

Levels of Service Strategic Sharing Group: Deep Dive – Harnessing Data to Generate Meaningful Customer Levels of Service

Meeting Date November 3, 2021 from 2:00 p.m. – 3:30 p.m. EDT

Facilitator Jenessa Doherty, Canadian Water Network

The seventh meeting of the Strategic Sharing Group – **Advancing Levels of Service in the Context of Uncertainty** – was held on November 3, 2021. In this meeting, guest speakers from the City of Calgary took strategic sharing group participants on a journey of the process and planning strategies adopted by the City in their ongoing effort to bring the customer lens to the levels of service program. This included challenges, barriers and lessons learned in implementation and integration across the organization (see meeting agenda).

Below is a list of the specific themes that emerged from the meeting.

• Integrating the Customer into the Business

 Including: developing utility trust, customer perception of service, opportunities to work more efficiently and effectively, addressing pre-existing assumptions

• Including the Customer Voice in Performance Metrics

o Including: strategies and exercises for better understanding the customer, setting performance metrics that align with customer expectations

How and Where to Start in Developing Customer Levels of Service

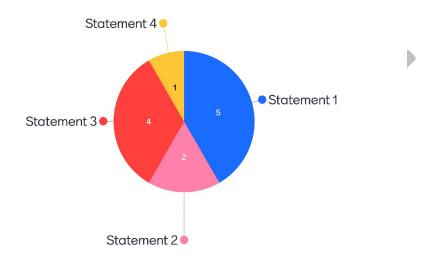
 Including: identifying service delivery gaps and opportunities to optimize investments, customer research and testing, better using existing data to measure performance, research approaches

The meeting kicked-off with a poll presented by Meagan McClurg, Team Lead – Service Levels and Katherine Craddock, Team Lead – Customer Experience Planning from the City of Calgary. Participants were asked how they would rate their utility's current customer maturity and were provided with the following options:

Statement 1	Customer focus is important but understanding is still being developed
Statement 2	Customer-focus is well understood. Customer priorities expectations and values are important but not fully understood so we are gathering intentional information to support
Statement 3	Customer expectations, needs, priorities and values are an important lens for working planning and priorities and council/leadership vision for customer at the utility
Statement 4	Customer expectations and needs are integrated into the utility's strategy and objectives, direct priority work and set the bar for measuring success
Statement 5	Customer is part of the utility's DNA. It is the core driver for activities, decisions and business planning.

42% indicated that although customer focus is important to the utility, understanding of what this means and how it can inform decisions is still being developed. Whereas, 33% indicated that the customer lens is important to work planning and priorities at the utility (see pie chart below).

How would you rate your utility's current customer maturity?



Key Insights

Integrating the Customer into the Business

- Integrating the needs and expectations of the customer into the business culture is a critical action that can help: i. develop trust in the utility ii. underscore value for money iii. identify how people are perceiving services iv. highlight opportunities to work more efficiently and effectively and v. emphasize the importance of addressing pre-existing assumptions in order to manage issues. Often, utilities create corporate expectations for services and subsequently engage with their customers through the lens and framing of these corporate expectations. When the customer voice can be integrated into areas such as performance measures, service expectations, service delivery etc. identifying how utility services either meet, exceed or fall below expectations becomes clearer.
- One of the key drivers for adopting a customer-focused approach is the reality that customer expectations are changing. Utilities across the country have voiced that customers want to know more about their water. This includes a greater understanding of water rates, stormwater management, water quality, flooding, and other issues that concern water. Another key driver influencing water services are financial constraints. Municipalities and utilities find themselves faced with the need to consistently provide a high quality of service while also responding to and rebounding from external uncertainties and unanticipated events. Finding a balance between

assets, financials, operations and customer expectations is critical to sustainable utility management.

Including the Customer Voice in Performance Metrics

- Including the customer voice in performance metrics first starts with a **better understanding of the customer**. For many, this first step has often come from engaging with customers through
 surveys. At the City of Calgary, the levels of service team is taking a deep dive into ensuring they
 are doing this right by trying to **ensure that performance measures resonate more clearly with what the customer wants and expects**. For example, in the past a performance measure might
 indicate "Reliable Service Delivery". However, to gain a greater understanding of what this means
 to the customer, identifying the expectation that is tied to this performance measure through the
 customer voice can help create greater clarity. For example, in the customer's eyes, reliable
 service delivery could mean "water is always there when I turn on the tap". Subsequently, **does the utility have an understanding of what the customer's tolerance is should a disruption to this
 expectation occur so that value and trust in the utility is not eroded.**
- Another thing to consider when including the customer voice in performance metrics is if, how
 and when they are measured. If a utility identifies things that are important to customers but
 these things are not explicitly measured, the utility is at risk of not meeting expectations. In this
 instance, a utility can perform an exercise of explicitly discussing whether or not expectations are
 measured, how they could be measured, if measuring makes sense to the utility and the customer,
 what the customer tolerance is concerning this expectation, and what alternate ways this
 expectation could be managed.
- A number of strategies could be adopted in an effort to include the customer voice in performance metrics. At City of Calgary for example, empathy exercises, service reviews, experience statements, journey mapping, customer data (from customer service phone calls and surveys), and focus groups were some critical exercises in helping the utility better understand their customer and subsequently improve efficiency of service delivery.

