IDEA GROUP PUBLISHING

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#ITB7939

Chapter 5

Armadillo Power & Light: A Software Evaluation and Selection Case Study

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Armadillo Power & Light Company (AP&L), headquartered in Hondo (TX), provides electric service to the lower half of the Lone Star State. AP&L is a wholly owned subsidiary of Texas Power Corporation, an electric utility holding company.

The General Accounting (GA) Department of AP&L is primarily responsible for closing the company books on a monthly basis. After the books are closed, GA is responsible for providing senior management with data relating to key operating results. This data includes a comparative income statement, analysis of rate of return on common equity, analysis of operating revenues and megawatt hours (MWH) sales (as shown in Figure 1), analysis of sources and disposition of energy, and analysis of operation and maintenance expenses by function.

Some of this data is used by senior management in their quarterly meetings with the Board of Directors. Senior management officials also use this data in presentations to banks when obtaining short-term financing. Since the professional construction and presentation of this data is of utmost importance, it is to the advantage of the GA staff to have this data neatly prepared with tabular and graphical analyses.

GA currently uses the Lotus Corporation's Symphony 2.2 software package with Allways, a graphics add-in for the Lotus spreadsheet. This

Figure 1: Armadillo Power and Light Analysis of Operating Revenues and Megawatt Hours (MWH) Sales —September 30, 1992

	Revenues	MWH
Residential	$53,690	579
Commercial	30,967	409
Industrial	32,313	505
Government& Municipal	1,850	25
Sales for Resale	37,261	1,516
Other Electric Sales	1,768	
Total Electric Revenues	*$157,849*	*3,305*

This chapter appears in the book, *Strategies for Managing Computer Software Upgrades* edited by Neal G. Shaw.

combination has proven to be a very capable as well as flexible program that combines five functions in one package. These capabilities are: 1) word processing—a tool for writing letters, reports, memorandums and other business correspondence; 2) spreadsheet—a tool that performs the numeric and financial analyses needed for planning and decision making; 3) graphics—a tool that converts numeric data into graphs and charts for analyzing financial data; 4) database management—a tool for storing, organizing, and managing information electronically; and, 5) telecommunications— the ability to exchange information with other computers.

GA at AP&L is equipped with the following hardware:

1) Six IBM Personal System/2 computers, Model 70/386, with Disk Operating Systems (DOS) Version 5.0;
2) Each computer has a VGA monitor and mouse;
3) A Hewlett Packard 7550a graphics monitor;
4) A Hewlett Packard LaserJet Series II;
5) A Hewlett Packard Laser Jet III,
6) An IBM Proprinter II XL; and,
7) An IBM Quietwriter printer.

Recent technological improvements in software, combined with the need for data to be professionally arranged and presented, has shifted the company's standard toward software compatible with Microsoft Windows, a graphical user interface. GA has decided to initiate a software evaluation and selection project for a spreadsheet package with advanced graphics, worksheet publishing, and Windows compatibility, since it current software package (Symphony) does not have these features.

INITIAL SCREENING CRITERIA

Senior management uses the data provided by GA in presentation to both the Board of Directors and banking officials. Therefore, it is in the best interest of AP&L to provide all technical and financial data in a most attractive and comprehensible manner.

The currently used spreadsheet package does not have the extensive worksheet publishing and graphics capabilities that senior management requires to prepare easy-to-read and attractive visuals. However, advanced spreadsheet packages are now available with worksheet publishing features which allow information to be summarized into concise tables with borders using high resolution fonts. These tables are much easier to read and interpret than just multiple rows and columns of numbers. A variety of graphs are available in the advanced packages ranging from simple line graphs, pie charts, bar and column graphs to scattergrams.

Spreadsheet software compatible with Windows may also be used to enhance document preparation. These features allow the display of multiple worksheets in windows that can be sized, moved, zoomed, and stacked. GA is extremely interested in this area, as management feels that windowing features are the wave of the future in advanced spreadsheet software.

There are several such spreadsheet packages on the market today. GA believes that it is time to initiate a software evaluation and selection project to find a spreadsheet package that will meet the current and future needs of the department. Although AP&L has its own Information Systems (IS) department that could design custom software, GA users are