



Xcel Energy®

IQNavigator

Xcel Energy Gains Control and Visibility of Services Spending Using IQNavigator

Business Challenge

Xcel Energy, a Fortune 250 electric power and natural gas energy utility, provides a comprehensive portfolio of energy-related products and services to 3.3 million electricity customers and 1.8 million natural gas customers in ten states.

In early 2005, Xcel Energy realized they did not have clear visibility or control of their services

spending. The organization set out on an intensive search to find a partner with the experience and expertise to help them manage and control services spending, starting with their contingent workforce spending including admin/clerical, IT workers, and call center operations. IQNavigator stood out in the competitive field because of its proven ability to manage all types of services spending, implement quickly, and improve services spending results across a wide variety of industries.

Furthermore, IQNavigator's established success with many Global 2000 companies, along with its extensive software functionality offered as Software-as-a-Service, made the offering the clear choice. The program went live in July 2005 after a 12-week implementation project.

Company Name

Xcel Energy

Solution Provider

IQNavigator Inc.

Business Challenge

Lack of control and visibility of services spending.

Strategy

Implement an enterprise-wide services procurement solution for contract labor including admin/clerical, IT workers, and call center operations to improve visibility, to establish cost controls and increase labor quality.

Value Achieved

Using IQNavigator, Xcel Energy was able to introduce a competitive marketplace which has lowered bill rates by an average of 19 percent, generating millions of dollars in annual cost savings and providing an ROI of more than 1,000 percent.

Results

Using IQNavigator, Xcel Energy was able to introduce a competitive marketplace which lowered bill rates by an average of 19 percent, generating millions of dollars in annual cost savings and providing an ROI of more than 1,000 percent.

Xcel Energy also achieved significant process efficiencies. Before implementing IQNavigator, Xcel Energy had to manually check each invoice against original contracts and paper timecards to make sure the rates and amounts were correct. IQNavigator now obviates the reconciliation effort, saving both time and money by avoiding invoicing errors. Furthermore, the solution delivers a single consolidated invoice to the Accounts Payable system that includes all spending -- pre-reconciled to the contract terms and pre-approved -- complete with online deliverable approvals.

Using IQNavigator, Xcel has centralized all payroll processes for purchased services and, through better spending and supplier performance information, has negotiated more competitive payroll arrangements.


IQNavigator's extensive reporting capabilities also provides the detailed information needed to comply with policies and regulations, as well as thorough supplier performance and rate analysis. Using IQNavigator, Xcel Energy can better evaluate its suppliers' performance and associated rates in order to ensure the best quality for the best rate. Almost immediately, Xcel was able to identify all work order rates that were above the mark up cap.

"IQNavigator brought visibility and control to our services spending, driving down costs through contract compliance and process efficiencies," said Patricia Vincent, president of Customer and Field Operations for Xcel Energy. "Using IQNavigator to automate our processes, we save time and can more accurately evaluate supplier performance."

Future Outlook

Given IQNavigator's demonstrated ability to handle multiple services categories, Xcel signed an expansion agreement and will soon use IQNavigator to manage legal services spending. Legal engagements often include a variety of deliverables and chargeable expenses, requiring extensive tracking and monitoring. IQNavigator provides the ability to establish matter and retention letter outlines so each delivery phase is monitored, ensuring that services are delivered in compliance with the negotiated scope, terms and rates. Xcel is also evaluating IQNavigator to manage other service categories including vegetation management.

Conclusions

With the clear goal of gaining control and visibility of its services procurement initiatives in mind, Xcel Energy utilized the assistance of a leading technology solutions partner to initially address its contingent labor processes. After achieving tremendous success in terms of cost savings, visibility and ROI, the organization is now expanding its use of the IQNavigator solution to better manage and automate processes in other key services spend areas. By leveraging IQNavigator's expertise and the wide range of benefits associated with its Software-as-a-Service model, Xcel has achieved tremendous results to date and looks forward to expanding its use of the solution in the future. 

"Using IQNavigator to automate our processes, we save time and can more accurately evaluate supplier performance."

– Patricia Vincent, president of Customer and Field Operations, Xcel Energy

Xcel Energy Program Benefits

Bill Rate Savings

- Introduced competitive marketplace to lower bill rates
- Negotiated more competitive payroll arrangements

Rate Compliance

- Identified and corrected rates that were above the mark-up limit
- Implemented overtime limits

Invoicing Process Efficiency

- Eliminated manual reconciliation of invoices
- Prevented duplicate billing

Managing Legal Spending

Objectives

- End-to-end process efficiency
- Control & visibility into spending detail
- Eliminate manual reconciliation of legal work invoices
- Ensure work completed matches agreed-upon terms

Requirements

- Single software platform for all service categories
- Capture legal matter and lineitem detail
- Enforce corporate approval policies for outside legal work
- Enable electronic invoice submission
- Provide detailed and analysis reporting