

SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY

STRATEGIC PLANNING COMMITTEE

NOVEMBER 17, 2022

MEETING TRANSCRIPTION

[STRATEGIC PLANNING COMMITTEE MEETING BEGINS AT 1:19 P.M.]

David:

Passes unanimous. Thank you. So we are now in the Strategic Planning Committee. First item is approval of the minutes. What's your pleasure?

Kevin:

I move to approve the minutes of the August, 2022 Strategic Planning Committee.

David:

Thank you. Is there a second?

Suzanne:

I'll second that.

David:

Second. And Suzanne, thank you.

Suzanne:

I'll second that.

David:

Good. Thank you. All those in favor by saying aye.

All:

Aye.

David:

Passes unanimous. All right. We are on the Business Process Improvements memo. We all have a memo that Prem has been instrumental in working on this goal and I don't know if Larry, you want to set the table or we go right to Prem.

Larry:

Just to say that in our strategic plan we had six process improvements committed in that plan we did say that we would do at least four of those in this calendar year and we'll provide an update on not only the two that have been completed, but also an update on the other four that are in progress. And we have posed a question at the end to see if there could be something in the way of process improvement that

we can work together on with the board to improve governance or the meeting process. So with that I'll turn it over to Prem to go through and highlight those ones that have been completed and the ones in process.

Prem:

Thank you Larry. I did see Tony's hand come up. Tony did you have a question?

Tony:

No, I was trying to just clear something on my screen. Thank you.

Prem:

Okay, thank you. So as Larry had kind of mentioned we have put together six process improvements. We prioritize across the organization to see what are those. As you could imagine we have full process areas or a dozen or more process improvements that we constantly, employees kind of go from bottoms up and then we look at as a leadership perspective, identify and prioritize top six of them. And what you see here is actually the top six process improvements.

So what I'm going to go through today are very high level and please stop me if you have any questions. Two of the process improvements that we have completed. One was around the lines of [inaudible 00:53:38]. We actually have put in place intranet improvements for employee engagement. This was one of the inputs we had received based on our engagement survey. So you could imagine now. In fiscal eight we did a survey and there was a lot of discussion about employees being able to come together in terms of working through some of the challenges that we have in a high level.

A good example would be intranet development that we had done and put together. This actually helped us with many different things, but some of them to highlight at the very highest level is that My Source, which is a SharePoint site, we built that as an example. One of the things that we had as a challenge was field being able to access data when they're out in the field. Whether it is related to forms or if they had a question or a knowledge question. So what we did was we have deployed the intranet, which now is accessible all the way from the field so people can actually look into the details so they don't have to come into the office, et cetera.

We also pool all the data together at our very highest level, making sure that there's direct automation. If you remember one of the areas we talked about was paper based forms that we used to have. So now we are in the process of digitalizing all of those forms to keep a central repository of these forms. This way, not only we could audit, we can track in terms of whether it's an employee onboarding or if it's an access related one or P-Card. Other things that we have planned for down the line. So the automation pieces in full swing as well.

There are many other advantages as we are looking to pool these things together for our employees. This will serve as one digital hub portal for everybody. So that was the idea. I'm glad to say that we are putting that in play already and employees already seeing value as we kind of go through this. So that was the first one. And again, more to come on that as we improve the other, like you mentioned about digitalized forms to make it more auto automated fashion.

The second process improvement that we had was on the commercial business side. Very timely and as you all know, we have a 9.2 million goal for fiscal 2025. As part of MNAs, again, keeping it a high level, we have integrated a couple of process areas for the acquired companies if you will. So one of the areas was schedule and dispatch. So in the past it was more of a manual process where we used to have

paper-based process versus what we put in place now is a solution where we actually could schedule and dispatch work orders as we bring in additional work. This helps on throughput and productivity to name a few and also connects our systems if you will, in the sense going from paper now having digital records and all the way connecting it to the QuickBooks, which is our financial backbone of our system.

So the first phase of the project was to put the platform in place so the team can have a throughput. The second phase of the project is going to be very much focused on integrating all the scale dispatch with our QuickBooks. Right now we have QuickBooks in place so we can quickly collect our cash on the spot as the work is getting completed. The second phase is to integrate all of that together. So this is a huge improvement and from a perspective of some metrics that we are tracking, the team does believe that the throughput perspective, almost 10 to 15 person on productivity gains that we are seeing, which will internally of course flow into our revenue numbers that you see we have outperformed and this could be one of the reasons how we are managing our workload, making sure we bring in more revenues. So the plan is to really expand this as we go with other acquisitions. We'll start deploying this for other companies and kind of really making sure that the process is much more automated and digitalized. So that was the second one that we put in play.

