

Appendix 1.1.V - Review of customer participation

Wessex Water

September 2018

Business plan section	Supporting document
Board vision and executive summary	
1 Engaging customers	1.1 Summary of research findings
	1.2 Communications strategy
	1.3 Customer participation and behavioural engagement strategy
2 Addressing affordability and vulnerability	
3 Delivering outcomes for customers	
4 Securing long term resilience	
5 Markets & innovation: wholesale	
6 Markets & innovation: open systems & DPC	
7 Markets & innovation: retail	
8 Securing cost efficiency	
9 Aligning risk and return	
10 Financeability	
11 Accounting for past delivery	
12 Securing trust, confidence and assurance	
13 Data tables and supporting commentaries	

Contents

Findings and recommendations	4
Proposal	15

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WESSEX WATER

CUSTOMER PARTICIPATION REVIEW

July 2017

1. Introduction

We were commissioned by Wessex Water to conduct a high-level review of the company's approach to customer participation and to run a workshop with colleagues.

2. Purpose

The purpose of the review was:

- ▶ To create a framework for the company's approach to customer engagement and participation
- ▶ To agree a process to bring everything together as a coherent narrative
- ▶ To make recommendations on short-term and longer-term actions to improve the company's approach to customer participation

3. Process

The review was based on information provided by Wessex Water. The information was analysed and structured into frameworks. A workshop was then run with colleagues to raise internal awareness of customer participation, discuss the frameworks and recommendations.

4. Frameworks of current actions

The actions the company is taking to engage with customers breaks naturally into three areas – listening to customers, customer participation and customer communications. The activities were then aligned to potential objectives for each of the activities in the following way:

A listening framework – current actions

ACTIONS TO UNDERSTAND OUR CUSTOMERS	ACTIONS TO UNDERSTAND SPECIFIC NEEDS OF VULNERABLE CUSTOMERS	ACTIONS TO UNDERSTAND CURRENT CUSTOMER PRIORITIES	ACTIONS TO UNDERSTAND CUSTOMER PRIORITIES FOR THE FUTURE
	<ul style="list-style-type: none"> ▶ Affordability Partnerships (and consultations) ▶ Affordability events ▶ Priority Services register ▶ Mental Health awareness/animation 	<ul style="list-style-type: none"> ▶ 60,000 direct customer contacts a year ▶ Depth interviews (83) ▶ Telephone surveys (12,700) ▶ Focus groups (336) ▶ Face to face (3839) ▶ Web survey ▶ Quarterly Image tracker ▶ Online panel “Have your say” ▶ Leakage research ▶ Willingness to pay research (customer friendly on line tool) ▶ Revealed preference analysis with Decision Technologies ▶ Workshops 	<ul style="list-style-type: none"> ▶ Resilience research ▶ Strategic direction research ▶ Acceptability of business plan research

A participation framework – current actions

FUTURES: ACTIONS TO INVOLVE CUSTOMERS IN BRINGING THE FUTURE TO LIFE	ACTION: ACTIONS TO CHANGE CUSTOMER BEHAVIOUR AT SCALE	COMMUNITIES: COLLABORATING WITH COMMUNITIES	EXPERIENCE: PUTTING CUSTOMERS IN CONTROL OF THE SERVICE EXPERIENCE
<ul style="list-style-type: none"> ▶ Independently chaired stakeholder panel ▶ Youth Board/Panel ▶ Use of deliberative techniques ▶ Use of co-creation techniques ▶ Apprentice scheme ▶ Affordability action plan and partnerships 	<ul style="list-style-type: none"> ▶ New Citizenship engagement programme ▶ Actions linked to saving water (Join In, Home Check, optional metering, roadshows and tours, education service) ▶ Sewer misuse actions ▶ Public health project (prescription items) ▶ Customer magazine ▶ Affordability action plan (referral process) 	<ul style="list-style-type: none"> ▶ New Citizenship engagement programme ▶ Mere project (very engaged on abstraction/water course) ▶ Wessex Fishermen ▶ Abbotsbury ▶ Catchment partnerships (Poole Harbour, Stour, Bristol Avon) ▶ Nature partnerships 	<ul style="list-style-type: none"> ▶ Continuous engagement programme (proactive calls, texts, feedback cards, web surveys, monthly SIM surveys, real time feedback tool) ▶ Purchase of Flipper ▶ Dementia Friends ▶ Debt advice/Step Change ▶ Tailored Assistance Programme (10,000 registered) ▶ SIM performance

