

Serving
Delivering for
Scotland 24/7



Ken Hutchison
Managing Director
Scottish Water
International

Trusted
Putting
customers first

Water New Zealand Conference 2017



**Scottish
Water**
Trusted to serve Scotland

**Customers
at the heart
of our business**



How Do You Truly Put the Customer at the Heart of Your Business?



**Scottish
Water**

Trusted to serve Scotland



**Scottish
Water**

Trusted to serve Scotland

A Case Study



**Scottish
Water**

Trusted to serve Scotland

Our vital role

- over 5 million customers
- over 1.3 billion litres of water every day
- 2.49 million households
- 152,000 business premises
- 244 water treatment works
- more than 1800 waste water treatment works
- over 30,000 miles of water pipes
- £1.2 billion turnover
- Around 3,800 people



**Scottish
Water**

Trusted to serve Scotland

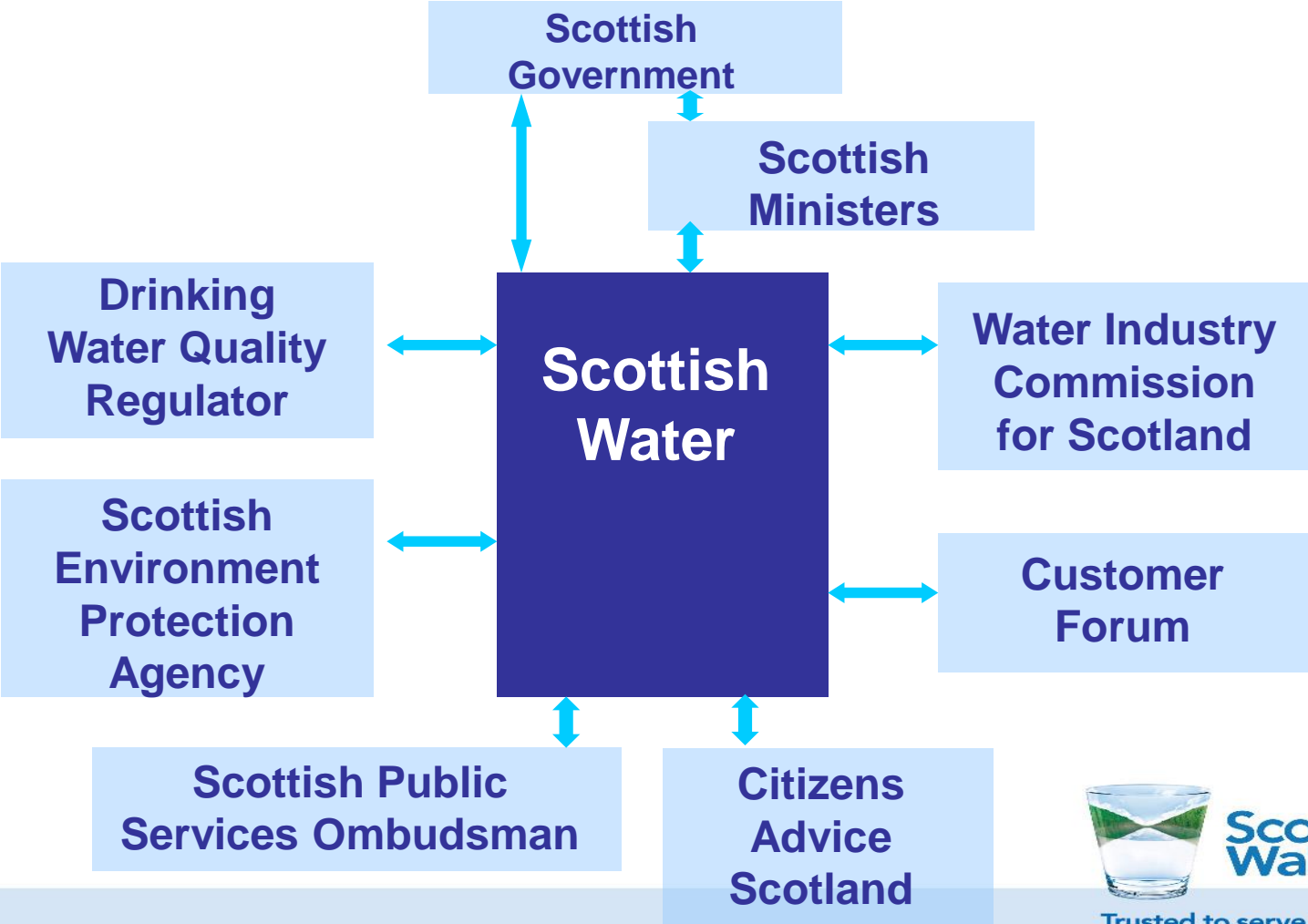
Key goals

- To improve our Customer Service
- To deliver a £3.5 billion Capital Investment Programme across Scotland
- To continue to run the water industry as efficiently as possible



