

# A customer-first culture challenge



This is a précis of a paper presented at the Water New Zealand 2016 conference by **Tim Harty** from the Waikato District Council.

**W**aikato District Council set itself a challenge to have the “most engaged community by 2020”. To achieve this the council set out on a journey to transform itself and firmly embed a ‘customer centric’ philosophy in everything it does.

As with any organisation that has large sections of its staff operating in a highly technical space, succeeding in the customer arena will not be without its challenges. A key part of this challenge was to create a shared vision and set of behaviours to support the transformation and to engage staff with the vision.

In the engineering, parks and facilities area of council, the 2020 Challenge represented a significant change in the way business was traditionally undertaken. Fundamental changes to the way staff engaged internally were required. Access to up to date technical information for frontline staff along with easy ways for customers to call in, or log calls was also critical. Opportunities to partner with key suppliers across these activities were also critical as contractors are seen as a natural extension of Council by the customer.

The Waikato District Council (WDC) covers a large administration area of more than 400,000 hectares. It essentially stretches between Hamilton City and the Auckland region. The district is characterised by several towns, small villages and a large rural area. The district is home to approximately 60,000 people (Census March 2013) which is not high compared to other similarly-sized districts.

WDC employs 300 staff split between several services centres throughout the district. The executive team consists of a chief executive and three general managers, each one being responsible for the overall management of each of the functional groups and for the delivery of the services to the community. The services that are delivered are done so in accordance with the levels of services outlined within the adopted Long Term Plan.

As with a majority of local authorities throughout the country, WDC delivers a large number of services to its communities that only it can provide. These services can be regulatory or

technical in nature and are predominantly governed by strict legislation, rules and processes. This technical and legislative environment, along with a captive market (ie, its customers can not choose other service providers), can result in a loss of customer focus and an attitude of ‘council knows best’.

In 2013 WDC recognised it was experiencing a loss of customer connection and set out on a process of reconnecting the business with the community it serves. The key goal of this process was to put the customer back into the heart of the business.

This transformational process started with organisational restructure at general management level, followed by a realignment of the business to meet the vision of a customer centric approach.

As with most transformational processes, there was a need to start with a strong vision. In WDC’s case, the vision came about through developing a corporate plan, called Our Plan.

The aim of Our Plan is to tie together all the organisation’s strategic documents and processes. It seeks to provide a simple and digestible plan for staff to understand: Where they fit within the organisation; how their roles impact and influence the council’s direction; and their role in providing an exceptional customer experience.

In the ongoing drive to implement Our Plan, the setting of a vision and set of behaviours for staff was seen as critical and to support the 2020 Challenge a set of behaviours was developed by the Executive Team.

The next step in the process was engaging staff by communicating the vision and setting expectations. These expectations were set by developing a strategic pathway that included measurable actions and goals that were designed with the intention that all teams could relate to, and engage with, the role they played in contributing to the organisation’s success. The most important engagement arena was with all people managers. This was done by empowering them to lead by example and being accountable for investing in conversations with their teams.



Developing a framework that enabled the delivery of the 2020 Challenge was an essential next step in the process. To do this a series of workshops was held with the teams' drivers developed.

Each driver had a series of projects with measures and targets that helped the organisation make and track progress towards the 2020 Challenge. The implementation was overseen by a newly formed Strategic Review Team, which provided guidance to the project managers and reported progress to the Executive Team. Staff were kept informed of progress on these key projects and processes by the positioning of large Our Plan scorecards across the organisation, and regular updates at team meetings.

WDC's Service Delivery Group is responsible for many of the services that the community receives, ranging from provision of three waters services, parks and facilities, roading and infrastructure project delivery. The group consists of four units comprising approximately 80 staff. Many of the services have been historically delivered internally, such as design and project management. Whilst other services, such as road maintenance services, were delivered via standard term contracts and external contractors.

Historically, connection with the customer was via the Customer Request Management (CRM) system and, in many cases, managed through contracted service providers and/or their field staff.

The Council's front line call centre staff generally dealt with queries and complaints from the public, and thereby generally filtered issues from the technical staff. This process shielded those staff from a lot of direct contact with the customer and resulted in poor understanding of issues and the importance of a rapid resolution. Direct customer contact for technical staff, was generally reserved for only when matters became unsolvable and needed direct intervention. Because of the lack of experience of these technical staff in dealing with customers, matters were often not handled very well and public feedback included statements such as the technical team were arrogant and, at times, unyielding.

