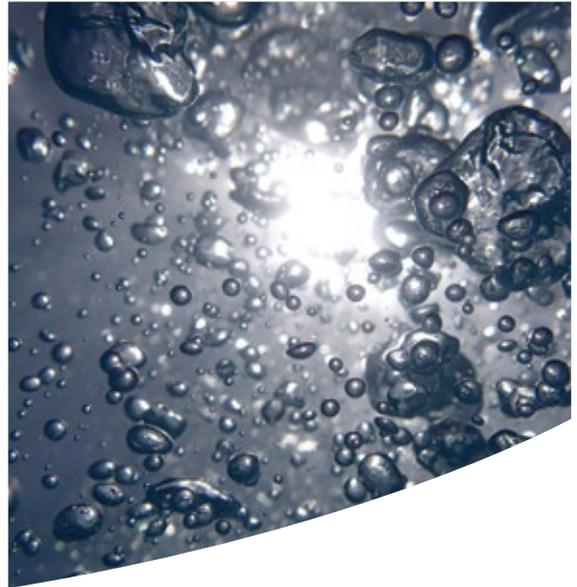


SUCCESS STORY

THAMES WATER

Enhancing customer
service delivery



Sopra Steria expands its BPO model to further enhance customer service delivery and business performance for Thames Water.

The challenge

Thames Water, the UK's largest water and wastewater Services Company, serves over 13.6 million domestic and business customers. Its vision is entirely customer focused: 'If customers had a choice, they would choose Thames Water'. The company is committed to providing first-rate customer service at a reasonable cost, and its performance is heavily regulated.

The pressures are relentless: in 2008, just as water companies in England and Wales submitted their five-year plans to Ofwat to increase bills for the period from 2010, customer complaints about UK water companies rose by 11 percent over 12 months - and more than half were about billing and charges. Therefore, it is vital that Thames Water strikes the right balance between the best possible service and the most competitive price. At the same time, it needs to generate the huge investment needed to renew London's water infrastructure and ensure it can cope with an expected influx of 380,000 people, while maintaining shareholder value.

Our solution

Recognising the potential to improve customer service delivery, cost efficiencies and business performance, Thames Water chose a Business Process Outsourcing (BPO) approach to manage its back-office processes. In 2003, the company awarded the contract - the world's first end-to-end offshore process outsource for a Utility - to Sopra Steria (formerly Xansa) to manage its metered billing, customer correspondence, general actions and field-based repairs processes.

Since Sopra Steria took over the service, annual transaction volumes have more than tripled from 500,000 to 1,700,000. As well as maintaining an industry-leading price point, Sopra Steria has repeatedly met or exceeded 99.9 percent service levels. And Sopra Steria is continually expanding its BPO team and service to deliver repeatedly high productivity and service levels. For example, the innovative 'Sales Max' value-add service to identify revenue leakage has recovered £2.05 million in less than four years to return to Thames Water and its shareholders.

Now, as Thames Water continues to push for first-rate customer service and

greater business efficiencies, Sopra Steria is adding new inbound customer services and outbound debt collection voice services to its portfolio. The former enables the team to handle incoming customer communication by telephone - a service that Sopra Steria has not previously provided for Thames Water - mail, e-mail and via the Thames Water website. Two property verification streams are also being added to support better customer relationships, increase the customer base and further improve revenue recovery rates. Today, a 250-strong, India-based Sopra Steria team manages 14 different work streams.

How we worked together

To create the optimal BPO solution for cost, flexibility and quality, all services are delivered from Sopra Steria's Noida facility near Delhi in India, direct to clients in the UK. This has enabled Thames Water to free up internal resources to focus on core competencies.

Staff members have been cross trained to facilitate their movement from one department to another with speed and minimal service disruption. This gives Thames Water greater flexibility to respond to changes in customer demand, ensuring the customer always receives an excellent level of service. The Sopra Steria team has also hired and trained batches of staff in record turnaround time which has helped to clear revenue-generating backlogs for Thames Water.

A comprehensive understanding of Thames Water's business and processes was built quickly to minimise transitional and operational risk, and ensure a subsequent high quality of service delivery. The knowledge acquisition and transfer was managed by a Six Sigma accredited team - the industry standard business management strategy used to identify and eliminate errors in business processes. This ensured the move to offshore was completed meticulously,

without losing client intimacy or business expertise that might affect the processes delivered, such as new legislation.

Enhancing processes, increasing efficiencies

Sopra Steria's proactive approach to process improvement delivered immediate advantages. Thames Water's traditionally manual processes had resulted in a backlog of work streams - each of which held additional revenue for the company. Automation of these work streams has provided Thames Water with clear visibility of outstanding work. All unresolved billing enquiries have now been cleared, releasing revenue and improving customer relationships.

Automation is enabling process efficiencies that surpass Thames Water's internal capabilities. The team has already reduced turnaround times for the majority of work streams, stripping one working day off Ofwat's regulatory targets in customer correspondence (from five to four) and metered billing exceptions (from three to two) for a more responsive service and improved customer satisfaction. The team is now moving towards ensuring a one-day turnaround for customer correspondence and other regulated streams.

Since the contract's inception, transaction volumes per annum have more than tripled. Sopra Steria has continually grown the team, repeatedly delivering high productivity and service levels to a leading price point. And the success is proven: in 2007/08, Thames Water achieved its best ever result on responding to customer billing enquiries and written complaints. This is reflected in the company's highest ever score in Ofwat's annual 'Overall Performance Assessment', comparing water companies' performance.

Results and benefits

As customers' chosen patterns of correspondence change, Sopra Steria is evolving its service to further reduce the cost base and support increased volumes. The team is working with Thames Water to develop alternative contact methods, including online forms and e-billing, to help increase the number of enquiries that can be resolved at first point of contact. This will enable cost savings that can be passed on to the customer, while improving customer satisfaction to reinforce the company's market-leading position. Sopra Steria is also taking a central role in helping Thames Water assess the customers' experience to support further service improvements.

Sopra Steria analysts have defined benchmarks for each work stream to enable Thames Water to measure performance. For example, where the company's existing operation did not offer visibility around why customers were contacting them on more than one occasion, Sopra Steria has created a mechanism to capture this information and monitor changes over a given period of time. In addition, the team has defined service level benchmarks that Thames Water can use to measure staff performance and identify improvements to enhance customer service.

Sopra Steria: a proven BPO model

Sopra Steria has established a first-of-its-kind, end-to-end, customer service process outsource model. The team has seamlessly transformed Thames Water's back-office processes using industry-standard methodology to minimise transitional and operational risk. The result: process efficiencies that have not only enabled cost savings to achieve an industry-leading price point, but which have exceeded customer service regulatory targets and redefined turnaround times, leading to enhanced customer satisfaction.

To support increased volumes, Sopra Steria is developing its BPO model through new streams such as inbound voice support - a service the team has not provided to Thames Water before now. Sopra Steria will continue to expand its offering to create an end-to-end BPO suite of customer services and now plans to establish BPO centres of excellence around UK vertical markets.

“Two of Thames Water's values are 'Reliable' and 'Committed'. Sopra Steria has demonstrated once again that we can rely on the team at Noida to deliver, but also how that delivery rests on the commitment of all individuals to go the extra mile.”

Susannah Hoskins
Contracts Manager
Thames Water



Sopra Steria, European leader in digital transformation, provides one of the most comprehensive portfolios of end to end service offerings in the market: Consulting, Systems Integration, Software Development and Business Process Services. Sopra Steria is trusted by leading private and public organisations to deliver successful transformation programmes that address their most complex and critical business challenges.

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