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Presenter Background

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- Distribution Level 5 and Treatment Level 2 State of CA Certification
- MBA University of Redlands CA
- 23 Years experience in water industry working for private and public water agencies
- CA / NV AWWA Meter Committee Chairperson for three years
- Over the last 12 years has worked with 4 AMR vendors drive–by and fixed networks and many meter manufacturers
- Project manager new Work Order management systems at two agencies
Presentation Overview

Customer Management – Doing More with Less

- Define what doing “MORE” can and should be
- Re-Featuring existing solutions
- Invest in your human capital
- Process review and using analysis tools to set goals and create value
- Technology investment to add value and efficiency
- How to deploy and use AMI effectively at a pace and level that you can afford
- Questions and answers - A group discussion on what you are doing at your agency
Doing “MORE” with Less

You cannot do MORE with less unless you understand what MORE means. To identify what MORE can be done at your company to improve customer service start by identifying the following areas in your business:

- What services are you currently providing
  - Do you have an IVR (Interactive Voice Recognition system)
  - Web site for organizational information and bill payment
  - An interactive phone system to enhance call taking performance
  - Payment Kiosk and outside payment locations

- What mailers and bill inserts do you use to communicate with your customers

- List what tasks your customers need to get done
  - Starting service
  - Paying their bill
  - Extensions
  - Field Services (Water quality, Pressure concerns)
  - High bill investigations
Who Needs These Services?

“Customer satisfaction is an equation of expectation and fulfillment. In the utility category customer expectations are very low, which accounts for the fact that 75% of customers can be satisfied by a minimal amount of effort.” (Decision Analyst 2009)

<table>
<thead>
<tr>
<th>Segment</th>
<th>Introductory</th>
<th>Involved</th>
<th>Advanced</th>
<th>Intensive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size of Customer Base</td>
<td>50%</td>
<td>25%</td>
<td>15%</td>
<td>10%</td>
</tr>
<tr>
<td>Makeup</td>
<td>Minimum Level of Service</td>
<td>Transaction Service</td>
<td>Handle Inquiry</td>
<td>Resolve Issue</td>
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Every agency will differ a little depending on size, location and demographics. Our numbers at CVWD: In a 2 month billing cycle we receive calls from 24% of our customers, we send late notices to about 12% and we lock-off about 4% of our customers.
What is Driving the Need for “MORE”

Every agency is seeing some common contributing factors as well as some unique reasons why the need for MORE service is required.

- The economic down turn has forced people to seek extensions and answers on how to lower their bills.
- Customers are looking for value due to the higher rates and they are much more demanding today than a decade ago. With computers and the internet they are better informed.
- Conservation is the new buzz word where ever you go and agencies are being asked to provide solutions and resources to aid and inform their customers.
- In this market we are seeing numerous commercial and industrial accounts close-up shop. Agencies are scrambling to identify new or improved revenue streams.
Re-Featuring Existing Solutions

Many agencies have already invested heavily in providing their customers with solutions to help them complete the tasks they need to accomplish. It may be time to review just how much savings and the level of utilization these services are achieving. Having a great saving tool in place provides no value unless it is being used to its potential. A great way to get MORE with less is to re-feature the solutions you already have in place.

- Set new goals for the level of participation in the programs you already have in place

- Review the information provided and the level of performance of solutions like your website and IVR to insure they are sending the right information and are working at their optimal level

- Meet with your staff and ask them what types of questions and concerns they are getting from customers. Maybe you need to add a second language option to your phone system or a way for customers to start and stop service from the website.
Additional Solution Modifications

- Challenge your staff to achieve the new levels of participation in your agency’s service products by offering rewards for the team or individual accomplishments.

- Market and advertise your organizational solutions that add to MORE services in every form of media you use to communicate to customers:
  - Utilize your website to its fullest potential
  - Add notes to your billing material
  - Advertise your solutions on the annual water quality report or regular customer mailers
  - Use bill stuffers
  - Offer additional benefits for participating in programs

Quality in a service or product is not what you put into it. It is what the client or customer gets out of it.

PETER DRUCKER
Invest in Human Capital

During these difficult times many organizations are not only dealing with revenue and budget shortcomings but many they have also gone through a work force reduction. Remaining employees are being asked to do MORE and take on additional responsibilities. This new mind set provides an excellent opportunity to expand the knowledge base of all employees.

- Providing good customer service is the responsibility of everyone within the organization.
- A CSR with an expanded knowledge base on the tasks completed by a maintenance crew can ask better questions to aid their operations.
- A field person who can read a bill and understand how to help a customer read their meter and answer questions regarding a high bill saves a phone call to the office.
Our employees are our greatest asset and many times all of their skill sets are not fully utilized by the organization. Layoffs often affect some departments harder than others which creates opportunities to shift work load.

- When development is down this is a great time to work with the engineering department to update information and perform system audits.

- Start looking at dividing the daily work load across multiple departments and working on the high priority tasks that drive revenue first.

- Cross training and finding value in your employees can increase morale, which often goes sour during a poor economy.
Organizations are operating with less staff and operating capital, but are still holding on to goals and objectives set during better times. In the past supervisors were asked to develop departmental goals without meeting with their peers. In many cases goals and objectives became competitive points between departments. Today when resources are scarce and customers are demanding MORE it is time to look at the organization as a whole, not as individual departments, when setting goals and objectives.

