



Great Plains Energy / Kansas City Power & Light

Effective strategic planning and execution prepares two diverse companies to integrate and enhance their IT infrastructure.

Great Plains Energy, the holding company of Kansas City Power & Light (KCP&L), acquired the regional operations of Aquila with a deal valued at more than \$1.7 billion.

Great Plains Energy engaged West Monroe Partners to perform pre-transaction due diligence for the potential deal's IT valuation, people, processes, facilities, and strategy. Immediately following the acquisition, KCP&L turned to West Monroe Partners to manage strategy and planning for integrating the companies' IT operations. West Monroe Partners worked closely with the IT organization to develop a strategic integration plan, provide IT CIO advisory services, implement and manage a large-scale project management office (PMO), optimize the organizational staffing model, and perform ongoing budget analysis to ensure the capture of synergies and deal value within this highly regulated industry.

Kansas City Power & Light.

Operating from headquarters in Kansas City, Missouri, Kansas City Power & Light ("KCP&L") has evolved into a full-service energy provider and resource. The company was founded in 1882 and has become one of the Midwest's most affordable energy suppliers through leadership in fuel procurement, plant technology and efficient power generation, transmission, and distribution. KCP&L services over 500,000 customers in 24 western Missouri and eastern Kansas counties. After the deal closed, KCP&L's customer base increased to more than 800,000 customers.

Integrating complex IT organizations.

Great Plains Energy, the holding company of KCP&L, announced its intent to acquire the Missouri and Kansas operations of Aquila, an electric and natural gas distribution company, for \$1.7 billion and to combine Aquila's operations with its own.

In conjunction with the financial close, Black Hills Corporation acquired all of Aquila's former electric and gas customers outside the Kansas City metro area for \$940 million. The simultaneous integration and carve-out efforts by the three parties involved in the deal increased the transaction's complexity.

In addition to a potentially long and difficult regulatory approval process, the companies faced several other challenges in preparing for integration:

- ◆ Coordinating diverse teams and managing organizational change among KCP&L, Aquila, and Black Hills Corporation
- ◆ Addressing complex security requirements and processes surrounding corporate data and integration testing
- ◆ Establishing consistent network connectivity
- ◆ Integrating Aquila's and KCP&L's vastly different corporate cultures

"West Monroe Partners did a great job with the Integration of Kansas City Power & Light and Aquila. Leveraging its strategy, planning, and project management expertise, we were able to execute a seamless integration of our IT organizations and successfully support our businesses."

**Chuck Tickles, Vice President of IT
Kansas City Power & Light**

For assistance with preparing for integration, KCP&L turned to West Monroe Partners. West Monroe Partners initially provided IT due diligence for the acquisition on behalf of KCP&L and its holding company, Great Plains Energy. It also brought substantial experience in IT integration, infrastructure planning, and project and program management to advise IT leadership during this challenging integration process.



Coordinating more than 100 projects.

Following announcement of the acquisition, West Monroe Partners developed and implemented a program management office (PMO), which included processes, tools and templates to support the combined organization and to integrate critical business applications—more than 100 projects in total.

In addition to establishing the PMO, West Monroe Partners fulfilled the following responsibilities:

- ◆ Providing strategic planning and advise to the CIO with respect to supporting the IT transformation for the combined enterprise
- ◆ Facilitating IT strategy visioning sessions to prioritize and detail Tier-1 operational goals
- ◆ Managing interaction and communication among parties to ensure a smooth transition
- ◆ Providing program and project management best practices and disciplines—project planning, meeting facilitation, issue management, risk mitigation plans, project readiness assessments, etc.
- ◆ Providing technical expertise to the infrastructure teams
- ◆ Intervening in at-risk projects to mitigate risks and resolve issues to ensure project success
- ◆ Tracking and reporting project status to IT and executive management for all companies involved in the integration

Benefits beyond integration.

Through a comprehensive integration approach and disciplined project management, West Monroe Partners led KCP&L and Aquila down the path of an integrated IT organization. In addition, West Monroe Partners developed a road map for capturing synergies in the two companies' combined IT operations by identifying process improvements, redesigning the organization, and increasing visibility into contract and vendor management, to name a few.

West Monroe Partners has operationalized and transitioned the integration PMO, enabling KCP&L to utilize the PMO methodology in its normal business operations—long after the IT integration initiatives are completed. By providing KCP&L with a program and project management “center of excellence,” West Monroe Partners has helped KCP&L's IT organization position itself to better align its initiatives with business goals and to continue to provide a higher level of service and support to the organization.