**Scottish
Water**

Trusted to serve Scotland



**Scottish
Water**

Trusted to serve Scotland

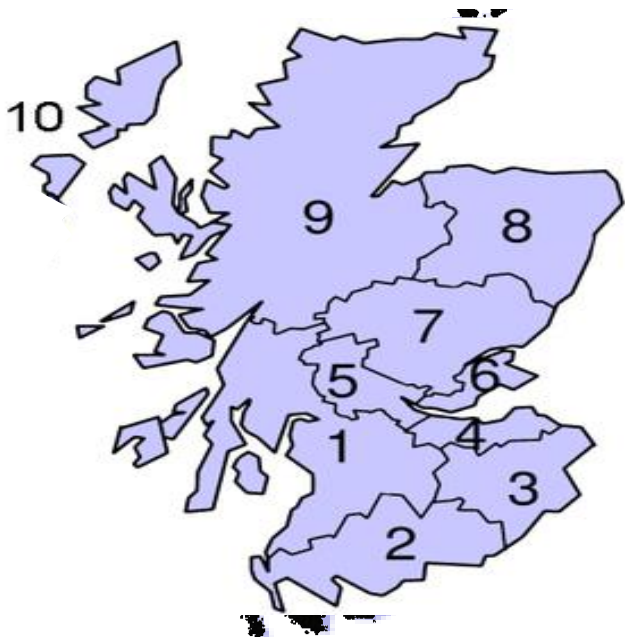
A long history



**Scottish
Water**

Trusted to serve Scotland

More recently



Pre 1996

Owned and operated by 12 municipalities across Scotland

Then.....

In 1996 merged into three regional water companies – NSWA, WSWA & ESWA

In 2002.....

Became single national Water Utility serving entire population of Scotland



**Scottish
Water**

Trusted to serve Scotland

Scottish Water : Primary objectives

- **Scottish Water created by merger of three regional authorities**
- **Reduce operating costs by 40%**
- **Deliver £2.3 billion investment for £1.8 billion**
- **Improve every performance measure including Customer Satisfaction**



There was lots to do...



Scottish
Water

Trusted to serve Scotland

Headlines 2002

BBC NEWS

You are in: **Scotland**
 Sunday, 4 August, 2002, 10:19 GMT 11:19 UK

Cryptosporidium strikes again



Few cases of illness tend to be to water supplies

The discovery of the cryptosporidium parasite in water supplies in Scotland comes a month after an outbreak in England.

BBC SPORT
BBC WEATHER
CBBC NEWS

SERVICES
 Daily E-mail
 News Ticker

News Front Page
 World UK
 England
 N Ireland
 Scotland
 Wales
 Politics
 Business
 Entertainment
 Science/Nature
 Technology
 Health
 Education

Talking Point
 Country Profiles In Depth
 Programmes

Gran is forced to wade through knee-high sewage

A THRASHBUSH woman has told how she had to wade through "knee-high sewage" with her grandson after his second day at primary school.

clothes were absolutely stinking.
 "The water must be a health hazard for the kids at the school and it definitely has to be fixed."

The dangers of allowing Rupert Murdoch to gain a foothold on our TV
 Ian MacWhorter

Roads closed, rail lines blocked and airport shut down as deluge brings Scotland to a standstill

Monsoon floods force hundreds to flee homes



MONSOON MISERY
 Road and rail havoc - 100,000 left homeless - 100,000 in need of shelter - 100,000 in need of food