The long-established CRM system and processes presented a number of challenges for the group, the council and most importantly, the customer. Whilst the system itself was generally fit for purpose, the way that it was set up and utilised, combined with the number of categories that a customer enquiry could be logged in it, made the system clunky and generally perform poorly. The teams both managing the system and the call centre (front line) found it hard to deal with and the underpinning processes unclear. The database used by the frontline staff to answer customer queries (the Knowledge Tree) was not always updated by the technical teams and did not contain the latest and necessary information. This was primarily due to a disconnect and lack of understanding from technical staff as to how important it was to have a well-supported and well informed frontline team. Such up-to-date information could have resulted in a much easier life for customers and staff alike.

A significant amount of the Council's physical works is delivered by external contractors. In WDC's case Roading and Open Spaces (Operations and Maintenance) have been delivered via traditional NZS 3910 type contracts. Due to the size of Council's road network, road maintenance works were delivered via two contracts, one covering the west and one covering the east of the district. Each geographic area accordingly had different contractors and contract managers, which could at times, result in a different level of service being delivered to different customers. In the case of Open Spaces, again two different contracts and contractors covered the district with similar issues of disparity of services.

Contractors in the field are a natural extension of Council as customers often have no way to differentiate between them and "the Council". Traditional methods of letting contracts can promote inflexibility, as often the focus of the contract is about controlling costs and quality of physical works, rather than customer service. This can result in contract staff carrying a poor message of the Council out to customers. The "we are only doing what Council wants" or "don't ask me, I'm doing what I am told" messages do not help the image of Council and



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can severely impact on the perception of the organisation to customers. For WDC this was occurring regularly.

### Culture change

WDC had to ask itself ‘How to change the culture of an organisation’? This is a difficult question and challenging for any organisation.

A critical piece of work that needed to be done early in the journey was understand the current culture of the organisation and develop a view on where the culture needed to be changed, to meet the 2020 Challenge. This work is currently ongoing at an organisational level and about to move into a second, more significant phase. However, initially to support the challenge, a number of smaller changes were completed to allow staff to start the transformation journey required.

Many of those changes focused on communicating the 2020 Challenge across the organisation. The 2020 Challenge framework was displayed on large “scoreboards” across the offices with targets developed and progress updated monthly. Managers and team leaders were actively encouraged to take teams to these boards and discuss the challenge and the progress being made. Quarterly updates at all of Council’s ‘Chamber Chats’ focused on progress and where delivered by the Executive Team.

In the first year of the framework, many of the tasks focused on setting up a sound platform to move forward from. Developing and signing off a Community Engagement Plan and developing a Zero Harm Strategic Plan were among many of the tasks. The importance of discussing these; how they connected in with the business; and how they were critical to delivery of the 2020 Challenge was a task assigned to the Council’s managers. To facilitate this to occur, a Leadership Forum was put in place. This forum allowed the Council’s third tier managers to openly discuss matters and support each other to change the culture and deliver the 2020 Challenge.

### Customer service

To provide a more seamless and improved customer experience, a major review of the way the Council managed the interface with customers was embarked upon. The key goal in this approach was to enable a higher number of customer requests to be resolved at first point of contact, simplify the customer experience and provide an improved electronic customer interface to log calls via Council’s internet site.

Pivotal to the success of the review was rationalising the large number of service request categories within the CRM system and reducing the complexity for both the customer and

frontline staff. In many cases dozens of request categories were reduced, and now the system has been streamlined to contain only eight separate work areas with 14 overall job categories.

This reduction in categories and simplified system improved the customer experience and allows for much clearer messages to be delivered by frontline staff. The knowledge tree used by frontline staff is also easier for the unit to update and keep current.

### Contract relationships

Over the past two years, both the district wide Rooding and Open Spaces operations and maintenance (O&M) contracts have come up for renewal. Both these major contract renewal processes allowed Council to consider how it engages these services from the market to provide best value but also ensure that the outcomes required aligned with the 2020 Challenge.

The first contract to be retendered after the initiation of the 2020 Challenge was Rooding O&M. With a large rooding network, a contract sum in excess of \$30 million a year and ownership of a rooding maintenance company, this process is significant for Council.

Staff undertook a full analysis of delivery models and recommended to Council that it enters into an alliance agreement. The alliance provided the flexibility that Council was after in this area, but more importantly took a ‘one team’ approach to providing a service. Following a tender process, Council entered into an alliance partnership with Downer NZ and collectively the Waikato District Alliance was born.