The next four that you see are in progress. The third one we have on procure to pay. This is construction jobbing improvements. The work is complete in terms of deploying a solution. At very high level the past process used to be that we manage our material inventory unit costs while the construction crew calls the warehouse, if you will, the stock room for pricing information. And in a lot of these estimates that we do used to be in a Smartsheet and what we put in place is a solution that kind of integrates the process areas between the [inaudible 00:58:32] business function, not just technology. Really bringing the process of construction jacking together all the way from an estimate to a code to an actual.

So what that does from a perspective of our crew is all of those manual handoffs and the paper that we use is looked to be eliminated. And right now we are looking at a perception, especially now with all the pre supply chain challenges that we have. So this is going to be a good one so we can proactively plan. Overall, I think the team is looking forward to deploy this. End of November is the plan. The work is complete but we are ready to launch. There are a couple things we are trying to tie back on the finance side and we should be able deploy the solution with no issues.

One other thing I would mention, the technology side is this solution not only just has digitalization, but it's got very good data disaster recovery plans that we have put in place. The data is secure, the transactions are secure. So the good thing with that is that if there is an auditor, if we go through a process of audit, we would have a digital trail for everything as well. This is beyond just the business benefits. So that's in progress.

The next one that we have here is the capital planning improvements. One of the key things, as we all know is the supply chain challenges. And while you're working through our huge capital spend and the products that are down the pike, we are looking to improve certain areas on the capital planning side. One is to think from a perspective of our inventory. We are looking at getting some of the inventory proactively based on the material that hard to get in terms of our day to day operations.

On the other side, from a capital side as well, we are looking to really put the capital plan in place where we could pre-order some of these materials. And as a matter of fact, the team had looked at the next fiscal year plan in terms of capital pipe requirements. They have pre-ordered some of the materials so we don't end up having a situation or not having material and scrambling too in the last minute. So that's been some of the things that we kind of put in play.

We also are looking at as you know our construction time goes from March to November kind of a timeframe. So we are looking at our May spend as we know there's a ramp up, a slow ramp up and a quick ramp down based on the fiscal year end. We are kind of looking to normalize that. So the team is looking at the projects being started, which is kind of interlaced to two fiscal years rather than just one. So this way we don't end up spending a lot of money towards the end of the fiscal year. So there's a spike in the capital planning. So the team is looking at normalizing those projects. So it is covered over the two fiscal years as well.

We also have looked at our long range fire hydrant requirements that we have. So the team is putting together that plan as well. So we actually proactively you acquire some of these materials for our capital plan. More improvements are coming down the pike, especially for the main uptake that we always see. We are trying to normalize that. So that's in progress. We have started to complete this one by the end of third quarter. So the team is working through those improvements.

The next one that we have here is very much related to customer care. Jennifer, if you can go up a little bit please. This is the fifth one that we have, which is IVR improvement-

Prem:

This is the fifth one that we have, which is IVR improvements for customer contact center. We heard from our customer, we did a... In a lot of surveys, as you can imagine, we did a 2019 Great Blue survey and we have incorporated some of the solutions that came from a customer perspective. One of them was first contact resolution. If you remember, we deployed a survey, IVR survey right after a customer is being served. We looked at some of the responses that came back from the customer. I'm happy to report that there was a past year response rate of 92% satisfaction on the first contact resolution.

But that being said, we have looked at some of the negative responses of the 100%, if you will. While we are looking at improvements, we are looking to put certain things in play. As an example, if you remember, right now, when you call customer contact center, the customer punches a number based on the choices. We are trying to introduce a voice response if a customer would like to go with a voice response, versus in an option to just punch numbers to get into the IVR menu.

And then there were some also good suggestions that came in, in terms of looking at our menu options. We are looking to change our IVR menu options as well to make it easier for the customer. Another big item that we are looking at is potential callback technology where, if you remember, there are peaks and rallies during the day, like Mondays are pretty busy, of course, compared to a Tuesday call volumes. So, we are looking at normalizing those call volumes. And again, we are looking at our budgets and everything. The idea is that if you book a travel ticket or something as a layman's example, JetBlue is a good example, where you're calling them, they say, "Hey, we are pretty busy, so can we call you back?" And then you leave your number, then you get a callback, right? So, that's a good example. So, something similar to that is what we are potentially looking at. That's called a virtual queuing, but more to come on that.