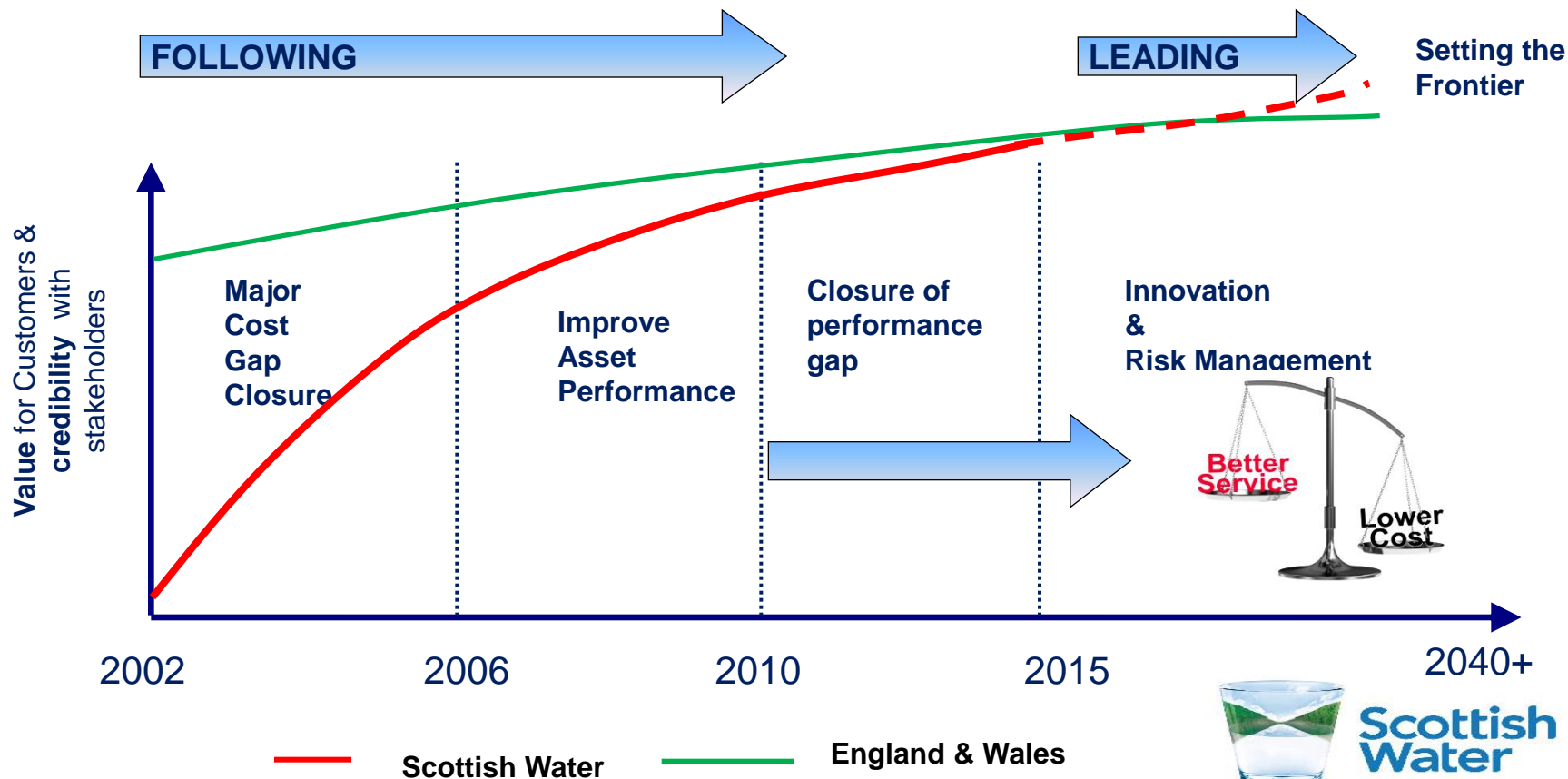
Evening Times

MONSOON MISERY
 Road and rail havoc - 100,000 left homeless - 100,000 in need of shelter - 100,000 in need of food

Pump failure leaves thousands of homes without water supply



The Journey



Scottish Water

Trusted to serve Scotland

Transformation: When you get it right

**Splashing
out £80m
on water**

Aberdeen Evening Express

**Major investment by
Scottish Water in the
Western Isles**

Stornoway Gazette

**Water
boost**

Stirling Observer

£50m ON TAP

Annandale Herald

£4m sewer to protect homes

The Herald

**Communities in Skye and Wester Ross
to benefit from Scottish Water investment**

West Highland Free Press

*Just a few of the many
headlines reporting
Scottish Water's news*



**Scottish
Water**

Customers
at the heart
of our business



So....
What has Scottish
Water Done
to Truly
Put the Customer at
the
Heart of
Its Business?



