Strategy and Processes.
Two in One Project at ZEC Bydgoszcz SA

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Summary

Working together at ZEC Bydgoszcz, management and employees came long way in 2001. The project conducted in Bydgoszcz concerned more than designing and implementing new business processes. The goal – although this was nowhere directly defined – was also to bring about a change in the way of thinking about our company. It resulted from the sector specifics as well as from company’s organizational culture. Because of this, our story about the joint project will start with a description of the economic background, which is crucial for understanding essence of the project.

Key Words

Company reorganization, business process management, Balanced Scorecard, Value Based Management
1. Project Background

1.1 Changes in Polish Industry

For Polish industry – as for other Central European countries – the beginning of
the nineties was the most important challenge to development we had ever
confronted. In the centralized economy – although many areas were uncertain –
sales was often among the most stable business elements. The changed operating
environment forced many companies to make a complete reorientation. Those that
could not adapt mostly went out of business. Marketing, sales, client, and quality –
these are the key words in the strategies of Polish companies that were formulated
in the first half of nineties. The second half of the decade was marked by
increasing of managerial interest in subjects connected to effectiveness (e.g.
business processes) and modern forms of financing developments. Throughout
this period, known in Poland as the system transformation, importance of the
privatization process cannot be overestimated. In many cases it meant a change of
ownership but also in the management philosophy of the company, financial
development, a new organizational culture.

1.2 The Energy Sector

The energy producing sector was considered to merit special consideration in the
economy all over the world. Of prime importance to the economy, the added value
chain is very sensitive to fluctuations in the economic situation, and on the other
hand it is often the subject of political manipulation (central as well as local
authorities). The Polish energy sector is no exception, and may even be seen as an
archetypal example. With its monopoly status, the power industry in the first half
of the ‘90s was plunged into stagnation – at least compared to the revolution in its
economic environment. Later years brought a liberalized Energy Law based on the
Scandinavian and British solutions.¹

The principal objective of creating the energy market in Poland is to develop
competition and so to increase the efficiency of entities operating in the energy
sector and minimize prices for final consumers, as well as to provide the energy
sector entities with the revenues they need to make return payments and develop
the technical and business infrastructure.

The Energy Law provides the conditions for a gradual introduction of market
mechanisms. These include the development of competition in generating and
supplying electrical energy, with the assumption that the transition from wholesale
electrical energy trade competition to retail trade competition will not last more
than eight years from the date the law becomes effective. The basis for the