

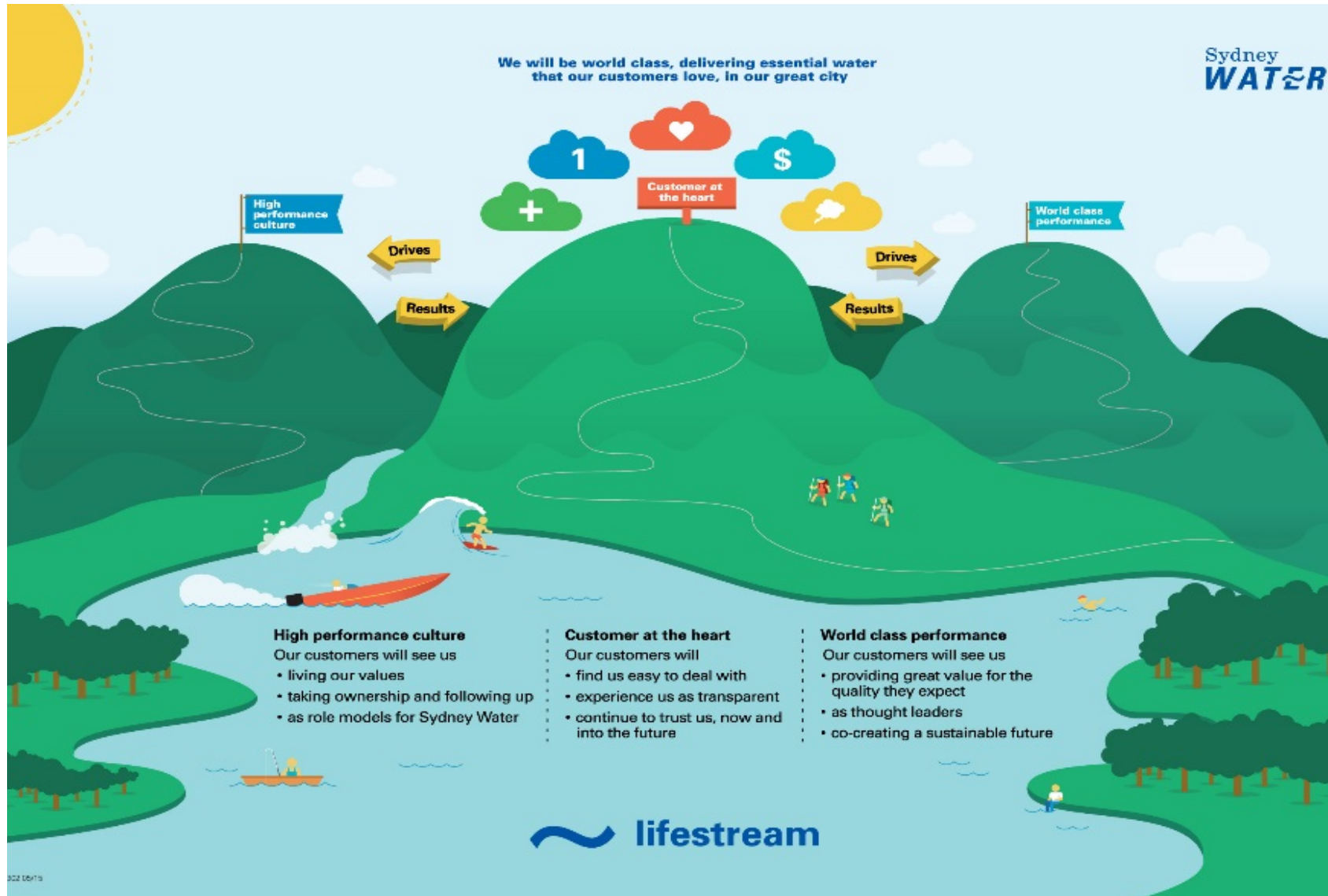
Towards a Customer Centric Organization

Paul Higham General Manager, Liveable City Solutions

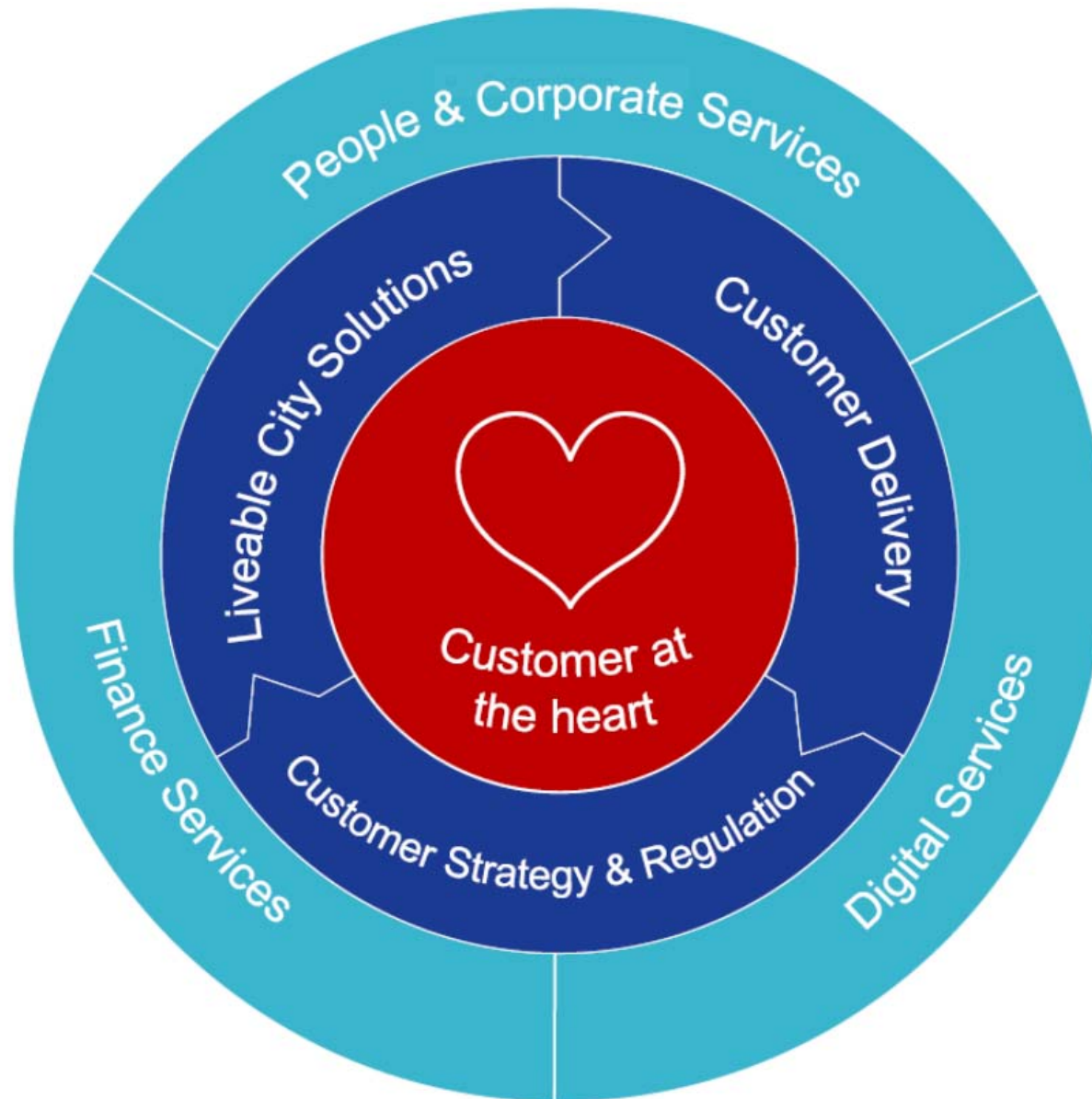
AMC Future Directions for Infrastructure Symposium

7 November 2016

SWC's corporate strategy



New organisational structural



Liveable City Solutions

SHAPE

Develop integrated water solutions that meet the needs of our customers and our city