Scottish
Water

Trusted to serve Scotland

Customers
at the heart
of our business



1. MAKE IT IMPORTANT



**Scottish
Water**

Trusted to serve Scotland

Setting the Direction



FUTURE

**“The best way to predict the future is to invent it !”
Alan Kay**

Trusted to care for the water on which Scotland depends



Serving

We delight our customers by showing that we care



Committed

Together we are Scottish Water



Responsible

We always do the right thing for Scotland



Growing

We enable a thriving Scotland



Strong

We work hard to keep our customers' prices low



Leading

We shape our future for the benefit of customers

Customers
at the heart
of our business



2. MAKE IT THEIR STRATEGY



**Scottish
Water**

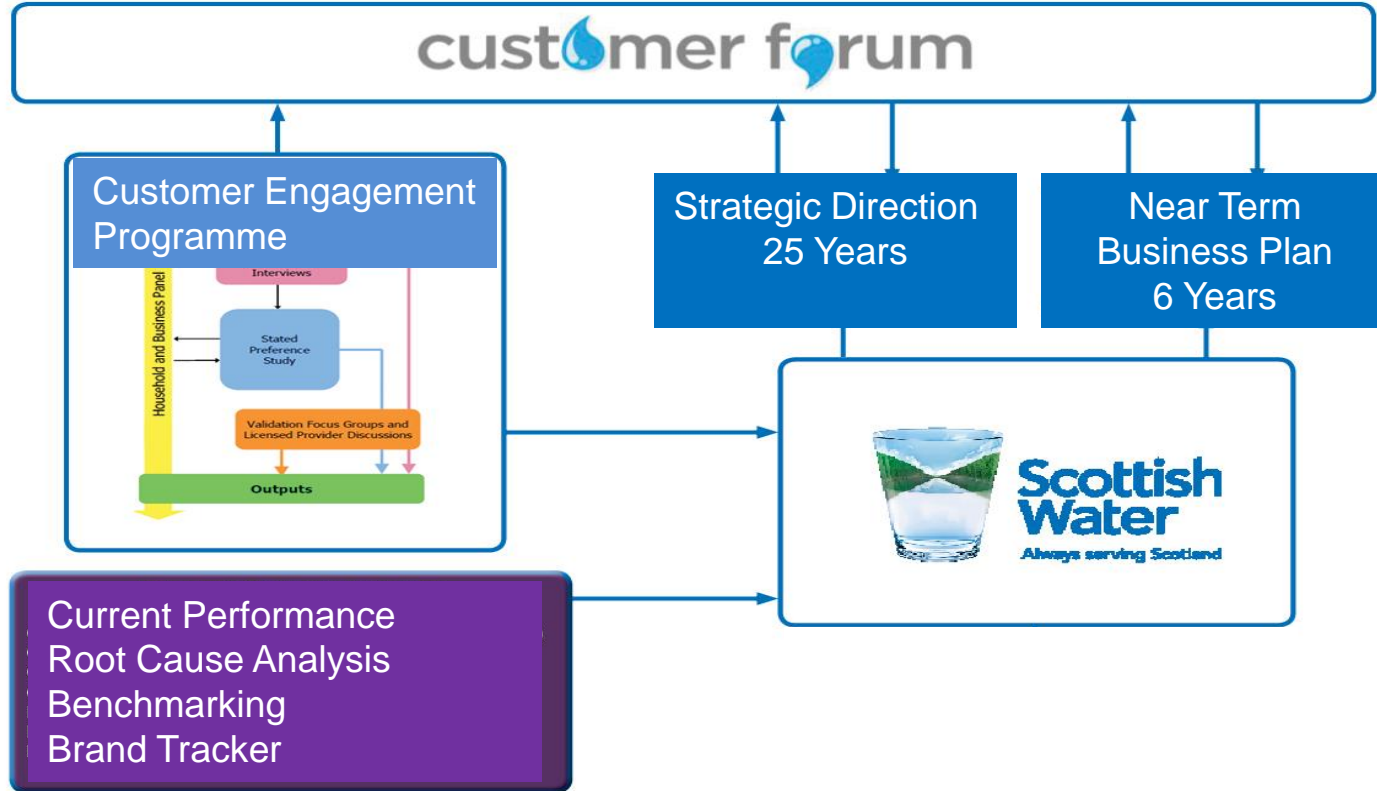
Trusted to serve Scotland

Our strategy & Our plan



- Strategic Direction to 2040
- Customers at heart of process
- Informed by extensive customer engagement

Build the Plan with the Customer



CUSTOMER PRIORITIES



High

- Internal sewer flooding
- Long term interruptions
- Drinking water quality

Medium

- External sewer flooding
- Short term interruptions
- Discolouration
- Taste & odour
- Visible leakage
- Env pollution

Low

- Bathing water quality
- River Water Quality
- Low Pressure
- WWTW Odour

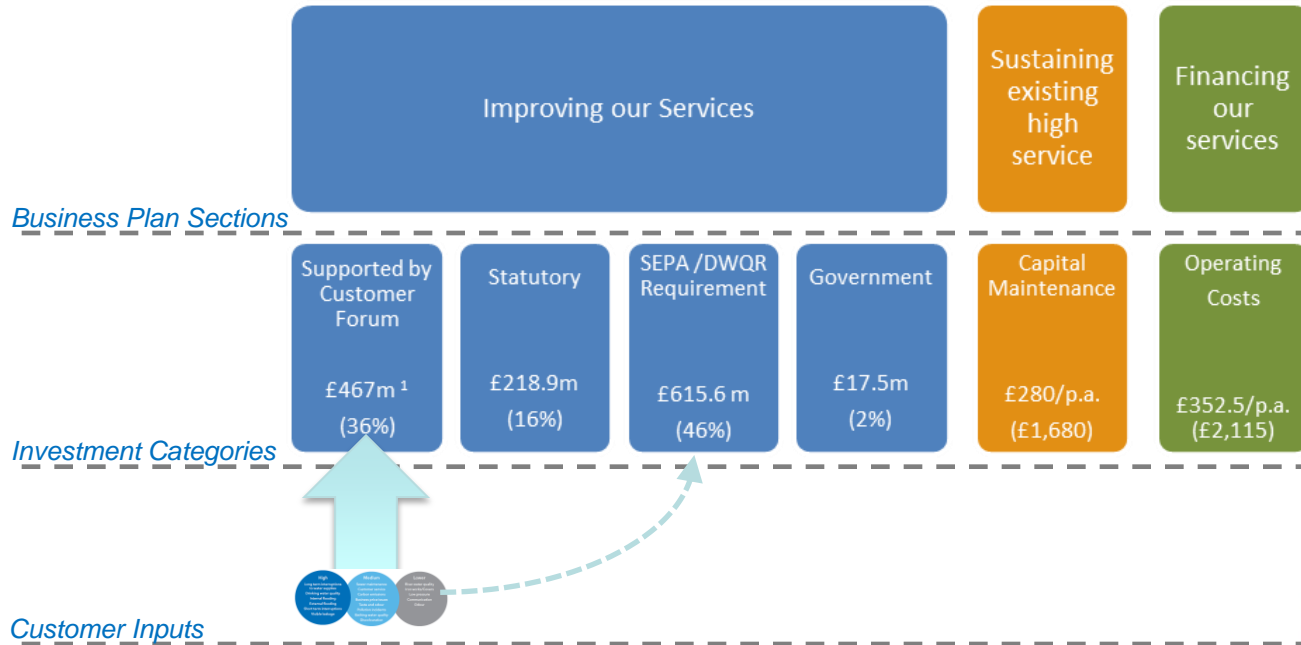


Scottish Water

Trusted to serve Scotland

Acting on customer insight

Customer research and insights have helped inform circa £470 million in Capital Investment



Scottish Water

Trusted to serve Scotland

Household Charges

Water and Sewerage Companies	Average household bill for 2017/18
South West Water	£491
Wessex Water	£470
Welsh Water	£439
United Utilities	£419
Anglian Water	£419
Southern Water	£418
England and Wales Average	£395
Northumbrian Water	£390
Thames Water	£374
Yorkshire Water	£373
Scottish Water	£357
Severn Trent Water	£341

Comparison with English & Welsh water companies based on DiscoverWater.co.uk published average charge

