Storyboard (answer plan)

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| **Section** | Q14 Controlling Costs | | |
| **Weighting** | 2.5% | **Page / Word Limit** | 750 words |
| **Owner** | Lead Entity | **Lead Author** | Tony Fern |
| **Contributors** | Lead Entity | **Reviewer** | Soruban/Steve Stanyon |
| **Evaluation Criteria** | | | |
| **The Question** | | | |
| How will you mitigate cost escalation through the agreement? Include plans to:  - Reduce failed visits - Ensure installs are as efficient as possible - Keep hardware and other material costs down | | | |
| **Defining Our Offer** | | | |
| **Client Drivers**  Why has the client asked us this question? What is their underlying issues/concerns? By understanding their key challenges we can produce a winning response. | | | |
| **A 'Good Response' will include a plan to keep costs low throughout the contract  Efficiencies and their benefits can be shared, as well as a clear strategy as to how the supplier will keep their costs to service the contract down**  A 'Bad Response' will show a lack of consideration for potential cost pressures  There won't be any clear plans shared which demonstrate efficiency, or show that the supplier has considered their total cost to service the contract | | | |
| **Win Themes**  Which win themes could and should we emphasise in this answer? And what benefit will these provide to the client? | | | |
| **Win Theme** | | **Benefits** | |
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| **Building Our Response**  Below you should break down the answer to your response into the subsections within each section allowing for effective signposting to the client.  In each part detail your approach. It can be bullet points at this stage but should address all important technical points as well as client drivers, win themes and USPs. Proof points need to be included to back up statements. |
| **Overall message** |
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| **Sub-question 1:** |
| **698 words**  **Mitigating cost escalation - a plan to keep costs low throughout the contract**  MWS brings the tools, systems, and experience in commercial management to deliver these works on time and to budget, while meeting all requirements. Our rigorous cost control is managed through our integrated Oracle based systems. We will seek efficiencies (e.g., reducing repeat visits; smart journey-planning/efficient scheduling), and deliver accuracy of forecasting, avoiding cost escalations, through:   * Properly skilled/trained resources with the right tools for the job. * Highly effective systems and processes. * Forensic approach to commercial management. * A culture of performance and responsibility. * Transparent, granular, targeted reporting metrics.   We will capitalise on opportunities to maximise efficiency and productivity such as driving efficiencies through innovation, reviewing lessons learned, and undertaking productivity reviews, including Earned Value Analysis (EVA), looking at:   * Weekly outputs. * Outputs achievement vs targets and analysis of non-productive time causes. * Failures/Defects.   **Reducing failed visits -** *Right first time; leveraging technology*   * Mobile applications provide near real-time photographic evidence at key stages of the installs, reducing fails; minimising repeated site visits. * Automated checks prevent operatives leaving the premises until the system verifies the work has been properly completed, helping us deliver very low fault percentages and create efficiencies. * Repair team/plumbers on standby to correct issues immediately.   **Ensuring installs are as efficient as possible-** *Smart planing; Correct tools and skills*   * Detailed up-front planning of plant and equipment, reviewing requirements across works to identify synergies; maximise utilisation. * Field scheduling tool (Oracle) ensures 99.8% compliance with appointment completion; live-monitors field teams (including subcontractors), allowing flexing/re-directing of resources to complete activities within given timeframes, avoiding cost/time escalation. * Skilled, knowledgeable, multi-skilled resource completing correctly and on time;  Smart Metering team certified through bespoke, EUSR-accredited in-house programme. * Able to meet changing demand without increased costs. In the last two years, over 2900 staff upskilled to deliver multiple job types; Fluid resource strategy combines early programme and resource planning, with ability to dynamically adjust resourcing.   **Keeping hardware and other material costs down -** *Strategic supply chain; Innovation*   * Supply chain control team ensures optimum value from suppliers/subcontractors, via competitive tendering (minimum 3 quotations), continual review and benchmarking of rates. * A large, trusted supply chain established, engaged early and given visibility of pipeline of works, securing long-term commitment and preferential rates. * Continual development/review of innovations to bring efficiencies without compromising quality.   **Controlling/driving down variable costs**: time (reducing travel; smart work planning), process (minimal dig, no aborts) and support (shared back-office efficiency), deploying a data and technology-driven efficiency model.   * Use of SalesforceWMS – efficient scheduling,data-led decisions and jeopardy management. * Variable cost analytics, identifying savings in work volume changes. * Plant/equipment usage monitoring by operational leads and WMS; speedy removal where under-utilised. * Material procurement strategies to secure best price; use of our extensive buying power and ‘right time’ material procurement. * Incentivising staff; retaining; avoiding replacement costs.   All costs will be captured on Salesforce, providing full visibility to allow variance analysis; reported using Power BI.  **Leveraging innovation and collaborating for shared benefit**  We will work with/seek feedback from YW, supply chain and workforce to identify/implement improvements that drive cost efficiencies. We propose regular focussed meetings to review cost performance. With other clients (e.g, Thames Water) these have delivered shared benefits, including reducing missed/aborted appointments from 50% to 5%, partly achieved through innovative technology e.g., Oracle Field Service; ‘Where's My Tech’ (customers view location of technician travelling to the appointment) and upskilling our delivery teams to enable them to multi-task.  With feedback from our operatives, we have enhanced training that has enabled our project team to significantly improve the efficiency of working arrangements for plumbers – raising the ‘meterable’ rate (percentage of appointments where we are able to install a meter). We now implement a video call process whereby plumbers discuss any issues with their supervisor before a job is aborted.  On the current YW contract, we use an innovative battery powered crimp fitting tool, which reduces leaks, costs 30% less than traditional compression fittings and is almost 50 per cent faster. Hotbox technology is helping to ensure reinstatements undertaken in the public highway are completed first time by providing an efficient, productive, collaborative space for our teams to work in. |
| **Sub-question 2:** |
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| **Sub-Question 3:** |
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| **Sub-question 4:** |
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| **Sub-Question 5:** |
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| **Absolute key word/phrases: e.g. CDM, Every Customer Counts relating to the question** |
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| **MAGI** |
| Our initiatives to reduce failed visits for smart meter installations include a dedicated website and call center to manage appointments, the 'Where's My Tech?' app to track operative journeys, revised customer literature with images for better size perception, and a bespoke call center for appointment booking and customer queries **12**. Additionally, we have a strategy that includes analytics and segmentation of work activities to understand unsuccessful visits, which has led to a 50% reduction in the number of skips **3**. Our award-winning Every Customer Counts Strategy ensures a clear customer journey, flexible booking hours, and a 'production line' approach to installations, minimizing customer disruption **4**.  - \*\*Ensure installs are efficient\*\*: We have established a 'right first time' approach that minimizes customer disruption and the cost of failure. This approach includes robust processes and procedures to ensure successful project outcomes and embeds a culture of right first time throughout the organization **2**.  Affinity 15.1 Capability (Maintenance)  We have experienced a number of installation issues on a daily basis throughout our delivery of this contract; which is inevitable when delivering a programme requiring installation of more than 2,000 internal meters per calendar month. Key to overcoming common challenges such as access issues and missed appointments etc., has been our focus on customer communications. Proactive and timely communications help manage customer expectations and reduce additional and ‘unwanted’ contact from customers. We believe good customer service starts with the engagement and appointment making process – ‘right first time’ from the first contact. Our call centre is achieving exceptional C-MeX scores across all three meter installation programmes for Thames Water (OMP, PMP and CSL), averaging 86.89 compared with the industry average of 81.62 for UK water supply companies. We ensure that when appointments are made, we honour our commitment – appreciating that some customers may have to remain at the premises to provide access. On this contract, we set up a bespoke call centre on our main site with a primary aim to book appointments, answer queries and handle first contact complaints from customers. Our dedicated website and call centre allows customers to easily check/make appointments and monitor progress; and we have recently introduced innovative technology that allows customers to track the journey of our operatives on their way to appointments via the ‘Where’s My Tech?’ app. These initiatives have enabled us to significantly improve our access rates and reduce the volume of failed appointments, improving productivity and customer experience. An example of an issue we experience regularly is the customer’s perception of the meter’s physical size; many of our fitting teams have been refused access because, based on the literature supplied, customers have perceived the smart meter to be something the size of a small bin! To overcome this, we consulted with our internal fitter