PR19 Customer Challenge Group

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Agenda No: 9

Title: Behaviour and innovation toolboxes

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What is this paper about:	This paper provides an overview of the behavioural change and innovation toolboxes as shown in the PR19 overview graphic.
What is the context of this paper:	In November's CCG meeting SEW briefly discussed the toolboxes we are developing. This paper describes two of the toolboxes in more detail.
What is the relevance of this paper:	As outlined in the PR19 overview graphic we are developing a number of 'toolboxes' for how we will ensure the services we deliver to customers are using innovative techniques and are continually evaluated and improved. We believe it is really important to have a business plan that demonstrates how we plan to continue to deliver effective engagement, customer participation and innovation for PR19 and into the future.
Action needed from the CCG:	Comments from the CCG about our proposed approach and toolbox framework. Ideas for tools/activities that could be included in either of the toolboxes outlined in the paper.

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PR19 toolbox overview

January 2018

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Overview

- As outlined in the PR19 overview graphic we are developing a number of 'toolboxes' for how we will ensure the services we deliver to customers are using innovative techniques and are continually evaluated and improved.

- We believe it is really important to have a business plan that demonstrates how we plan to continue to deliver effective engagement, customer participation and innovation for PR19 and into the future

- The 3 toolboxes shown on the PR19 overview are:
    - Customers – behavioural change toolbox
    - Stakeholders – partnership toolbox
    - SEW – innovation toolbox

- This presentation provides an overview of the behavioural change and innovation toolboxes

- The stakeholder toolbox is being developed as part of the stakeholder engagement programme and will be presented to the CCG at a future meeting

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What is 'innovation'?

For use within our toolboxes we have split innovation into 3 main types:

- Identification of innovative techniques/activities that are already established and could be **adopted** by SEW (i.e. others are doing)

- Identify innovative techniques/activities that are already established and could be **adapted** for use by SEW (i.e. others are doing in some related form)

- Create a framework that actively seeks out **new innovations** or **new applications** of existing technologies not yet used in the water sector (i.e. others are not doing)

How will the toolboxes work?

- We are following a 5 stage process as described below

- The aim of the toolbox is to provide a set of techniques and tools that can be utilised to improve service and engagement

- The process also creates a way of identifying new 'tools' and activities that can be undertaken and continually reviewing the effectiveness of existing activities

Stage	Description
Identification	▪ Identification of new activities/tools that could be used to improve service delivery or achieve targets/goals ▪ These will be identified through networking, conferences, horizon scanning, discussion with suppliers, innovation days, hackathon style events
Test and learn	▪ Trials and pilots to understand effectiveness of the activity
Adapt	▪ Improvements identified and implemented to enhance effectiveness of the activity
Adopt	▪ Trials/pilots completed and activity can now be implemented across a wider customer base or for all customers
Review and improve	▪ Measures set to monitor effectiveness ▪ Review frequency and method set up to determine future use and to identify continuous improvement opportunities

Identification

Test & learn

Adapt

Adopt

Review and improve

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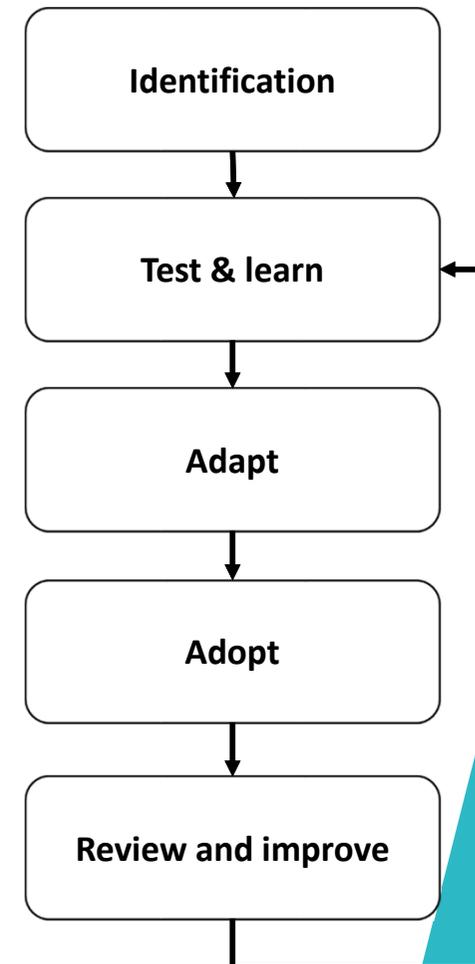
How will the toolboxes be reviewed and new tools identified?