**LISTEN TO
WHAT THE
CUSTOMER IS
WILLING
TO PAY**



**Scottish
Water**

Trusted to serve Scotland



3. THINK SERVICE RISK

PREDICT & PREVENT

IMPROVE RESILIENCE



**Scottish
Water**
Trusted to serve Scotland

Our Journey to Service Risk Management



Maintenance budgets using historic expenditure



Moved to an asset stewardship approach based on assumed asset life



Shift to service risk management



Scottish Water

Trusted to serve Scotland

Customers
at the heart
of our business



4. ENGAGE, ENERGISE & ENABLE EMPLOYEES



**Scottish
Water**

Trusted to serve Scotland

**Trusted to care for the
water on which
Scotland depends**

OPERATIONS



**ASSET
MANAGEMENT**

**CAPITAL
INVESTMENT
DELIVERY**

**LEADERSHIP :
BUT
CHANGE
THE
LANGUAGE**



**Scottish
Water**

Trusted to serve Scotland



VIRTUOUS LEADERSHIP CYCLE



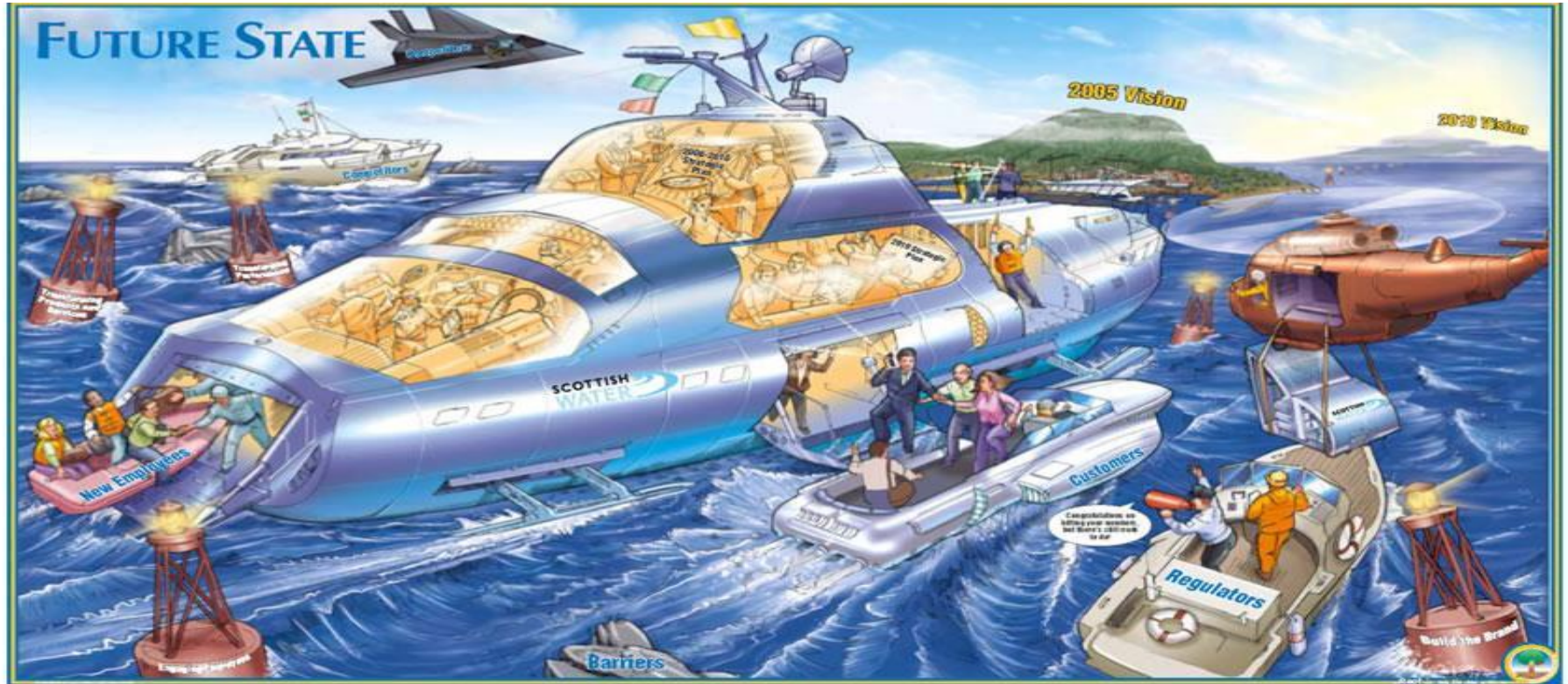
**Scottish
Water**

Trusted to serve Scotland

Scottish Water : A burning platform



Scottish Water : A clear vision



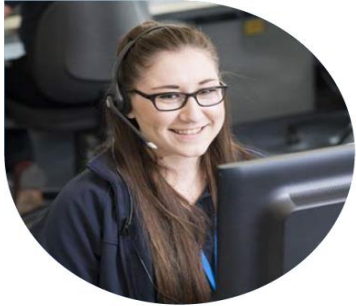




Scottish Water
Vision Awards.



'I am' Scottish Water'

