

From zero to hero: Yorkshire Water transforms its customer services



Background

Yorkshire Water is one of ten privatised water and sewerage companies in England and Wales, and the ninth largest water utility in the world. It was privatised in 1989 and has an annual turnover in excess of £700m. The company provides 1.7 million households and 140,000 businesses with water and sewerage services. It supplies around 1.24 billion litres of drinking water, and collects, treats and disposes of about one billion litres of waste water.

In the late 1990s, Yorkshire Water was facing a number of problems. Its reputation had been damaged during a prolonged drought in the summer of 1995, and it was already facing low customer perceptions. In the 1997/98 Overall Performance Assessment by the industry regulator, Ofwat, Yorkshire Water was placed ninth out of ten companies, and dropped to tenth the following year. As a result, it was facing the toughest pricing review since privatisation.

Challenge

It was clear that a major revamp of business processes and customer service was in order. Yorkshire Water set itself an ambitious goal, not just to improve its position, but to become known as “the best water company in the UK”.

Following a strategic review of the company operations, an extensive change programme was inaugurated. With a vision of customer service excellence very firmly in mind, the first step in the programme was to carry out a Voice of the Customer survey to determine what customers really wanted from their water company. The clear reply was reliability of service, responsiveness to needs, and swift resolution of problems.

Yorkshire Water developed a new Customer Relationship Management (CRM) strategy to address these issues. The company realised that in order to provide the real-time all-round view of the customer it wanted, any new CRM system had to be able to overcome internal organisational boundaries. A major overhaul of Information and Communication Technology (ICT) systems was needed – from CRM software to work management, and mobile workforce management.

Solution

Yorkshire Water planned its Integrated Customer and Operations Management (ICOM) programme to enable the operation and management of the entire customer service experience from call receipt through to closure. At the heart of ICOM is the Integrated Customer Environment (ICE) developed by BT’s consulting and systems integration specialists.

Clarify's market leading CRM applications were selected for the new contact centre. Applications from Genesys were chosen to provide the link between the contact centre and the computer telephony system.



Duncan Bennett, programme manager at Yorkshire Water

“We chose BT because of its experience in implementing the Clarify product set, and integrating it with computer telephony systems, as well as their overall CRM expertise,” says Duncan Bennett, programme manager at Yorkshire Water. “The quality of their people was also very impressive - they demonstrated a very clear understanding of what we wanted to achieve.”

“Once BT was on board we were able to call on their business transformation experience as well,” adds Bennett.

“Our customer service vision involves major company-wide changes, and BT helped us to refine our business processes in order to best achieve our goals.”



The first step to delivering ICE was to design and implement a 200-seat contact centre solution to handle customer service and billing telephone calls, emails and letters. ICE is also integrated with Yorkshire Water's back office systems to provide contact centre agents with immediate access to the customer's entire account and service history.

"We designed ICE so that it would transform the way that Yorkshire Water handles its customer contacts," explains Frank Jones, project manager at BT. "Previously the call centre was blind to everyone except call centre agents. That meant field workers were often going out without a full set of information. Now ICE provides the link between customer service experience and the activities of operational staff in the field."

This has been achieved through the Integration Hub System (IHS), a companion project to ICE, also delivered by BT. IHS is designed to provide a single, standardised integration mechanism to link different systems, and is based on BEA Systems' Tuxedo® middleware and Mercator's integration broker software.

The common view of customer contact not only improves communication within the customer service team, but also between departments, particularly customer service, field workers, and third party service contractors.

Benefits

As a result of the new systems in place at Yorkshire Water, the company has been able to improve the quality of its service to its customers dramatically. It is well on its way to achieving its vision and is now ranked second in Ofwat's level of service table. The number of written complaints has been reduced by 40 per cent, and a programme of ongoing customer satisfaction surveys, started when the system was launched, has shown improvements in the service that Yorkshire Water provides and in the company's public perception.

Yorkshire Water has also seen quantifiable improvements in customer service. The number of operational calls answered and closed on first contact rose from 22 per cent at programme start, March 2000 to 35 per cent in 2003. The number of repeat calls has also been reduced by one third. Yorkshire Water has seen a fall of 20 per cent in total operational calls, indicating that the quality of work being delivered meets both customer expectations and the requisite standards of engineering.

Overall cost savings resulting from the implementation of the new customer service system are calculated to be £8.5m per year. Yorkshire Water is now in a unique position in the industry by being able to offer its customers appointments within seven days and within a two-hour time frame. There is now no backlog of outstanding jobs. The improvements in customer service have been widely recognised. Yorkshire Water's success in improving its customer service was marked by the company winning the Utility Industry Achievement Award for Customer Care in 2003. It won the Gartner European CRM excellence award in June 2003, and in September 2003 the company was awarded top prize in the Best Use of Technology in Customer Service category at the UK National Customer Service Awards.

In December 2002, the Financial Times said, "Yorkshire Water has turned itself from one of the most ridiculed companies to one of the most respected." Furthermore the Energy Information Centre claimed, in September 2002: "Yorkshire Water's business customers have placed the company top of all UK utilities in terms of customer satisfaction."

Why BT?

"BT has partnered Yorkshire Water in the development of a completely customer-centric system that offers true end-to-end integration," says Duncan Bennett. "It enables us to meet our customer expectations on reliability, responsiveness and problem resolution."



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