Identification of new "tools"

- Networking, conferences, horizon scanning, discussion with suppliers, innovation days, hackathon style events

Structured approach for assessing each tool and project

- Project aims and objectives
- Measures/KPIs defined with regular review cycle

Management of behavioural change toolbox

- Steering group to be set up to oversee the development of the toolbox – to include:
  - Waterwise, Advizzo, Water Regulation Advisory Scheme (WRAS)
  - Other stakeholders to be considered as part of stakeholder mapping activity (eg organisations that represent vulnerable customers)

Management of innovation toolbox

- Managed via internal steering group structures already in place

The toolboxes in more detail

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What is a 'behavioural change toolbox'?

- We believe that a key part of delivering a high level of service to our customers now and in the future is working in partnership with them to achieve shared goals

- The behavioural change toolbox has two main purposes

  - Engagement to change behaviour to help us achieve shared goals (e.g. reduced water consumption)

  - Engagement to help improve trust, confidence and legitimacy with our customers through a deeper emotional relationship rather than purely a transactional one

- The ability to target the tools to the right customers is dependent on understanding our customers and ensuring our customer data is comprehensive and insightful

  - Improving the demographic data we hold about our customers

  - Developing our approach to attitudinal / valued based segmentation

  - Understanding if any customers find themselves in vulnerable circumstances

What "tools" are/might be included in the toolbox?

Tool / activity	Description / examples
Generic communications	■ Main communications sent to customers – e.g. bill, customer magazine
Tailored communications	■ Specific communications aimed at a particular campaign – e.g. My Account sign up, PSR sign up
Communications using behavioural science techniques	■ Social norming for improving water efficiency and reducing consumption (Advizzo project)
Tariffs to encourage consumption reduction	■ Pay more/less for using more/less consumption than the previous year or than your neighbours
Rewards	■ Financial - e.g. discount off bill ■ Clubcard style points that can be 'cashed in' for vouchers or charitable giving – e.g. greenredeem.co.uk ■ Non-monetary rewards such as opportunities to win prizes
Gamification	■ Leaderboards for key areas - leak reports, water saving etc (e.g. me vs others, my town vs other towns)
Use of technology	■ Development of website/apps to improve service (e.g. automated services, My Account) or shared goals (e.g. Water Use report)

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What is a 'innovation toolbox'?

An innovation toolbox is what we will use within SEW to ensure we are:

- Identifying innovative techniques/activities that are already established elsewhere and could be adopted or adapted by SEW

- Actively seeking out new innovations or new applications of existing technologies not yet used in the water sector

- Is capable of picking up changes to the market and including them in the toolbox

- Able to meet changing customer and societal expectations on service, behaviour and cost

- Able to achieve and stay ahead of the pack on innovation adoption and creation

- In addition we are part of a 3 company group looking into a regional resilience toolbox covering:

    - Training and skills gaps

    - Cross border interconnectivity

    - Collectively testing the supply chain for innovation

    - Water efficiency at a regional level

    - Asset resilience to wider regional threats such as power failure and flooding

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What "tools" might be included in the toolbox?

Tool / activity	Description / examples
Supply chain	▪ Using the relationships with our supply chain to work together to identify new ways of working ▪ Building incentives into contracts to drive innovation
Market opportunities	▪ Use of tenders and procurement process
Academic alliances	▪ Building relationships with universities and colleges etc ▪ Providing sponsorship and workplace opportunities to help develop new talent and challenge our existing work practices ▪ Utilising academic research to tackle specific issues and challenges
Partnership approaches	▪ Identifying where partnerships can be developed to create a win-win relationship and contractual arrangement - e.g. Community Energy
Specialist consultancies	▪ Use of specialist consultancies and agencies to identify innovative techniques – e.g. Technology Approval Group (TAG) is a global innovation forum that accelerates the market uptake of 'step-change' technologies by engaging industry during the pre-commercial stages of development and by leveraging external investment from venture capital investors
Hackathon' style events	▪ Focused on specific issues – e.g. mains rehabilitation, leakage
SEW awards scheme	▪ To promote and seek out innovation
"Pitch it to the Board"	▪ Opportunity for councils / housing associations / start ups / charities / customers / supply chain to pitch innovative ideas direct to senior leaders