With the Upper Management team create a plan to:

- Group all departmental goals into an organizational set of values and prioritize them in order of importance.
- Evaluate whether the highest priority goals are attainable with current operations
- Identify whether lower level goals can be modified in order to support the achievement of higher priorities.
Without goals, and plans to reach them, you are like a ship that has set sail with no destination. When faced with this ominous task of doing MORE with less it is imperative that you set goals and put in place the tools to monitor their progress. Your front line employees are the key.

- Involve front line employees in making decisions and setting goals.
- Get a fresh set of eyes from other departments to sit in your brainstorming sessions.
- Think outside the box there is no such thing as a bad idea.
Share and Discuss Operational Goals

Cucamonga Valley Water District Operational Dashboard
Technology and Value Added Efficiency

When evaluating capital expenditures include a discussion of whether a significant technology improvement can add MORE to your organization. A main line replacement will affect the maintenance department and the customers at that location, but the same money invested in a technology solution may add MORE to the organization and your customers.

A recent study in the AWWA Journal (January 2010) conducted by the Water Research Foundation’s Field Computing Applications and Wireless Technologies for Water Utilities conducted research at:

- Honolulu Board of Water Supply
- City of Tallahassee Water Utility
- City of Phoenix Water Services Department
- East Bay Municipal Utility District
- San Francisco Public Utilities Commission
Results from the Study

If implemented properly, enterprise mobile computing systems were shown to deliver up to a 30% annual improvement in efficiency in service, as well as to improve security, health, and safety and to help with regulatory and compliance reporting. Consideration factors for technology deployment by percent of relative importance

- 97% Higher Productivity
- 93% Improved Customer Service
- 85% Reduced Response Times
- 68% ROI of Wireless Solution
- 67% Scalable Wireless Solution
- 54% Reduced Labor Costs
- 47% Total Cost of Ownership
- 41% Capital Costs
- 34% Maintenance Costs
- 28% Training by Solution Supplier
- 11% Supplier References
- 8% Name Reputation
- 8% New Products
Tangible and Intangible Benefits

Experienced Tangible Benefits
- Better data quality and control
- Visibility into field activity production
- Effective asset life-cycle management
- Reduced response times
- Regulatory compliance reporting
- Time savings in meter management
- Optimized work scheduling

Significant Intangible Benefits
- Improved customer perception
- Consistent business process
- Improved communication
- Increased morale
- Improved worker skills and knowledge
Effective and Affordable AMI

Another technology improvement that greatly adds to accomplishing MORE with less is the implementation of an AMI (Advanced Metering Infrastructure) system. The AMI systems present today in our industry are very different depending on the manufacturer, but they do share some similarities.

❖ All AMI systems start with a Smart Meter that is capable of producing a digital output with the read or a pulse.

❖ An MIU (Meter interface unit) is the radio device needed to transmit the information from the meter to a receiver.

❖ MIU’s come in multiple frequencies with different characteristics and some requiring FCC licensing

❖ The receiver can be a mobile receiver or a fixed base receiver

❖ The collected data returns to the office with the mobile collector or through the use of a data backhaul with a fixed system. Once in the office a software application allows you to see the information.
AMI Systems can Add MORE

AMI systems provide a significant value to the utility company and the community it serves. It benefits the organization with cost savings and is a valuable conservation tool for customers who are wanting assistance with rising water bills. There are a number of AMI system benefits:

- The ability to provide expanded information to answer customer’s questions regarding usage trends
- The ability to run daily leak reports for every customer
- The ability to run zero consumption reports to identify stuck meters
- The ability to publish reports on the internet for customer review
- The ability to evaluate and monitor conservation efforts by individual account or by desired classification
- The ability to compare daily production and consumption reports to develop daily water loss reports (Full implementation)
- Staff reassignment to higher function jobs to maintain system
Consideration Points for Selecting an AMI System

- Meter and register selection can enhance or limit your AMI choice
- The MIU comes in many power strengths and radio frequencies
- AMI is a significant cost investment from the simplest mobile systems to the more complex and costly mesh and fixed base systems
- The topography of your system plays a role in your selection
- The power of the software and the complexity of the MDM needs to be evaluated
- The end users of the information need to be considered
AMI a Scalable Solution?

When talking about doing MORE with less, considering a multi-million dollar AMI project may not make financial sense. There are ways to take advantage of the new AMI technology without going deep into your pocketbooks that can have a significant impact on your operations and help attain that need to get MORE benefits to your customers. Identify your significant customers and consider implementing a scalable AMI project.

- New mobile systems are cost effective and provide the same interval data you get with a fixed base system
- Start with a small group of customers like your large meters 3-inch and above. They make up a small part of customer base but use a significant amount of water.
- If you have a meter replacement program start installing the new technology with your regular meter exchanges
- Make the developers pay for the AMI system with new installations
- Choose a system that will migrate to a fixed system when you are ready
Conclusions

Customer Management – Doing More with Less

- Defining what ‘MORE” is provides you a direction to focus your efforts.
- Re-Featuring existing solutions will allow you to take advantage of ideas that are already proven to work.
- Invest in your human capital they are your greatest asset. They are vested in the success of the organization and are very willing to help.
- Use analysis tools to set goals and create value for customers and employees.
- Invest in technology to add value and efficiency.
- Start using AMI effectively at a pace and level that you can afford.
What are You Doing at Your Agency?

"When the well is dry, we learn the worth of water."

Ben Franklin