A sample communications framework – current actions

ACTIONS TO KEEP CUSTOMERS IN TOUCH WITH PLANS, PERFORMANCE AND LATEST NEWS	ACTIONS TO RAISE AWARENESS OF THE VALUE OF WATER	ACTIONS TO MAKE IT EASY FOR CUSTOMERS TO ACT	COMMUNICATIONS ACTIONS LINKED TO SERVICE
<ul style="list-style-type: none"> ▶ Customer magazine ▶ Roadshows and tours 	<ul style="list-style-type: none"> ▶ Education advisers (contacts with 27,000 children a year) ▶ Speakers talks ▶ Community events ▶ Open days 	<ul style="list-style-type: none"> ▶ Water saving devices and advice 	<ul style="list-style-type: none"> ▶ How to contact us ▶ Services ▶ Information on bills ▶ Customer-to-customer contact?

The working session identified many other existing methods of customer engagement which will be subsequently added to these frameworks.

In summary, my observations based on a high-level review are:

- ▶ That Wessex Water has **a lot** of very good practice – the SIM achievement is outstanding
- ▶ The company’s **continuous contact programme** with customers seems exceptional
- ▶ The company seems to be taking all the necessary steps for PR19 research and the acceptability of their business plan
- ▶ The purchase of the web electricity supplier exchange company **Flipper**, based on the little I know, seems innovative and imaginative

5. Additional observations

The following observations are made within the following provisos:

- ▶ I am only able to provide opinion based on the information provided
- ▶ This is not an analysis based on detail; for example, the results of any research

