# National Grid Failed Implementation

Project Summary

In 2007, National Grid closed a major acquisition making it one of the **largest privately held power distribution companies in the US.** The acquisition left the company with two sets of financial and operating systems. Supported by **EY and Wipro**, the US subsidiary of National Grid went live with **SAP** just after Hurricane Sandy struck the east coast. National Grid's payroll, general ledger, and procurement systems were thrown into chaos.

Cleanup took **2+ years** to complete with a calculated cost of **$585M** which is **150%** of the cost of implementation. National Grid ultimately sued Wipro for damages and the suit was recently settled out of court.
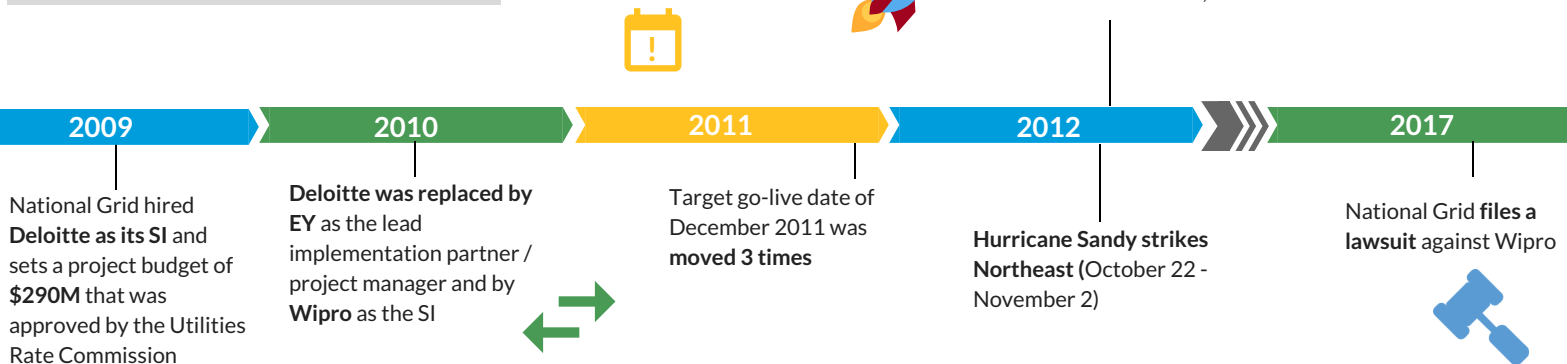
Spend vs. Planned

$1B	
$750M	
$500M	
$250M	
Projected	Spent
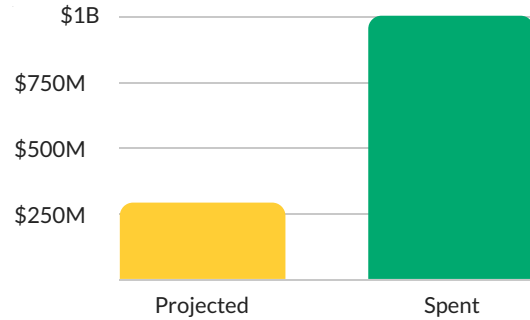
Key Decisions

- Multi-partner model
- Prioritizing timeline over quality
- Significantly underestimated scale of transformation needed
- Hiring Wipro, an SI without relevant experience
- Decision to go-live

Project Timeline

Go-live on November 5th, 2012

2009	2010	2011	2012	2017
National Grid hired **Deloitte as its SI** and sets a project budget of **$290M** that was approved by the Utilities Rate Commission	**Deloitte was replaced by EY** as the lead implementation partner / project manager and by **Wipro as the SI**	Target go-live date of December 2011 was **moved 3 times**	**Hurricane Sandy strikes Northeast (**October 22 - November 2)	National Grid **files a lawsuit** against Wipro

Company Overview

- Founded in **1990**
- **3.4M** Natural Gas Customers
- Serves areas of **MA, NY, RI**
- **25K** Employees
- Annual Revenue **$15B**
- **3.3M** Electrical power customers

What Went Wrong?

- Ambitious business agenda limited the availability of internal personnel
- Lack of ownership of certain business processes
- Ineffective testing and training methods
- Inadequate quality of data from legacy systems
- Decision to go-live 2 days after Hurricane Sandy

Lessons Learned

- Complexity of the unknown is almost always underestimated
- Internal resource planning is just as critical as budget planning
- Testing rigor is not optional
- Quality trumps budget and timeline

*This is a compilation of publicly available information.

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