This Alliance allows a single point of contact for all customers and has improved the interface between the customer and Council. The Alliance’s ability to focus directly on the works and outcomes required, and not letting technical contract specifications get in the way, has seen a marked improvement in managing service requests. After the first year of operation, the Alliance has added significant value to our business and this is supported by a suite of Key Result Areas (KRAs) and associated Key Performance Indicators (KPIs) measured to demonstrate this.

The second contract to be retendered was the Open Spaces contract. Again, following significant analysis on value propositions, Council determined that a single district wide Open Spaces Maintenance Contract was preferred. The new contract had a built-in requirement from Council for utilising local service providers. While the contract was proposed to be a more traditional NZS 3917 based approach, contractor selection was undertaken via a competitive dialogue process, which allowed staff to have open discussions with prospective



tenderers. These discussions focused on partnerships, communications and ensured alignment with Council's values.

In August 2016, City Care started work on the district wide Open Spaces contract, supported by a number of local subcontractors and suppliers.

## Community engagement

WDC covers a large geographic area and has a number of formal community boards, community committees and many informal local community groups. Finding the appropriate and best way to engage with these different groups so they have sufficient information to ensure they are connected to the organisation, can be a challenge. Finding a balance between information sharing and engagement and freeing staff up to deliver services is critical. Getting this balance wrong can result in missing delivery targets and failing to meet the expectations of the public and the terms of contracts.

The Council recently developed and implemented an Engagement Policy. This policy forms the basis of the way staff engage with the community and outlines the three essential criteria for engaging with communities, as being:

- It is a continuing and iterative process;
- It is carried out in such a way that there is a genuine exchange of views, (including consideration of all options);
- It needs to provide feedback to those consulted on regarding the process for the final choice.

A significant amount of effort and energy is currently being placed in this area. Staff attend market and open days to allow opportunities for passive engagement with communities on any works that are occurring in an area or are used to provide general information and updates. Under the Engagement Policy, if the nature of the service or works meets a certain criterion, a more formal process of engagement is undertaken.

Staff are also utilising these methods to engage with communities on projects and other matters. Most recently Council undertook a significant change to the way in which the delivery of solid waste and recycling services was undertaken. This change affected many customers and saw multiple messages and engagement processes being undertaken within the community. A number of lessons were learnt through this process and are being integrated into the business following a project review.

Another example of engagement is within the Rooding Alliance. There is a KPI that focuses on community engagement and promotes the running of at least three local community workshops annually on roading related issues. To date, four of these workshops have been run and been extremely successful with large numbers of attendees and positive comments following the meetings. The newly engaged Open Spaces contractor is also gearing up to engage with the community and community boards. Again, this provides a good connection with local community members and local issues.

It is fair to say that many of these community engagement processes are still in their infancy, but there have been a number of learnings to date.

## The results to date

Staff acknowledge that the journey towards achieving the 2020 Challenge is long and will not be without challenges. The changes in the technical and customer services areas that have occurred to date are just a start of the process and are focused at changing some deeply engrained behaviours. Much more work is needed.

As noted within the body of this paper, significant improvements have been made in the Customer Service Request system and resulting responses. The Waikato District Alliance has lifted the bar significantly with regards to response rates, now sitting at over 90 percent compliance with requirements. This previously sat at around 70 percent. This reflects the success of the Alliance process for this council. The partnership with City Care is expected to follow suit.

Other results show that that the community is starting to respond to Council's new approach. Customer satisfaction survey results are showing a general improvement in many areas with some improving markedly (satisfaction with public toilets, as an example, is up from 48 percent to 73 percent this year following retendering of services).

Internally, the connection between technical staff and frontline (customer-facing) is improving. Work on the knowledge tree has significantly improved the ability for customer calls to be answered at the frontline and has also resulted in some good cross team connections being formed. **WNZ**

## Conclusions

Connecting with the customer and engaging with them whilst delivering essential and non-competitive services can be difficult. WDC acknowledged that it could do better and developed a vision to do so. An organisational vision is essential and, in this Council's case, has required the development of a full set of key organisational processes to support its delivery. Many of these process changes require a culture that supports new ways of delivering services, along with ongoing engagement with those receiving those services.

This sort of change is not something that can be done quickly. Critical to making this level of change is support and ability to be innovative in the way that external service providers are engaged

and work with Council and the community. As these providers are seen externally as a natural extension of council, partnerships with them can ensure cultural alignment so the customer will receive a better service and experience.

Any change of this scale will take time. Measuring and celebrating successes along the way is critical to ensuring the momentum of change continues.

Year one has been successful, but this does not mean that the focus and drive can be lessened or eased off. WDC will continue to measure progress against the 2020 Challenge each year and as the journey progresses, will continue to challenge itself to do better.