How and Where to Start in Developing Customer Levels of Service – Lessons from City of Calgary

- To start integrating the customer into corporate culture and kick-start the development of a customer-focused levels of service program, City of Calgary sought the help of external consultants at Scottish Water to help identify gaps in service delivery both assets and customer engagement. This helped identify opportunities and strategies to optimize investments. From here, the City was able to form a strategy group and steering committee to help launch the levels of service program.
- One of the first things City of Calgary did was create a scope of work that aimed to bring in the
 customer lens. A critical component was to address the pre-existing assumptions concerning
 customer expectations and how these either aligned or were at odds with organizational values.
 This understanding was developed though customer research and testing that aimed to i. identify



whether performance measures aligned with customer expectations ii. assess where there was alignment and iii. Highlight where there were gaps and opportunities to improve.

- Turning performance statements into "I" statements, which places performance measures in the customer voice, was a critical component in channeling the customer lens.
- One of the key outcomes of better understanding the customer is that the utility can in turn better use existing data to measure performance, identify gaps and inform decisions.
- The City of Calgary adopted many research approaches to integrate more customer-oriented concepts into utility operations and management. For example, the City dove into high-level values such as availability, quality, reliability and responsiveness to better understand what these things mean to the customer. They accomplished this through an exploratory research approach, which focused on extracting key insights from customers through focus groups, surveys, attribute development, customer expectation statements and scenario development. The latter of which can help highlight customer tolerance and pinpoint areas in service in which the utility may be over or underdelivering. This helps to draw a line between what the corporate values and priorities are versus what the customer values, expectations and experiences are.

Lessons learned:

- City of Calgary has adopted a continuous improvement approach to their customer levels
 of service initiative. This has given them the freedom to try different strategies to
 determine which are successful.
- One of their key takeaways from this project was move away from the desire to collect customer insights through capturing numbers or results, but instead to contextualize what they have learned within the overarching program goals in an effort to effectively identify next steps.
- To ensure the whole organization was on the same page, another critical part of this
 program was ongoing organizational sharing of all information learned throughout this
 initiative.
- A key focus in the preliminary phases was to focus on general, overarching customer experiences as opposed to specific customer experiences. The City of Calgary was interested in understanding the general residential customer sentiment. Later phases of this project focus on more specific needs and customer groups.
- One component City of Calgary identified as critical to avoid bias was to ensure existing business practice and vocabulary does not influence the wording or framing of research questions as this may often change how customers respond and will ultimately influence the quality of feedback received by the customer.
- Translating corporate jargon to vocabulary that resonates with customers will yield more meaningful insights and research.



Attendees

Name	Title	Municipality/Utility
Meaghan McClurg	Team Lead (Service Levels)	City of Calgary
Katherine Craddock	Team Lead (Customer Experience Planning	City of Calgary
Shannon Abbott	Water Utility manager	City of Calgary
Meagan Cuddihy Wheeler	Program Manager, Capital Planning and Strategic Asset Management	City of Ottawa
Lindsay Menard	Process Engineer	City of Thunder Bay
Sean Geyer	Senior Monitoring Engineer	City of Vancouver
Michelle Revesz	Integrated Sewer and Drainage Planning Manager	City of Vancouver
Sushmitha Karunakaran	Civil Engineer (EIT)	City of Vancouver
Kate Polkovsky	General Manager	Alberta Capital Region Wastewater Commission
Heather Zarski	Planning Specialist	EPCOR
Cathie O'Toole	General Manager	Halifax Water
Valerie Williams	Manager, Asset Management	Halifax Water
Lisa Babel	Director, Project Planning and Delivery	OCWA
Erin Hobbs	Senior Project Engineer	Region of Waterloo
Pam Law	Manager, Engineering and Planning, Water Services	Region of Waterloo
Michael Latimer	Research and Initiatives Advisor, Corporate Asset Management	York Region
Carissa Cautillo	Project Manager, Asset Management Strategy	York Region
Mike Fischer	Utilities Engineer	Utilities Kingston