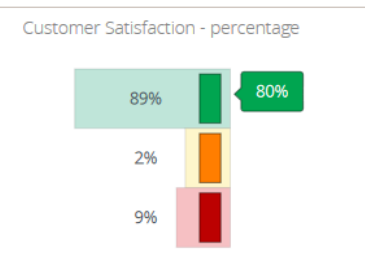
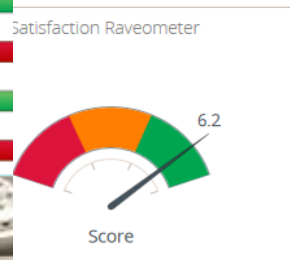
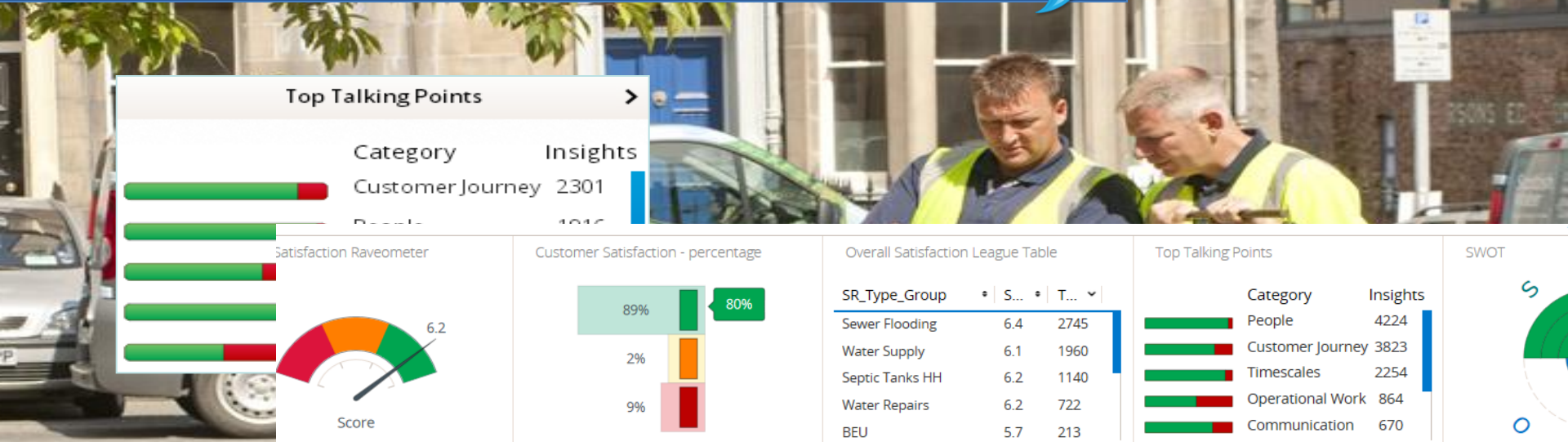


- **Our People ARE Scottish Water in their Communities**
- **Behavioural training**
- **'Your Voice' feedback**
- **Volunteering Programme**
- **Education Programme**
- **Support of WaterAid**
- **'Rant 'n' Rave' feedback**



**Scottish
Water**

Trusted to serve Scotland



Overall Satisfaction League Table

SR_Type_Group	S...	T...
Sewer Flooding	6.4	2745
Water Supply	6.1	1960
Septic Tanks HH	6.2	1140
Water Repairs	6.2	722
BEU	5.7	213

Top Talking Points

Category	Insights
People	4224
Customer Journey	3823
Timescales	2254
Operational Work	864
Communication	670



7.4k Items

30.5k topics
12.2k insights

most talked about: **General Service**

most positive: **People Manner**

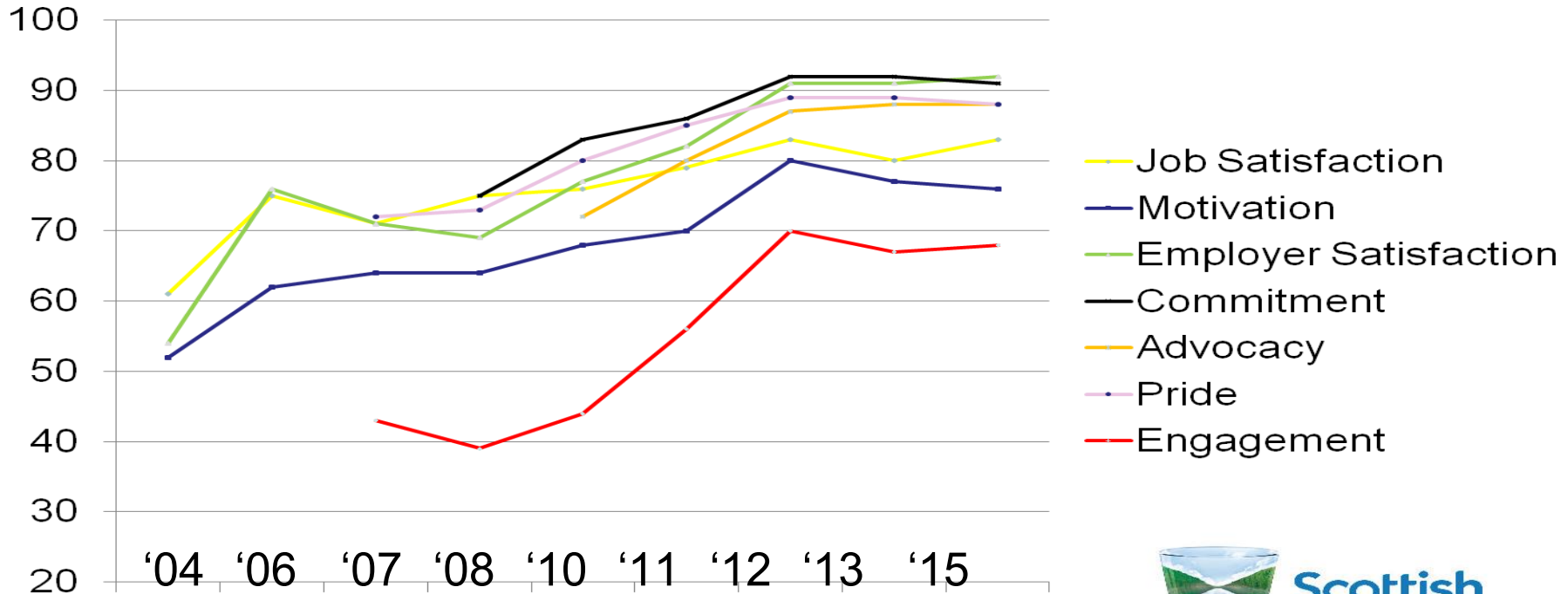
most negative: **Issue Resolution**

Customer_Telephone_...	Score	Comment
+447526009008	7	
+447836299543	7	Because my query was attended to extremely promptly and your employee who came out...
	7	Because the gentleman was very good, when it came late at night and cleared everything...
441698200517	5	I was given 5 because I really don't know.
441997421684	7	Fast service. The workman came out so quick they did a super job and they were so polite...