team and changed the literature we send to customers; which now shows pictures of the meter positioned next to a baked bean tin – showing just how small they really are. This revised literature, which now also reinforces the message of benefits associated with smart meters, has seen us achieve a significant reduction in refusals and install more meters  UU Right First time end to end  At Morrison Water Services (MWS), we recognise the importance of establishing robust processes and procedures to drive productivity and ensure effective use of our workforce, contributing to our exceptional customer journey and our award-winning Every Customer Counts strategy. Our structured approach to metering ultimately reduces potential complaints and ensures positive feedback, which in turn, drives the high C-MeX results expected by our clients. For Thames Water, we run bespoke customer journeys for optant, replacement, progressive, nonhousehold, and customer side leakage programmes, mapping every scenario to provide our workforce with the knowledge and processes to enable them to deal with multiple scenarios. Once mapped, our processes are integrated into our CRM systems, where they are coded, automated and then linked to various customer systems, such as SAP, Maximo or Temetra (used for meter reading) to deliver all data and completed works in a consistent manner. Our CRM system is linked to our telephony platform to help us reduce the number of aborts and manage the customer journey once they have requested a meter on our online booking platform. To ensure we are providing the best user experience possible, we record conversations between customers and our agents, which we then review and analyse to identify any improvement needs, such as additional training or coaching etc. Our right first-time culture starts with ensuring our workforce is fully trained and competent to perform their roles; ensuring all individuals complete a full induction with training reinforced by supervisors and stand-down sessions. Our surveyors are responsible for gathering data from field surveys to inform the team of the viability of each job and associated reinstatement challenges, including making sure that meter supplies are proved to the right property (virtually of physically). This helps us avoid issues such as ‘no waters’ (stop taps being left closed or grit in meters). Every job is audited either using photographic recognition technology or automated job management checks that prevent operatives leaving the premises until the system verifies the work has been completed. The successful introduction of this technology has enabled us to deliver very low fault percentages and create efficiencies – leading to a significantly higher number of installs. The customer journeys vary from light communication for meter replacements through to detailed communication with the customer for internal fits where we provide bespoke literature and job-specific advice. We record the customer’s satisfaction and the effectiveness of the install through a ‘rant and rave’ texting system, which allows us to gain valuable feedback from customers for continuous improvement. We ensure vulnerable customers have access to water and support during installation and provide support and a call-back service to manage customer queries swiftly resolving any complaints or dissatisfaction. For businesses we may take a different approach, offering out-of-hours or weekend installs for those businesses that cannot cease trading during daytime hours of operation. We also provide local drop-in centres and letter drops to ensure the public are fully informed of works in progress. As part of our commitment to continuous improvement and innovation, we have introduced and upgraded mobile applications that provide near real-time photographic evidence at key stages of the meter installs recording the quality of reinstatement. This technology has minimised the need for repeated site visits and reduced non-conformity. Photographs are captured of back-fill and reinstatement work for quality assurance purposes and checked for compliance against SROH, as well as accepted industry good practice. As part of our ongoing innovation, we use generative AI image recognition which contributes to a 'right first time' approach by 1. Improving accuracy – meter readings and meter serial numbers are recorded photographically, 2. Enhancing efficiency – accurate photographs of meters ensure the meter reading process is completed correctly, 3. Supporting quality assurance – AI is now part of our robust performance management and quality assurance measures to ensure exceptional quality and real-time data capture, which reduces reworks and remedial work. To further improve the customer telephone and online booking experience, we have recently adopted the Salesforce Lightening application, which is globally recognised as the leading job management system. |
| **Linked Case Studies: Have we written about this before?** |
| |  |  |  | | --- | --- | --- | | Name/Project | Growth Team Contact | Ops Contact | |  |  |  | |  |  |  | |  |  |  | |  |  |  | |  |  |  | |  |  |  | |  |  |  | |

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| **Graphics**  A picture / diagram / flow chart is worth a thousand words!  Sketch any graphics needed to support the answer? |

* Drop graphics in here and which subsection they apply to