

Utilities Billing & Collections Assessment

Executive Summary

May 12, 2016



BUSINESS
CONSULTANTS

DEEP
TECHNOLOGISTS





Purpose & Objectives

Purpose

Conduct an operational assessment and evaluation of the UB&C division in order to understand the current state of performance, provide metrics to monitor performance and a roadmap for improvement

Objectives

- ◆ Formulate initial findings based on a series of staff and stakeholder interviews, staff observations and document review
- ◆ Determine current state of maturity across select capabilities
- ◆ Benchmark key performance metrics across UB&C division workstreams
- ◆ Measure UB&C customer experience and satisfaction
- ◆ Compare and contrast UB&C operations with other similar utilities
- ◆ Determine desired future state of UB&C division
- ◆ Develop improvement initiatives and roadmap for implementation based on operational assessment findings and stakeholder feedback

UB&C Assessment Overview

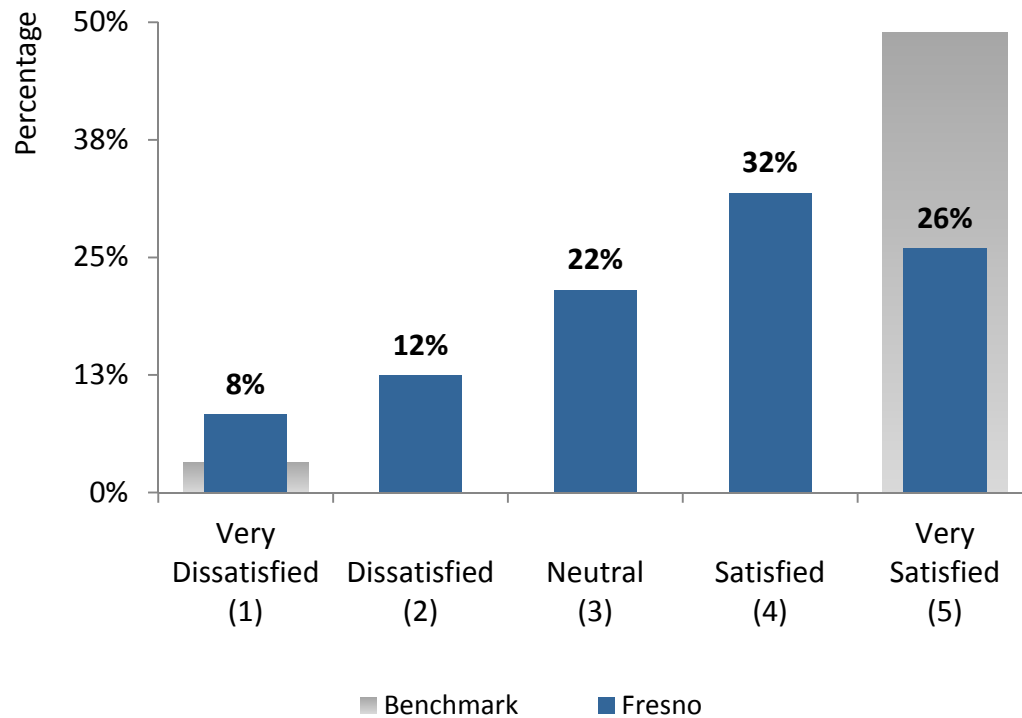
- ◆ **1. Initial Discovery**
 - Staff & stakeholder interviews (25+ hrs)
 - Staff observations (6+ hrs)
 - Staff & stakeholder follow-up discussions
 - Document review
- ◆ **2. Current State Assessment**
 - Maturity model
 - Current state assessment
- ◆ **3. Metrics & Benchmarking**
 - Selection & calculation
 - External benchmarking
- ◆ **4. Customer Survey**
 - Craft survey content & administer
 - Collect and analyze results
- ◆ **5. Blue Ribbon Panel**
 - Introductory webinar
 - Site visit workshops
- ◆ **6. Employee Survey**
 - Employee satisfaction
 - Improvement ideas
- ◆ **7. Future State Assessment**
 - Develop and enable employees
 - Monitor performance
 - Continuous improvement
- ◆ **8. Roadmap**
 - Initiatives
 - Performance metrics monitoring
 - Continuous improvement



Summary of Findings

- ◆ UB&C division's capabilities are developing and lag behind the water utility status quo in several key areas
- ◆ Metric & benchmarking results indicate high efficiency in select areas, while lower effectiveness as compared with industry benchmarks
- ◆ Large majority of customers are satisfied with UB&C performance, however, benchmarking indicates that there is room for improvement
- ◆ Large majority of Customer Service Clerks are dissatisfied with select aspects of their jobs (note: turnover ratio is consistent with that of other utilities); benchmarking indicates that there is room for improvement
- ◆ UB&C employees were engaged in the operational assessment, offered numerous improvement ideas and are eager to move forward
- ◆ Key findings from initial discovery, benchmarking, customer survey, utility Blue Ribbon Panel and employee feedback were used to develop a roadmap of initiatives that will help improve customer satisfaction and operating efficiencies