So, with that, I think this, again, looked at end of third quarter in fiscal 2023, I would say we went way over based on just on what the customer had brought us with feedback, especially with callback technology, et cetera. Those were pretty much in employee ideas that came in, so far so good on that. So, stated for Q3, improvements and, of course, with the CIS project, as you all know, we are kicking in. So, all of these would help in integrating to a new CIS system. So, that's something we are going to put in play as we start going towards that project.

The last one, the last but not least that we have here, is the lab and LIMS improvement. So, a couple things we are looking at from a lab perspective is, again, work quality testing, the methods and the things that we do today as part of day to day job, the team is looking at refining that. But at the same time, we are looking to improve the overall picture of how the lab services have been provided. So, we are looking to improve the lab, reelab.com website. And then as part of the customer products and services, we are looking at an exhaustive range of services that we could provide. I know, Sunny has got a big target to revitalize the lab side of the house. So, we are looking at what are those priority revenue generating services that we could provide. So, we are trying to remap based off of that.

Again, our plan is also to really make sure it's more automated at the same time, we could report on some of these things and really balance the lab improvements that we do, in the sense all the way from doing the work versus tying it back to our financials. So, the team is looking at specific solutions, so we could actually improve some of the paperwork they also do on the lab side. Because one of the things they do as an example today is we call something [inaudible 01:06:07] billing, where once the work is done, we generate this invoice manually and then we send it out to the customer. Now, with all the pricing and everything being one repository, we should be automatically able to generate some of those things untying it back to the financial aggregate plain system would really help us to look at the numbers flowing, either any manual intervention.

So, that's another improvement on the lab site. Again, we are looking to get through this, six of them, but the target is at least to complete four improvements within the fiscal year. So, that's very high level updates on all the six of them.

And one of the things we wanted to see and talk to the board is as a discussion point, really understanding if there's anything that the board would like for us to pursue on the governance side or the board administration side. Any improvements that you would like for us to do? Or an example that I quoted was a dashboard, like a corporate dashboard if you will, which actually has all the data, like as management team, leadership team, we have the pieces of all the information. Would it be useful if we can correlate that into a dashboard, having finances, one area, day to day operations is one with key metrics and customer metrics, et cetera, providing all of that data together, and employees another one. So, you see what is going on across the board in the organization. Would that be something we would like, or is there anything else that you would like for us to work on?

David:

Input? Suzanne, you...

Suzanne:

Prem, are you asking a dashboard on all the technological initiatives or dashboard that shows something different? I'm not sure what you're asking.

Prem:

So, my question was not technological, Suzanne. I was thinking... So, when you look at our balanced scorecard, for example, we have all the pieces... We as leadership team know how are we doing on finances in terms of our capital plan, day to day expenses, customer perspective, you see in terms of how customer experience is being performed, some key metrics on things like abandoned rates, et cetera, customer satisfaction overall. Another one would be operation, how much work is happening in the field. So, my point of view from a business standpoint, not technology, from a business standpoint,

we track all of these different metrics. It's a view of having all of those key metrics on one page if you will, right? Would that be helpful to see how the organization is performing overall in terms of RWA? Not to go through day-to-day operational stuff, but at a strategic level, really laying it out on saying, how is that company performing? So, that was my question.

Suzanne:

So, I guess my input is the following, that I think the board has its key metrics that it follows. And to the extent that these things impact those key metrics...

Prem:

You're okay with it.

Suzanne:

I would say that... Yeah, I'm okay with that.

Prem:

Okay.

Suzanne:

I am interested in knowing as we update technology and create efficiencies, what is the cost versus savings benefits that come with making those investments. And in addition to that, if there's any opportunity for reduction of people, because we have done technological intermediation and created efficiencies. Or redeployed those people into other areas in which we need to have work done.

Prem:

Yeah.

Suzanne:

So, that's the level that I would be interested in this stuff.

Prem:

Okay. No, that's a great insight. And then one thing I would say is, I was mentioning this to Larry as well. We are at a point where we have started off all of our technology investment for across the company. So literally, we know where we spend what we spend, right? So one of the things that team is looking to put a purview on, how much do we spend on finance? For example. How much do we spend on customer care? So, we will have that level of detail [inaudible 01:10:26] on the data. But taking it to the next level, like you were saying about technology investment, what do we say, what is that cost benefit? Right? So today, we track those things on a product-by-product level, but the team is working through that.