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Worked example

A working example – Advizzo

- Project overview
  - To test if behavioural science techniques can assist in reducing demand and PCC
  - To examine the impact of the initiative on customer satisfaction and the strategic fit with Pure knowh2ow
  - In combination with other initiatives use as basis for further techniques to improve other customer based behaviour changes

- Use of behavioural science
  - Comparison of water consumption between similar households
  - Descriptive norm: How much you consume compared to your "neighbours".
  - Injunctive norm: You're doing good or bad

Last six month neighbour comparison

You used 10% less water than your efficient neighbours

You	113m³
Efficient neighbours	121m³
Average neighbours	152m³

1m3 = 1000L = 16 showers = 13 baths

Average neighbours
Approximately 100 occupied homes in your local area that are similar to yours in household size

Efficient neighbours
The most efficient 20% from the average neighbours group

How you're doing

▶ 🙂 Great

🙂 Good

Using more than average

Are we comparing you correctly? Tell us more about your home at
myuse.southeastwater.co.uk

Tips for saving water

Your washing machine uses more water for two half loads than for a single, full load. Only use half load when you have to.

Did you know that knocking a minute off your shower time will save about 10 litres each time and will also cut your energy bills?
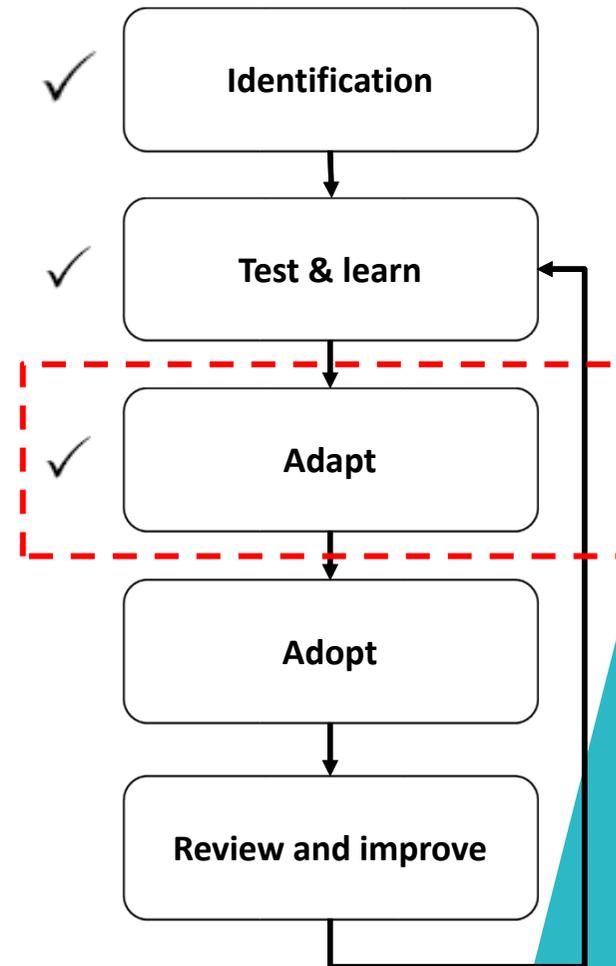
10 minutes of rinsing dishes can waste 100 litres of water. Don't rinse your dishes before putting them in the dishwasher, just scrape off any waste into the food recycling.

