

eSPAN

A MONTHLY PUBLICATION KEEPING YOU INFORMED ABOUT
THE BRIDGE TO EXCELLENCE

COVER STORY

B2E helps Central Hudson meet new challenges, needs

The utility industry is in the midst of a major shift that requires innovative solutions to meet customers' evolving needs. The transformation is largely driven by advances in technology, changing expectations, New York's Reforming the Energy Vision and other state and federal regulations.

Central Hudson's Bridge to Excellence initiative is helping to inspire employees to meet these challenges and find creative ways to streamline processes, eliminate waste and reduce expenses. B2E touches all areas of Central Hudson and is becoming an integral part of the Company's culture. Every employee can benefit from B2E by eliminating unnecessary processes, minimizing laborious tasks and enhancing the work

environment.

"B2E is a road map to utilize the tools and knowledge of Lean Six Sigma and apply it to our everyday work," said Director of Operational Excellence Jeff Cito. "B2E is here to serve anyone looking to leverage its tools to improve their work. We already use these tools every day, we just need to capture and concentrate this innovation for the betterment of all employees and our customers."

The foundation of B2E is built on the pillars of Lean Six Sigma, which is a technique to maximize production efficiency and maintain control over each step in the managerial process.

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Don Baker, of the Rochester Institute of Technology, standing, helps, from left, Pat Galligan, Maria Gardner and Dan Olivieri review different strategies to improve the gas regulator work order process during Yellow Belt training in May.

PERSPECTIVES

Future bright for HR

Amanda Sargent

Group Champion of Human Resources



My experience as a Bridge to Excellence Group Champion has been invigorating. Employees in Human Resources have really accepted the culture of continuous improvement, which is the foundation of the Bridge to Excellence.

I appreciate the opportunity to listen to the various ideas that come through the pipeline. It's inspiring to watch my coworkers innovate to make things better for their coworkers, customers and Central Hudson. During my first year as Group Champion, I've had the pleasure of working in cross-functional teams and learning from employees throughout the Company.

I have worked with Central Hudson for 25 years, the past eight years as a Training Coordinator, but I continue to learn about this Company and the utility industry. Every-

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Cover story continued

It relies on a collaborative team effort to improve performance by systematically removing waste. Central Hudson's program uses many sources for guidance, such as a book titled, "The Lean Six Sigma Pocket Toolkit."

Employees follow a methodology, known as Define-Measure-Analyze-Improve-Control, or DMAIC. This leads a B2E team from defining the problem through implementing solutions linked to underlying causes, and establishing best practices to ensure the solutions remain in place. The process encourages creative thinking while staying true to the target's basic process, product or service.

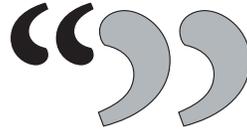
"The Lean Six Sigma analytical perspective to problem solving will help to transform the way we conduct our solution-oriented process," said Buyer John Lewis, who earned his Yellow Belt on May 14. "Analyzing situations from multiple viewpoints stimulates the need to consider both conventional and unconventional solutions."

"The press to unravel solutions within this contextual viewpoint enables the participants to stimulate their creative capabilities," he continued. "This creative approach can realize opportunities, not only beneficial to the issue at hand, but also subject matters outside the sphere of consideration."

Employees are introduced to Lean Six Sigma principles through a semi-annual White Belt training. Those who feel a connection to the process have the option to earn a Yellow Belt or Green Belt. Yellow Belt training is a three-day course where participants analyze a problem to identify the root causes and potential solutions. Green Belt training takes place throughout a 10-session semester where participants are assigned a project that they must solve using tools and statistical analysis.

There are currently 970 White Belts, 119 Yellow Belts and 54 Green Belts at Central Hudson. Most recently, 17 employees earned their Yellow Belts on May 14. The group addressed four projects: the gas transmission work order process; internal inquiries into the Call Center; substation operating diagrams and timely communication with System Operations; and high-low meter reads when a meter registers different than normal twice in a row.

"Yellow Belt training is the next step that gives employees a better understanding of the available tools and resources and how to apply them



I believe B2E is unique here and will continue to be a driver of excellence... It gives us a voice and an opportunity to have an impact

PAUL CASADO

ASSISTANT SYSTEM OPERATOR

to real-world applications," Cito said. "These are our future Green Belts, subject matter experts and leaders."

Lewis said he earned his Yellow Belt to equip himself with the skills and knowledge to analyze and improve work processes. He said Lean Six Sigma will help the Supply Chain conduct operational forecasting in a more effective manner and respond to changing demands.

"As a member of the utility industry, we continuously transform ourselves to meet the increased demand for services," he said.

Fellow Yellow Belt Assistant System Operator Paul Casado said he was interested in Lean Six Sigma before coming to Central Hudson, so he jumped at the first chance to delve into the B2E initiative. He wants to learn the basic framework around building successful projects, whether it involves implementing new processes or improving an existing process.

"I have benefitted from having a new resource in my tool belt that I'll always have at my disposal. I welcome the opportunity to showcase what I've learned," Casado said. "I believe that B2E is unique here and will continue to be a driver of excellence for Central Hudson. It gives us a voice and an opportunity to have an impact, however big or small."

Seven employees have nearly completed their Green Belt training and have been working on their assigned projects. The Company will be visiting Dutchess Community College to deliver White Belt training for the Poughkeepsie High School students enrolled in the newly formed E-TECH on July 23. The Company's summer interns will earn their White Belts on July 21. Cito acknowledges the challenges of committing time and energy to B2E, but he believes it can help move the industry forward. *

Perspectives continued

one I've worked with has offered a unique set of skills, opinions and experiences that have helped shape B2E and my career.

In the past three years, Human Resources has implemented 65 B2E ideas. This year, the goal is to accrue \$90,000 in economic benefits from projects that are launched in 2015.

The industry is rapidly changing, but B2E has enabled Human Resources to leverage technology to keep up with the transformation. Technology is sometimes overwhelming, but it has enabled our department to streamline processes, eliminate pain points and enhance the work environment. Business Intelligence, in particular, has greatly assisted Human Resources and our ability to track and organize the plethora of information for which we are responsible. In the past, tracking information was time consuming and labor intensive, but our team is continuously looking for ways to improve the process.

Innovating can be very difficult for our group because we must adhere to many state and federal regulations that often handcuff our ability to make changes. Despite the inherent hurdles, our group constantly analyzes our internal processes to find areas of improvement. Ideas are flowing through our department, especially from Payroll, which continues to find ways to eliminate manual or redundant work processes.

There are many ideas on the horizon that I'm really excited about. In particular, we are working on refining the three- and six-month appraisal process through research and development funding. The goal is to make the procedure electronic through the On-base system to improve tracking and reduce waste. This solution is economical and sensible. We expect it to be launched in the third quarter of this year. *

This monthly column features the experiences and perspectives of fellow employees taking part in process improvement.