

A focus on Customer care

Raveen Jaduran, chief executive of Watercare in Auckland, shared his observations on customer value at the 2016 Water New Zealand conference. This is a précis of his presentation. By **Alan Titchall**.

In terms of customer trust at Watercare we have four strategic priorities that we are working on that are driven by a vision – ‘to be trusted by communities for exceptional performance every day’.

It could be anyone’s vision, because it doesn’t talk about water. It doesn’t talk about Auckland. It doesn’t talk about price.

The most important theme for us, out of these four strategic priorities, is our ‘engagement’ with our customers. Monopolies need to be customer centric.

One of my directors put a question to me when I told him that we are going to be extremely ‘customer centric’. He said: “Why would we do that? Because our customers have no choice.”

My answer – that’s exactly why we are going to do it, because trust is being lost.

A recent survey done in New Zealand, that some of you may be aware of, asked the question: What is the one service you could do without for the whole day?

If you’ve got kids, you would say the answer would be wifi and the internet and you are right. But in my view, very few our customers could last a day without water. Yet, we are providing such a great water service they don’t know what it means to be without water for a whole day. We need to get our communities and our customers to understand the service we provide.

How much do you think our customers pay for one litre of tap water in Auckland?

I have asked this question of our customers and some say, “uh, a dollar”, some more. No one says that it’s less than one cent. Which it is.





Raveen Jaduran.

If you drink two litres from the tap every day in Auckland for 365 days, it will cost \$1. The point is – our customers don't know the price of what we supply, let alone the value of it.

Water in this country is effectively free. What we charge is for collecting it, treating it, storing it, and transporting it. We have never created transparency for customers as to why they pay for that water service. Yet most council services to most ratepayers are the best value services they receive. If you analyse all the services that ratepayers receive from councils and you tried to get that from the private sector, they would have to pay far more than what they're paying now. And I'm not saying private sector is not efficient, I'm just saying certain things have remained in council mandate for a purpose.

The average household in Auckland spends more on phones and mobile phones and wifi than they do on water and wastewater put together. Which of the two is more important?

So why would we be talking about reducing our prices? Because that's what happens everyone asks – what are you going to do to reduce your price?

Why are we talking about reducing prices? We should be talking about increasing services. If your customers know what you are doing, they will be willing to pay for it.

Identifying our customers?

A year ago we would have said we have two types of customers – mums and dads and industry – who pay us directly.

Now we say our customers are anyone who receives water from us, which includes tenants (over 45 percent of those resident in Auckland) who pay us indirectly.

If someone rings us with a problem with water pressure or a sewer overflow, we don't ask them "are you the bill payer?"

If you ring telecommunication companies the first thing they ask is "are you the person on the invoice"? If you're not, then they don't talk to you. Well we don't do that.

So, all water 'consumers' are our customers. Developers are also our customers as are surveyors, engineers and lawyers. Lawyers deal with Watercare when a property is being sold and they need a final meter reading. We have to treat that lawyer as if they are speaking for both the existing property customer and the new property customer.

So, we've changed the definition of who our customers are and then said – how do we interact with them? What are their paying points?

We've come from an environment where we tell people, rather than we ask people. And that is because we knew better, and we did.

But the world is changing, they Google, they find things about water and they get concerned and they don't trust. We need to engage them and educate them. We can't change them all, and we won't. But at least we are working towards that.

Staff relations

To have exceptional customer service, you need to have exceptional staff. And so we had to change the way we treat our staff as well.

Yet, out of all the utilities sectors, which pays least remuneration to its staff – water, and if you want to make money, you join the electricity or telecommunications sectors.



Yet which utility provides the best service? I would like to say it's water. And that is because the people who are attracted to the water industry tend to stay in the sector. Why? Because we know what our purpose is and we believe in it.

However, we used to believe that our staff were lucky to have a job with us, just as customers were lucky to get water from us. Consultants are lucky that we give them the jobs, contractors are lucky that we give them the jobs.

The reality is – 'we' are lucky that staff want to work for us, we are lucky consultants want to work for us, we are lucky contractors want to work for us.

There's a huge cultural change required with how we engage with each other. I'm not just talking about Watercare, I'm talking about the whole industry.

We need to collaborate more. We don't have to do the traditional Kiwi thing that we will reinvent everything from zero base. We don't have to stick to the concept that we are different [water providers].

There's much more in common than there is a difference, and we should grasp the bits that are common – we are a very small country and as a small country we can get more out of the investments – in time and money. We must stop trying to do everything ourselves in isolation.

A decade ago, a very large IT service provider won a contract at Manukau and then was given an award for winning this contract. I was speaking to the guy who turned up to get the award and he said, "New Zealand is a very lucrative market for IT businesses".

I asked why. He said: "Well if we supplied a system in the US, you know that one system would serve millions of people. Whereas, in New Zealand we would supply that same system to a small community serving just 50,000 people."

So, why can't we just have one system in this country? Why can't we just have one registration system for dogs? So, if the council customer moved from Wellington to Auckland the dog is still registered and has only moved location. Yet every council has got its own dog registration system.

Customer response

I'm proud to say that the number of complaints we receive has halved in recent years, and we respond within 10 days to all complaints, which is extremely difficult. When I say respond, I mean resolve. That's our target. It used to take us 11 or 12 days on average.

The reason complaints have halved is because we try to make sure customers don't need to call us twice. Our first-time resolution has gone up to 88 percent.

The other thing we did was to get rid of our call centre and we now have staff who answer the phones. Surveys with customers told us they want to speak to someone who is knowledgeable about the subject of their query.

They do not want someone who is doing a Q&A from the computer. They want to have a conversation.

So, we have got rid of our call centre and we have just put people back into the teams where they work with and understand and are specialists in those areas.

Contracting clients

We are spending a lot of money on our capital projects – \$400-\$500 million a year – over the next 10 years.

We surveyed our consultants and contractors and the number one thing that came back was, it is costing a lot of money bidding for work.

So, what we're doing is engaging with our suppliers and saying "how can we reduce the cost of bidding? How can we reduce the cost to you?"

In the past we have been an arrogant client, and that's not unique to Watercare. All large organisations at some point will say they are an arrogant client, because you get to a point where you believe you are the master and others are subservient.

Industry leadership.

You, as water professionals, as water leaders – it is your job to be the advocate for your customers for the sake of quality service.

If you are in a council it is your job to say "if someone gets sick drinking tap water, that's the worst thing that can happen on my watch".

If people got sick drinking water in Auckland, I will lose my job. If I don't lose my job, I will resign. I would not deserve to be leading a water company, the whole purpose of which is to make sure people get safe drinking water, if customers get sick!

Your job is to be the advocate for the customer because they are not the informed ones, you are.

My own councillors at Auckland, until the Havelock North incident, had never asked me what assurance they could have that we will never have an incident in Auckland.

Immediately after that incident that was their first question: "Can you give me assurances that it will not happen here?"

And I could. Hand on heart I gave them the assurance that will not happen. If I couldn't give them the assurance, why am I employed?

There's a responsibility and then if you're a member of an organisation or professional body, you have an ethical and a moral duty to stand up and say this is what needs to be done.

If it is about funding, then the squeaky wheel gets the money. And you have to create the squeaky wheel. You have to create the priority. That's our role. [WNZ](#)