

# CKW Group: Sourcing of a group intranet solution via Lean-Agile Procurement



# CKW.

## Headquarter

Lucerne, Switzerland

## Industry

Electricity Supply

## Employees

~ 1'700

## Revenue

~ 850 Mio. CHF

## flowdays Service

Lean-Agile Procurement  
Coaching & Big Group  
Moderation



## CKW Group, Switzerland

CKW has written a piece of Swiss electricity history. It has been supplying Central Switzerland with electricity for over 120 years - from turbines to sockets. What began with a hydroelectric power plant near Lucerne is now a company with more than 1,700 employees on it's digital journey.

## Initial Situation

Procurement so far has shown that CKW must move faster and closer to customers in order to better meet their needs. The standard purchasing process (RfI/RfP) did not lead to the desired outcome for this kind of projects. As such CKW needed to rethink their procurement approach, from the perspective of decision makers, employees, and service providers, including everything from processes to roles. So they decided to try Lean Agile Procurement (LAP) for the first time in order to procure a group intranet solution.

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### Goals

- Shorten go-to market from 6-12 months to 1-2 months
- Find a new product / partnership / approach to solve current and acute customer needs in an interactive and incremental way
- Test collaborations and products / services with the potential partners before signing the contract
- Employees should become more self-organized and empowered to make decisions.



“*Lean-Agile Procurement is a great method if the target is clear but the solution depends on the supplier you chose. Instead of defining all details yourself and expect the supplier will deliver, you ask the supplier to develop the concept of the solution in front of you. Hence you also see how they work, which adds confidence to the right selection.*”

Daniel Wahler, CFO at CKW Group

### Why flowdays & Lean-Agile Procurement

- Experts in Agile & global thought leader in agile for procurement
- flowdays has proven experience in large-scale organizations like CKW with 1'700 employees
- Strong coaching approach enabling x-functional teams
- Acknowledged expertise in business agility: from idea to impact

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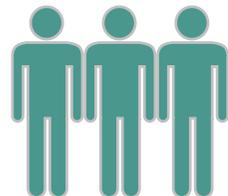
## Approach & Timing

The core format for the implementation of lean-agile procurement, was based on a 2-day workshop, where CKW co-created an agile contract with three vendors. The workshop acutally created working product increments at the end of each day, that was presented publicly to customers.



2 DAYS

+



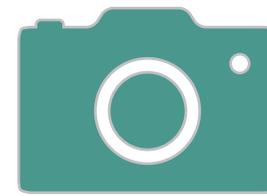
3 Vendors

+



1 Room

+



2 Public Reviews

=



Kickstart

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- ↑ Time to Market**  
400% Faster  
6 Weeks instead of 6 Months
- ↑ Customer Alignment**  
2800% Faster  
3 Days Instead of 3 Months
- ↑ Decision to Contract**  
1000% Faster  
Same Day instead of 1-2 Months
- ↓ Effort**  
50% Less  
2.1 FTE instead of 4-5 FTE
- ↑ Happiness**  
9 of 10 Recommendation Rate  
Buyer & Supplier liked lean-agile Procurement as a new sourcing approach

## Business Outcome

- Business value increased as the customers were involved constantly, e.g. during the big group workshop and public reviews.
- Staffing and empowerment of the x-functional team that resulted in significantly reduced lead time to do the job. The team had end-to-end competencies for the whole product lifecycle that enabled them to make the sourcing decision as well.
- The workshop also provided an opportunity to greatly reduce for social and technical risks, in that it provided an opportunity to validate product, service, cooperation, and the competencies of the vendors people to complete their respective tasks during the 2-day period.
- Based on customer-driven needs, the team jointly designed appropriate solutions that would dovetail within the business goals and cost roof. This significantly reduced financial risk, costs, and people time required to complete the job.
- Time to market was substantially faster as the new agile team - consisting of the buyer & vendor - could just continue working on the 3rd day.
- Contractual risks were substantially reduced as all critical co-created aspects of the of the Agile contract were made transparent and updated immediately. In addition, the agile contract ensured the needed flexibility on all the details.

CASE STUDY | ELECTRICITY SUPPLY

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