases savings, productivity and employee morale.

In November 2001, facing a tight economy and with its rates capped by government regulators, Consolidated Edison Company of New York, Inc. (Con Edison) embarked on an effort to find cost savings by looking closely at its own internal processes. The company's first step was to create a Zero-Based Budgeting (ZBB) toolkit, implemented with Mindjet® MindManager® business mapping software.

After examining activities representing just 15 percent of its total Operations and Maintenance (O&M) budget, Con Edison has already realized more than \$600,000 in savings. Con Edison says the use of mapping has led to important changes in its corporate culture, significantly improving employee creativity, communications and motivation.

#### Capturing work process, solving inefficiencies

Zero-Based Budgeting (ZBB) is not a new process. What is new is the way Con Edison implemented it. Key to successful ZBB is discovering what each person in the organization does, why they do it, and how much it costs to do it that way. This kind of information is key to any company's success, but often extremely difficult to capture and document. Mindjet's business mapping software has provided a way for Con Edison staff to work together across sections and departments – even across union and management lines-to quickly pinpoint process inefficiencies.

With a Mindjet MindManager business map projected on a wall, employees first create visual representations of how they currently execute any given process. These representations can include both new ideas and existing process documentation. In fact, any electronic file can be hyperlinked to the maps. Once the team has captured this information in a way that makes the process easier to understand, they are better able to visualize where problems arise. From there, it is a short step to collaborate on devising more efficient ways to work.

Con Edison decided to use business mapping to implement the ZBB process after successfully using the technology to run a series of Process Innovation through Teams (PITT) meetings among Con Edison's union and management teams. “Mapping enabled the teams to literally 'see' their problem-solving efforts come together in real time to form actionable plans,” notes Al Homyk, General Manager of Operations Services in Con Edison's Bronx/Westchester Electric Operations Department. “The mapping approach increased participation and excitement around process improvement, and made these meetings highly productive.”

#### Competitive advantage: Saving money, raising morale

The process of using mapping to implement its Zero-Based Budgeting program has brought significant competitive advantage to Con Edison. There are the tangible gains, measured in the millions of dollars that will be saved through smarter work processes. And then there are the intangibles. Employees have become more creative problem solvers. Morale has increased as people see clearly from the group mapping process that they are being heard, that their ideas are valued. And team building has improved because the process of creating business maps in real time has made meetings increasingly interactive.

Equipped with a tool that helps them quickly gather information about and then act on workflow issues, Con Edison employees are using the mapping process to continually refine the way they go about their work. This kind of proactive mindset is a new phenomenon within the organization-one that promises to help Con Edison

**Solution**

Create Zero-Based Budgeting toolkit that uses Mindjet MindManager to help employees understand and improve complex workplace processes.

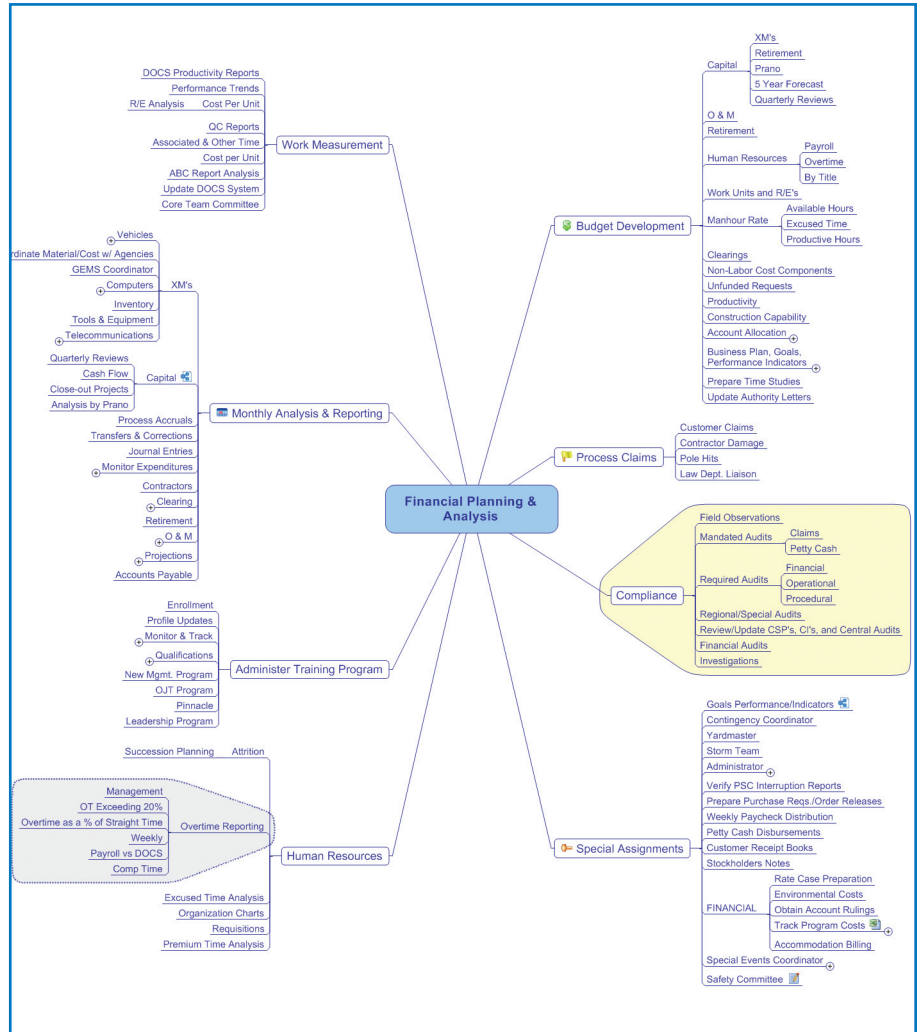
**Key Features**

- Hyperlinks
- Color Boundaries
- Microsoft® Office integration

**Result**

Con Edison identified more than \$600,000 in annual savings from increased efficiencies-with millions more in annual savings anticipated. Employees have adopted a more proactive stance toward workplace efficiency improvement.

continue to produce the highest quality product even in these difficult economic times.



Zero-based budgeting with Mindjet MindManager

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