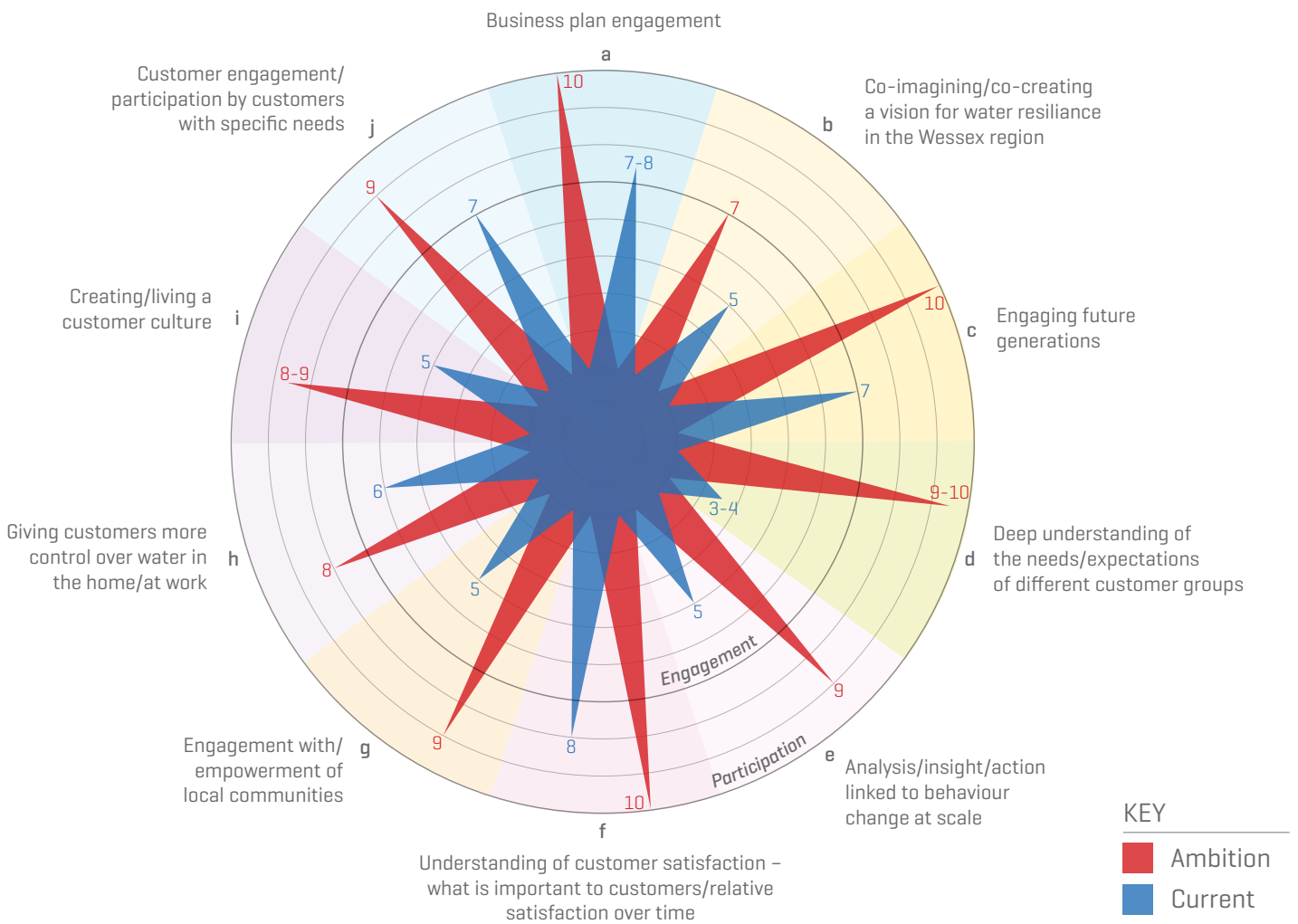
Within these limits I would make the following observations:

- ▶ I have seen little evidence yet of deep research into the **needs** and **expectations** of different customer groups (this doesn't mean it doesn't exist, just that I haven't seen it)
- ▶ I've seen no evidence of insight into customer views on the **value** of water or of the link between **lifestyles** and water
- ▶ I've seen little evidence of **thorough** context reviews that might provide insight into potential future challenges linked for examples to changes in population, climate, customer expectations, technology or the economy
- ▶ I've not seen evidence of differentiating customer priorities of **actions today** compared to priorities for **future actions**
- ▶ I've not seen evidence of an **"informed customer group"** or how information and context influences customer priorities
- ▶ I've not seen evidence that you have engaged or plan to engage customers in thinking about the **future of water** in Wessex rather than the future of Wessex Water
- ▶ I've not seen evidence of **behaviour change** at scale (which is different from behavioural science insight)
- ▶ The Mere example and the catchment partnerships are seeds of an opportunity for a **wider community-led** programme
- ▶ Your customer experience programme is a highlight which I think could be **extended** to include more evidence of putting customers in control
- ▶ I haven't seen anything on how employees are **engaged** in customer-led, customer-participation thinking and acting

These observations may well change based on the provision of additional information.

6. Team assessment of Wessex Water’s approach to customer engagement

At the workshop attendees conducted an initial assessment of the company’s approach to customer engagement based on 11 key areas of action. It rated current performance and the company’s ambition on each. The light blue assessment is the shared honest view on current performance. The red assessment is the shared current view of the ambition the company should have against each of the areas. The results are below:



7. Levels of maturity in the sector on customer engagement

I offer the following indication of levels of maturity in the sector linked to customer participation.



At the workshop, the assessment was that the company was a combination of traditional and transitional.