Employee Engagement: Your Voice Survey

The Journey Together since 2004

On most Indicators, we are at our Highest Level since the Start



Customers
at the heart
of our business



5. YOUR PARTNERS ARE 'YOU'



**Scottish
Water**

Trusted to serve Scotland

Digging Up Things...May be the ONLY time the customer notices you

Aberdeen



Craignure



Glasgow Flooding Scheme



Shieldhall





- **‘We Are Scottish Water’**
- **Customer Impact Assessments**
- **Real Community Input**
- **‘Head Above the Parapet’ Communication**
- **‘Make It Easy’ Communication Channels**
- **‘See it like a Customer’ Site Audits**
- **‘Grow up with Engineering Projects’**
- **‘SWELFIES’**



**Scottish
Water**

Trusted to serve Scotland

Communication is Key



Customers
at the heart
of our business



**6. IF ITS
MEASURED
IT WILL
BE MANAGED**



**Scottish
Water**

Trusted to serve Scotland

Scottish Water is run by 4 KPIs

 Cem

 OMD

 PA⁴⁰⁰
CUSTOMER FOCUSED

 £ PBIT





Quantitative Component

Qualitative Component



Service issue contacts
(including email/social media) X 0.5



All lines busy and
calls abandoned X 1



Formal complaints X 100



Regulator upheld
complaints X 1000

Quantitative Score
(Out of 50)

50 %

Customer experience survey
continuous survey with customer
contacts where work is required



30 %

No experience, no contact
conducted by You Gov on a
quarterly basis

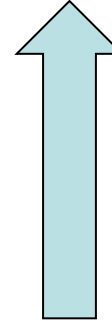


20 %

Experience, no contact
conducted by You Gov on a
quarterly basis



Qualitative Score
(Out of 50)



Scottish
Water

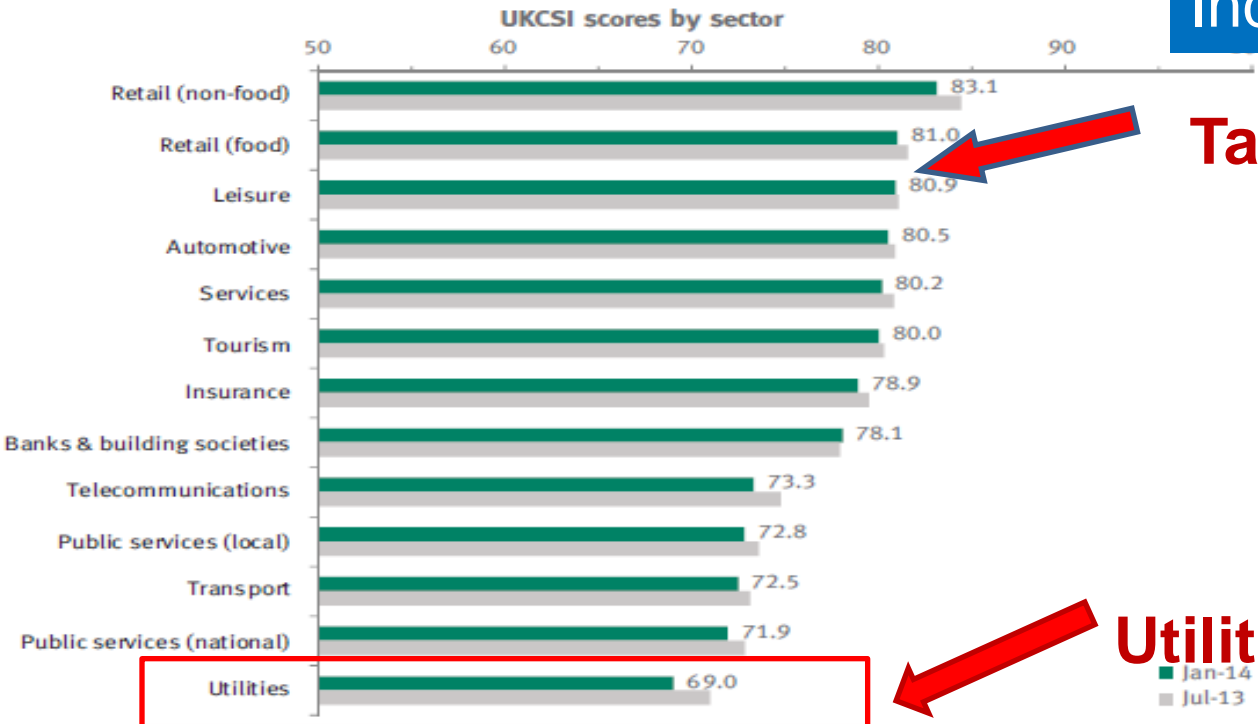
Trusted to serve Scotland

Performance: Costs and service

Key achievements



UK Customer Service Index



Target

Utilities

■ Jan-14
■ Jul-13



Scottish Water

Trusted to serve Scotland

Customers
at the heart
of our business



7. MAKE IT EASY



**Scottish
Water**

Trusted to serve Scotland



Developing new channels...

