

## Aussie Patrick Cooper, CIO of the Year

By Warren Causey Photographs by Ian Tjhan

# Down Under,

A lot of expensive information technology at utilities is junk. There. It is out in the open.

Such candor, along with a career of accomplishment, distinguishes Patrick Cooper, chief information officer at Country Energy, in New South Wales, Australia. He has overseen a budget of \$32 million, effectively captained a squad of 200 employees — including 70 consultants — and ably steered his company through the shoals of deregulation.

Based on these accomplishments and others, two integrated media companies, Energy Central, based in Denver and the parent company of *EnergyBiz*, and Spintelligent, of South Africa, have named Cooper one of two utility CIOs of the Year. The other winner is Luigi Borrelli, of Enel in Rome. Both men were selected by a panel of experts assembled by the two media organizations.

Cooper in a recent interview told *EnergyBiz* that a lot of technology that was installed at utilities in the past did not provide benefits to the companies involved. In fact, he said the first question to ask before any new technology is installed should be: “What does the current process look like and is technology the right answer?”

“Sometimes people forget what they’re trying to achieve,” Cooper continues. “We need first to work to understand the process and then consider automating. In the past, a lot of utilities were run by engineers who saw technology as a solution to a problem. But a lot of installations were unnecessary and didn’t deliver benefits.”

That attitude may not endear Cooper to many engineers, or even IT professionals. Cooper’s philosophy is to look at what is and then imagine

what might be in the future: intelligent grids and intelligent IT networks that provide full, real-time visibility across the entire enterprise.

“We should be enabling the full infrastructure so you have real-time visibility of its condition,” he said. “We need to move from the current model where customers tell us they’re not getting power to knowing before they tell us, and then moving on to prevent outages completely.”

A part of the fact that Cooper tends to look at things differently may be a result of his background. He didn’t come out of technology, but rather out of accounting and finance. Cooper completed his undergraduate degree at Charles Stuart University in Bathurst and then received an MBA from Deakin University. Then he went into accounting and small business technology consulting. In 1997, having had a falling out with some partners in the consulting business, he joined what was then Advance Energy in Bathurst as manager of finance for energy services. In slightly less than two years, he redesigned the company’s reporting system, assisted in the development of financial targets and worked with all business unit managers to improve efficiency and profitability.

In 1998, Cooper was promoted to revenue manager for the small regional utility, then later to acting controller and then GST project manager.

In 2001, some major changes occurred at Advance Energy and in the utility environment in Australia. Advance Energy was merged with several other small regional utilities to become Country Energy. The following year, Australia’s legislators

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and regulators decided to go to full retail energy competition. Cooper was named project director for preparing the newly combined utilities for that competition. He was responsible for the completion of all IT projects, organizational change projects and management of relationships with two consulting firms hired to help. As one of his associates said: “It was a project with a nine-month deadline and total business failure as its major risk.”

Cooper didn't fail. Instead, he introduced a new project methodology, worked with executive management to establish a new system of IT governance and accomplished the following:

- **INTEGRATED FIVE LEGACY CUSTOMER INFORMATION SYSTEMS;**
- **ENHANCED THE SURVIVING CIS TO ENABLE COMPETITION;**
- **SELECTED AND REDEVELOPED MOBILE DATA SOFTWARE FOR COMPETITIVE FUNCTIONALITY;**
- **DESIGNED AND IMPLEMENTED A NEW OVERALL SYSTEM ARCHITECTURE;**
- **REDEVELOPED A FIELD DISPATCH SYSTEM;**
- **SELECTED AND DEVELOPED AN ON-LINE QUOTING (PRICING) SYSTEM;**
- **DEVELOPED AND IMPLEMENTED PROCESSES AND PROCEDURES FOR FULL RETAIL COMPETITION;**
- **DEVELOPED SYSTEMS FOR EXTERNAL COMMUNICATIONS AND REGULATORY COMPLIANCE;**
- **HANDLED INTERNAL COMMUNICATIONS ABOUT THE SYSTEMS AND CHANGE MANAGEMENT;**
- **DIRECTED THE PROGRAM MANAGEMENT OFFICE, INCLUDING BUDGET CONTROL AND COST SUBMISSIONS TO CORPORATE;**
- **HANDLED A TOTAL BUDGET OF \$32 MILLION AND DIRECTED A TEAM OF 200 PEOPLE, INCLUDING MORE THAN 70 CONSULTANTS;**
- **CORRECTED DATA QUALITY IN THE NATIONAL MARKET SYSTEM;**
- **REDESIGNED CUSTOMER TRANSFER PROCESSES AND ASSOCIATED DATA ISSUES TO ADDRESS INEFFICIENCIES AND REMOVE BOTTLENECKS.**

Having survived those nine months without “total business failure” with considerable success, Cooper was named general manager for information services (CIO in other parlances) in 2002. Since then, he has been taking large steps toward improving the IT already in place at Country Energy, while keeping one eye very clearly on the what-ifs in the future. He also is very cognizant of the difficulties utilities find themselves in now.

“For us, the major challenge is not the global energy crisis or the price of fuel,” Cooper said. “The problem we have is that most of our network, like at other utilities, was built with technology and facilities that have a useful lifespan of about 50 years — and it's been used for 50 years. Customers want reliability, and we haven't invested in that reliability. The real competition for money today is between asset replacement and IT.

“It is possible to come up with scenarios where we can spend \$1 million on IT and free up large amounts of capital for the network asset management program,” Cooper continues. A major part of his current efforts are directed at finding those scenarios. He thinks some of them may have to do with controlling demand for energy.

“If we can really focus on demand-side management and get information to people that will encourage them to react, we can solve part of the problem,” he said. “That is part of having an intelligent distribution network. If we can get real-time pricing information to consumers, especially with such technologies as BPL (broadband over power lines), we can help there. But we're still five or 10 years away from that.”

Cooper also said he believes that the next breakthroughs in utility IT systems will be “around communications. If we can get use of the power lines we have in place — if we can get to a point in the next three or four years where we can communicate with every meter with little incremental cost — we can drive behavioral changes. That would be a significant change in this industry. If we can increase reliability, reduce costs, and have an intelligent network that tells us to fix a transformer before it overheats and breaks, we can drive significant costs out of our operations. That vision calls for us to get to where communications is very reliable and very cheap. Everyone is trying something [around BPL], but once we get a breakthrough there, we will see the utility business transformed quite significantly.”

Cooper also believes current merger trends in the industry will continue. “We will see large national and global utilities with more focus on driving customer behavior,” he said. “There also will be a marriage of generation and retail with a significant move toward environmentally sensitive generation.

“There is a lot of movement around wind and biomass now, but the real environmental salvation for the short term is nuclear,” he said.

The former accountant who sort of “backed” into the utility business said he is continually thinking of ways to make his company better.



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