Overall Customer Satisfaction



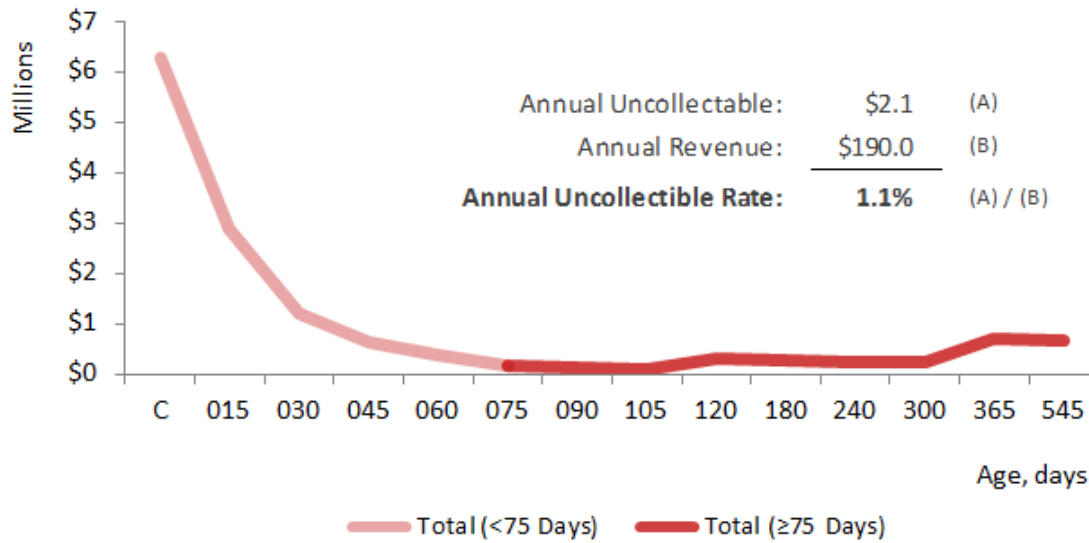
- ◆ Compiled from **over 4,500** customer survey responses
- ◆ Large **majority** of customers are **satisfied** with UB&C performance
- ◆ However, benchmarking indicates that there is **room for improvement**
- ◆ Benchmarks represent the **average** of other **municipal utilities**, not adjusted for local demographics

Metrics & Benchmarking

Performance Metric	FRESNO	AVG Municipal Water Utility
<i>EFFICIENCY:</i>		
Calls Per Agent Per Hour	6.9	6.6
Average Cost Per Call	\$1.8	\$3.7
Span of Control	11.0	7.0
<i>EFFECTIVENESS:</i>		
Top Box Caller Satisfaction	25.9%	49.0%
Bottom Box Caller Satisfaction	8.3%	3.2%
Average Time in Queue in Seconds	262.8	60.0

- ◆ Metric & benchmarking results indicate **high efficiency** in select areas
- ◆ While **lower effectiveness** as compared with industry benchmarks

























Uncollectible Rate



- ◆ UB&C’s Uncollectible Rate is **within** the range of other utilities
- ◆ UB&C payment collection has **improved** over the past 1.5 years

Annual uncollectible derived from total A/R ≥75 days over a 365 day period

Blue Ribbon Panel members centered around Foundational capabilities (NOTE: other utilities were self-scored)

	Developing	Foundational	Advanced	Optimized	
Strategy	 				
Customer Centric Organization		 			
People Development					
Business Processes					
Performance Mgmt & Reporting		 			
Technology		 			

Future State Assessment

People Development

- ◆ Improve morale in UB&C division
- ◆ Establish trust between management and UB&C staff
- ◆ Enhance training program to provide for consistent quality and continuous improvement – invest in employees!

Customer Centric Organization

- ◆ Understand current level of customer satisfaction
- ◆ Improve customer satisfaction through knowledge, responsiveness, and interpersonal skills
- ◆ Balance work load and resources

Strategy

- ◆ Develop a roadmap, in alignment with overall City strategy in order to guide UB&C operations
- ◆ Develop and manage stakeholder perceptions and expectations, focusing on transparency and open communication

Performance Mgmt. & Reporting

- ◆ Identify performance metrics to measure success
- ◆ Establish clear and simple reporting for consumption by all (managers and employees) to ensure operations are running smoothly

Business Processes

- ◆ Document key business practices, procedures, and internal policies for everyone to use
- ◆ Embed business processes/ procedures into training program (on-boarding and on-going) so they're understood by everyone

Technology

- ◆ Fully leverage functionality from newly implemented Cisco system – work smarter, not harder!
- ◆ Build strong alliance w/ ISD to ensure UB&C operations are properly supported

Roadmap for Improvements

	Ref	Month											
		1 <i>Jun-16</i>	2 <i>Jul-16</i>	3 <i>Aug-16</i>	4 <i>Sep-16</i>	5 <i>Oct-16</i>	6 <i>Nov-16</i>	7 <i>Dec-16</i>	8 <i>Jan-17</i>	9 <i>Feb-17</i>	10 <i>Mar-17</i>	11 <i>Apr-17</i>	12 <i>May-17</i>
UB&C Roadmap													
1.0 People Development													
1.1 Functional Mapping & Resource Alignment	1.1												
1.2 Employee Review Program	1.2												
1.3 Recognition Program	1.3												
1.4 Training Program	1.4												
1.5 Career Progression Program	1.5												
2.0 Customer Centric Culture													
2.1 CSC Utilization Study	2.1												
2.2 Operations Mgmt. Program	2.2												
2.3 Customer Satisfaction Survey	2.3												
2.4 Implement Alt Payment Channels	2.4												
3.0 Strategy													
3.1 Strategy (people, customers & metrics)	3.1												
3.2 Customer & Stakeholder Engagement	3.2												
4.0 Performance Mgmt. & Reporting													
4.1 Performance Metrics	4.1												
4.2 Reporting	4.2												
5.0 Business Processes													
5.1 Document Policies & Procedures	5.1												
6.0 Technology													
6.1 Enable Advanced Cisco Functionality	6.1												