So, we could explore that a little bit more and come back and talk about what are those technology initiatives that we have and what the savings are. And we could correlate all of that, not from a project perspective, but an overall perspective, right? Because we do that on a product-by-product basis and that perspective today. But we could do that. No, that's a good suggestion.

Tony:

The question that I had was, what do you compare those costs to? Do you compare them with themselves over time or are there either standard that you would look at? Or what?

Prem:

So, that's a good question, Tony. They're actually... It's not a one straight answer, it's a couple things. For example, for customer care metrics and things that we look at, we compare the industry best practices and the standards and then where we stand in those standards, right? Overall. And as a good example, 91.8% satisfaction rate, it's way over the standard, right? So, a typical is around 78%, what you'd see in a utilities industry. But that being said, we constantly look at doing improvements based on how we perform. When it comes to cost, as another example, the way we compare is to constantly look at our ONM cost and the reduction on the ONM cost from year on year. So, it sometimes is not always that the cost is going lower for certain technology. If it's outdated and we have to replace certain things, there is an investment that goes in there.

So, it really depends on the overall cost of what we have today versus to be in compliance versus what we have put in forth for the future. But we do compare that on a cost benefit analysis basis. And it's a mixed bag between obsolescence technology where you'll incur cost versus something that you're improving where you'll save costs. So, it's both sides. Right.

Tony:

Thanks.

David:

Right. Catherine, I saw your hand. Did you have a comment or has it been addressed?

Catherine:

It has been addressed, thanks.

David:

Okay. All right. So, are there other questions or comments or discussion?

That's great. Thank you for the update. Thank you for moving this along. I have a global question regarding business process improvement. Do we have a set pattern where we look at each department or each area over a certain amount of time? In other words, if there's 10 different departments, do we do two of them every year, so that in a five year period, we've reviewed everybody? Or do we do it as there seems to be a need? And maybe some areas don't get looked at just because there didn't seem to be a need and maybe they should be.

Prem:

Yeah, that's a great question now, David. So, the way we approach that is not from a department by department, but more from a process standpoint. So, when you look at meter to cash area, it touches various departments across the board, right? So, we have identified four process areas. Meter to cash is one, source to consumption, procure to pay and recruit to retire. So, it all different areas of the organization. So, when we characterize in terms of priorities, when the teams come forward, when the

leadership team gets together and we talk about our challenges, we prioritize based on the biggest value and the prioritization is done based off of that. And that's how we pick the top six candidates, right? That's based on the process areas. And it'll touch across cross-functional departments.

The reason we want to do it this way is because we don't want to encourage more silos because like you said, if you go to one department, some of them will never get looked at, right? And again, this is also best industry standard, the way the Gartner's of the wall, they actually suggest to do it this way. So, that's why we do it this way.

David:

All right. So, I guess a global question then, because I've been around a while and I've seen us do different... We've hired consultants to review the operations department, we've hired consultants to do different... And that's different than this because this is more operational and that's more staffing and organization, I suppose. So, maybe I'm mixing the two. Is it?

Prem:

Yeah. No, I think this is... The way you look at, this is corporate enterprise wide impacts, right? Looking at the top priority, versus that is addressing a specific challenge. So, let's say we have a specific challenge with operations area, we bring in a consultant to look at specific challenges we have. It could be related to the day-to-day operational stuff, field related stuff, et cetera. But this one is more looked at across the board as an enterprise, what's impacting us as an enterprise? And what are the top priorities on the... And again, we don't want lose sight of things like employees that we talk about because we want to make sure that there's satisfaction for both internal and external customers, right? So inclusive of employees. So, the way I would say it is that this is corporate wide versus that's very specific to a challenge by the department. Right.

David:

Okay. All right. Thank you. Any other comments or questions? I think I can see all of you if you have any. No? All right. Well, I greatly appreciate that. With that, I'll move that we adjourn the Strategic Planning Committee and reconvene as the Authority. Who would like to move that?

Tony:

I'll move.

David:

All right.

Catherine:

Second.

David:

[Inaudible] saying, aye.

South Central Connecticut Regional Water Authority
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Group:

Aye.

David:

Thank you.

[STRATEGIC PLANNING COMMITTEE ADJOURNS AT 1:14 P.M.]