8. Initial recommendations

I offer the following initial recommendations

- ▶ Tell your story of customer consultation and how it is influencing your strategy (you have already identified this as an action)
- ▶ Focus on the two major pivots of the value of water and the mindset of shared responsibility
- ▶ Be clear about what you want to be known for – customer experience would seem to build on your strengths
- ▶ Create a customer participation policy approved by the Board
- ▶ Identify a 21st century community approach (cf Affinity Water) including conducting a community pilot (you have already identified this as an example)
- ▶ Identify a flagship programme in each of the four areas – futures, community, action and experience
- ▶ Define the governance of customer engagement and participation

9. Group discussion

During the working session the following questions and observations were offered by the group:

How do we finalise our framework for customer engagement?

- ▶ The model of listening, participation and communications is helpful
- ▶ We need to refine our objectives
- ▶ We need to add a lot of actions that are relevant but currently missing; we are already doing much more than currently identified in the draft models

How do we put together the over-arching narrative?

- ▶ What format should we use to tell the overall story?
- ▶ How do we pick out stories from the overall narrative so that employees and customers understand what we mean by customer participation?

How do we identify a small number of pilots?

- ▶ What are we currently doing that we can build upon? How could we extend the customer service track record to be even more participative? What would behaviour change at scale look like? What would 21st century community engagement look like?
- ▶ What are our priorities?
- ▶ What pilots should we trigger?

If we were known for just one thing, what would it be?

- ▶ Options mentioned included reductions in per capita consumption (including smart metering), affordability and tailored, personalised customer performance

How do we achieve deep customer insight?

- ▶ What should our segmentation model be?
- ▶ How do we link it to lifestyles?

What are the implications for how we organise?

- ▶ We are good at keeping each other in touch, but are there implications for organisation or for structure?

10. Next steps

Further to this high level review and the working session the following outputs were identified as requiring action.

- ▶ A customer segmentation model
- ▶ An understanding of customer lifestyles and how they depend on water
- ▶ A clear customer engagement framework – agreed objectives, complete the content for the frameworks (adding the key actions that are relevant and currently missing)
- ▶ A clear over-arching engagement story that brings everything together into a compelling narrative
- ▶ Agreement on flagship projects and how to bring them to life

11. Summary

Wessex Water is a company committed to customers and to compliance. There are significant examples of a long and strong commitment to listening to and communicating with customers. From my knowledge and contacts to date the company is committed to taking this further and actively involving customers in bringing their strategy and plan to life where this makes business sense.

John Drummond

July 31st 2017

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THANK YOU

corporateculture.co.uk
Employee and stakeholder engagement

how-on-earth.co.uk
Sustainable behaviour change

London
43-45 Portman Square,
London W1H 6HN

Liverpool
7 De Havilland Drive,
Liverpool L24 8RN

T: 0845 607 0000
F: 0845 607 0057

From: John Drummond
<John.Drummond@corporateculture.co.uk>
Sent: 25 May 2017 12:19
To: Harriet Penrose
Cc: Elaine Smith
Subject: Customer Participation review
Attachments: Wessex_Water_customer_review v1.pptx

Hi Harriet,

Good to talk with you today.

I said I would drop you a note about a potential fit for purpose review.

The purpose would be to complete a high-level strategic review of your approach to customer engagement and satisfaction.

The results would be:

- * A capture of your current good practice against the FACE model of customer participation
- * Recommendations on short term and longer term actions
- * Specific recommendations on potential priority projects aligned to your business objectives

I attach a presentation outline of the structure of the kind of presentation I would create for you.

It would also include a profile against 11 key areas of customer participation to help you define priorities. A draft template we used with Thames is attached. It's our template and it's not completed so it's not client confidential.

My take on the cost would be:

- * For £AMOUNT REMOVED plus VAT and expenses I could run a working session with you and whoever you wished to attend
- * For an additional £AMOUNT REMOVED plus VAT and expenses I could tailor the presentation to include my assessment of where you currently are and what I would specifically recommend

I think you'd get more bang for your buck for the £AMOUNT REMOVED option.

I hope this background is enough for your purposes.

Let me know what you would like to do.

With very best wishes,

John

John Drummond Chairman
Direct 020 7566 3406 | Mobile 07831 175907