For the benefit of our customers



Customers
at the heart
of our business



MULTI-CHANNEL ACCESS

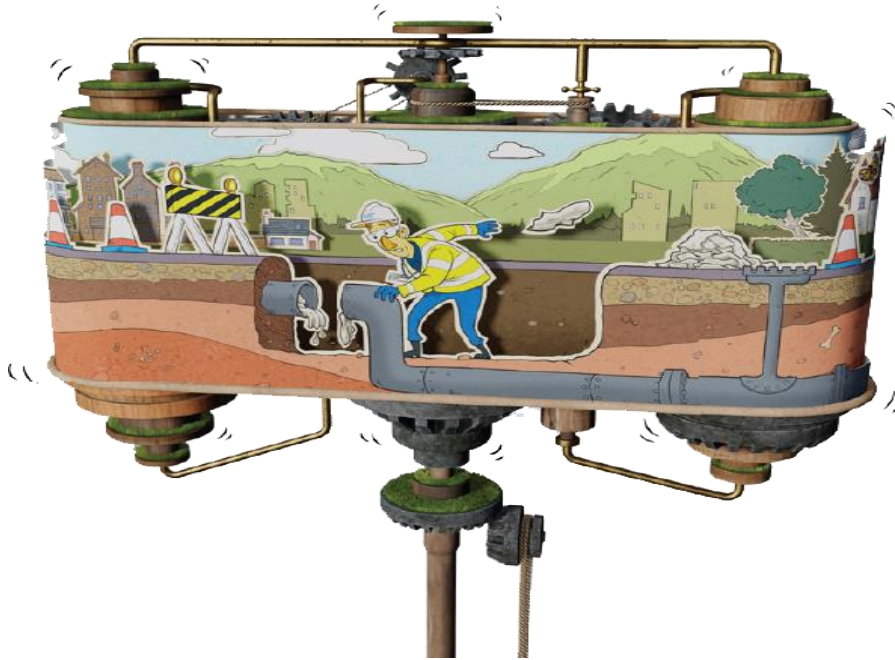
- Personalised Call Handling
- E-mail
- Social Media
 - Instagram
 - Twitter
 - Facebook



**Scottish
Water**

Trusted to serve Scotland

Changing Customer Behaviours



MEDIA CAMPAIGN

Keep the water cycle running smoothly

Available on our website – a great watch!



**Scottish
Water**

Trusted to serve Scotland

Customers
at the heart
of our business

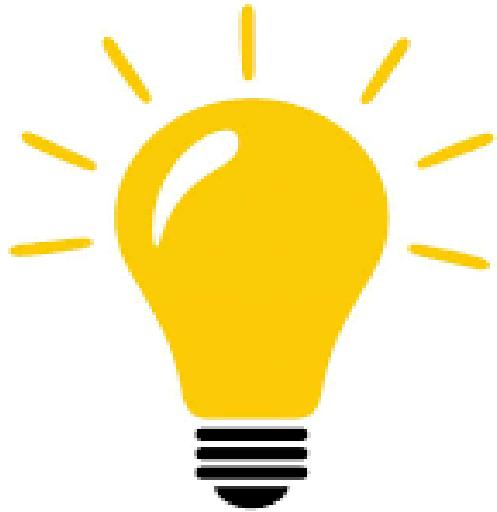


TAKE AWAY



**Scottish
Water**

Trusted to serve Scotland



FBOs



**Scottish
Water**

Trusted to serve Scotland

Customers
at the heart
of our business



- **MAKE IT IMPORTANT**
- **LISTEN AND ENGAGE**
- **MAKE IT THEIR STRATEGY**
- **ENGAGE YOUR EMPLOYEES**
- **MAKE YOUR PARTNERS 'YOU'**
- **MEASURE IT...THEN MANAGE IT**
- **MAKE IT EASY**



**Scottish
Water**

Trusted to serve Scotland



Best ever customer service

Highest ever Customer Experience Measure score and lowest level of written complaints



High quality water maintained

More than 99.91% of tests at customers' taps pass stringent quality standards, equalling our best ever result



Best workplace

'Best workplace in Scotland' award and Scotland's 'Fair work Employer 2016'

Trusted
Putting customers first

Serving
Delivering for Scotland 24/7



Trusted by customers

Scotland's water sector is the most trusted by consumers, according to Which? Consumer Insight Report



Value for customers

Our average household charge remains £38 below England and Wales average



Major investment

Invested £627 million improving services and supporting the economy

SCOTTISH WATER'S 2021+ STRATEGY



**TRUST = Intimacy + Credibility + Reliability
Self Orientation**

- **Become Closer**
- **Enhance Employee service excellence**
- **Deliver Individual (and Community) tailored experience**
- **Focus on Optimising our Service (enabling technology)**



**Scottish
Water**

Trusted to serve Scotland



**WHEN THE CUSTOMER
IS IN
YOUR PEOPLE'S HEARTS**

.....
**IT WILL BE IN THE
HEART
OF
YOUR BUSINESS**



**Scottish
Water**

Trusted to serve Scotland



Trusted
Putting
customers first

Serving
Delivering for
Scotland 24/7

THANK YOU!



**Scottish
Water**

Trusted to serve Scotland



**Scottish
Water**
International