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A working example – Advizzo

- Activity to date
  - Water use report every six months - neighbour comparison graph, set of localized/targeted tips
  - 3 different trials to 'test and learn' most effective wording and communication methods
  - Paper and email versions
  - Trial sizes from 2,000 customers to 20,000
  - Improves customer data accuracy, customers have a reason to provide more information to us
- Results
  - % of additional calls received after the 1st communication : below 1%
  - % of additional calls received after the 2nd communication : 0%
  - % of complaints : below 0.02 % (4/20,000)
  - Opt out : 0.09% (18/20,000)
  - Water reduction of recipients in test area reduced by 2-3% compared to control area

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Current status of Advizzo project

- Successful trials completed to identify most effective communication channels, wording and nudges

- Review commenced to determine next phase of project:
  - Develop approach further to incorporate more aspects of the 'resilient/engaged customer' concept (adapt)
  - Roll out across wider set of customers (adopt)

- Discussions underway with Advizzo about further development of water use portal and integration with MyAccount

- Business case being prepared and approach to be discussed with SEW Board in first quarter of 2018

Identification

Test & learn

Adapt

Adopt

Review and improve

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Other examples of innovation

Catchment management

- Development of collaborative strategic partnership with Natural England, now quoted as industry best practice

- Working in partnership with farmers, land agents, regulators, river and wildlife trusts and scientific researchers to identify the cause of drinking water quality deterioration, and deliver community-based partnership solutions that tackle the issue at source

- Field trials in collaboration with the Farming and Wildlife Advisory Group

- Effectiveness of trials measured using pioneering techniques, such as porous pots to measure nitrate loss, soil sampling and analysis to measure soil health and plant tissue analysis to measure fodder value for livestock feed

- Communications with land owners that use social norming to encourage appropriate land use behaviours

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Leakage strategy

- Undertaken complete review of our leakage management activities using external experts

- Implementation of a range of new solutions and investing in state-of-the-art technology including:

  - Mobile loggers

  - Targeting via analytics

  - Self learning pressure control valves

  - Trunk main non-obtrusive loggers

- Trials to benchmark different options against each other

- Workshops with specialists (e.g. InnovateUK) to determine better approaches to using data analytics to identify bursts and leaks

- Introducing incentives into contracts and improving workforce flexibility

- Working with UK mobile phone provider to trial Internet of Things technology giving much longer battery life for meters and loggers and much quicker and better access to data to allow us to find smaller leaks much faster

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Discolouration contacts reduction

- Challenge faced by source waters unusually rich in iron and manganese

- Strategy developed to reduce discoloured water includes:

  - Flushing

  - Calm networks

  - Mains replacement

  - Seaquest

- Use of innovative Seaquest dosing systems at multiple works

- Seaquest prevents oxidising of metals in the main so they don't deposit out

- SEW used first in 2000's in Hampshire and Surrey

- Not used for this application by any other companies in UK

- Reduction in contacts from areas used are statistically significant and ongoing

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Improved visibility of customer related activity in the field

- Issue related to lack of visibility for customers and call agents of activity once in the field with the gangs

- Inability to update customers effectively on work in their area or scheduled for their property

- Two main innovations:
  - Roamer live data supplied by field staff into mobile devices including photographs visible to call agents, particularly important for visibility of follow up jobs
  - In your area live update to website for postcode search on activity

Next steps

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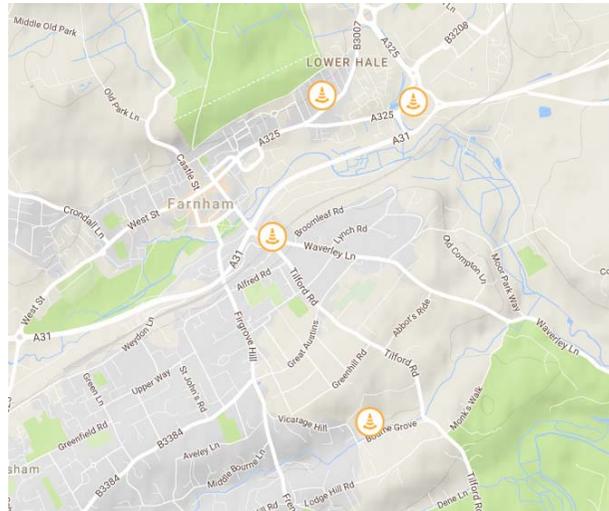
Next steps

- Continue toolbox develop and regularise identification steps

- Roll out piloting of more activities throughout 2018

- Inclusion of toolbox concept within our Business Plan submission to demonstrate how we plan to continue to deliver effective engagement, customer participation and innovation for PR19 and into the future