Analyse trends and scenarios to develop world class water management options

Explore and develop innovative concepts to create better customer outcomes

Influence and collaborate to improve the way water resources are planned and managed



CREATE

Translate water solutions into prioritised work and investment programs to minimise lifecycle costs

Partner with others to deliver water solutions that enable growth and productivity

Execute work programs safely and efficiently while protecting our communities, environment and heritage

Deliver reliable, functional, cost effective and sustainable water solutions

LIFESTREAM EXPERIENCE

Ensure the affordability and accessibility of our products and services

Increase our cities' resilience to crises and future challenges

Enhance the urban environment, amenity and natural aesthetic of Sydney

Integrate water into the fabric of our communities to improve quality of life for our customers

We say Asset Management is...

“A business discipline for managing the life cycle of assets to achieve a desired level of service and financial return within an acceptable risk framework

Customer Centric: Services = Products + Assets

Need to describe customer service outcomes by:

- **Products specifications**
- **Service standards**

Asset Management

Framework

(existing)

- Asset Management policy
- Integrated Planning
- Processes
- Decision Support tools
- Risk management framework
- Quality management systems
- Competencies
- Benchmarking and continuous improvement

Framework & System

ISO 55000 increases focus on:

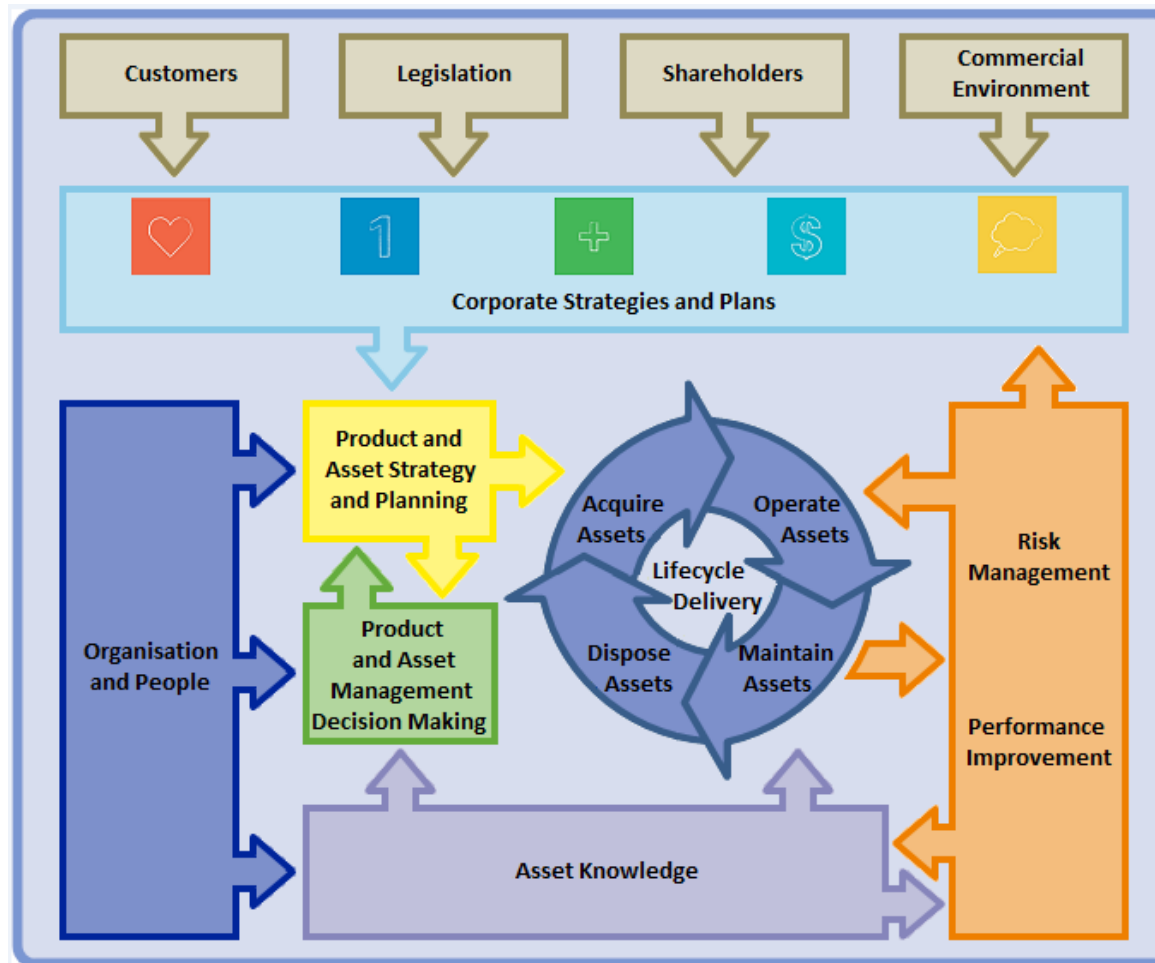
Service

Risk

Competencies

Visibility

Asset Management Framework



'Sourced' from – International Institute of Asset Management

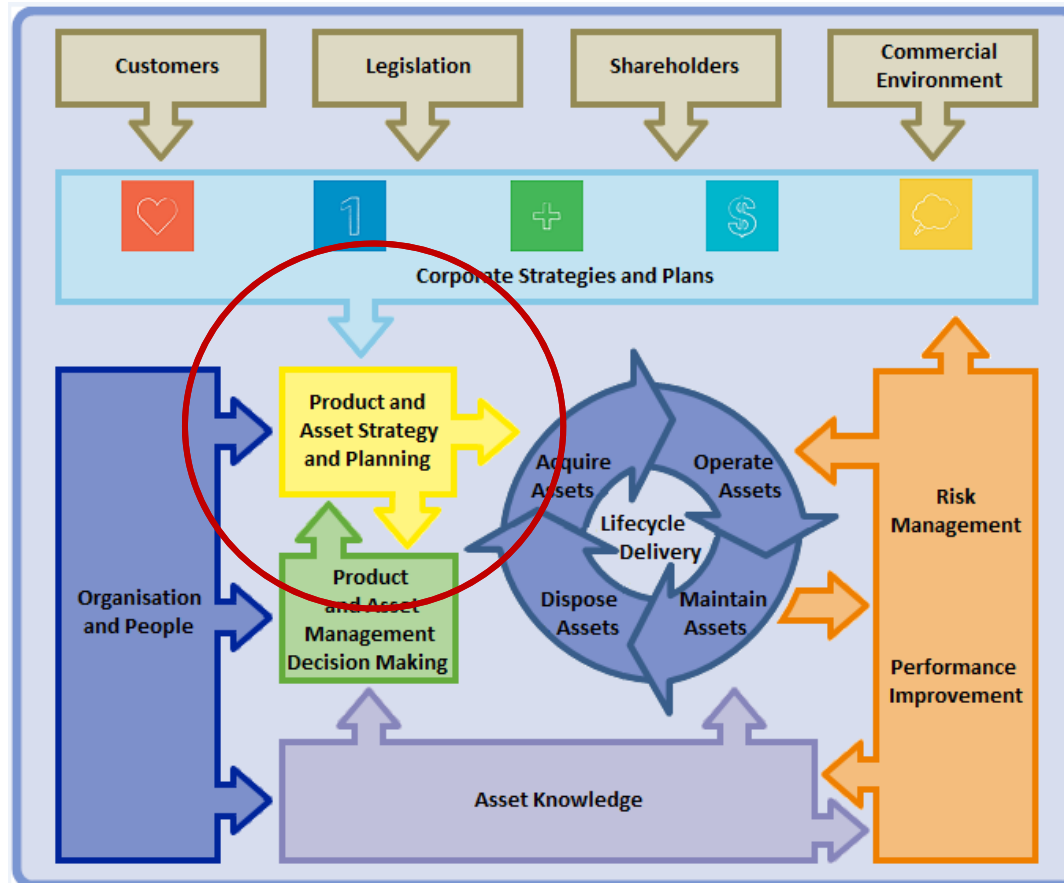
Why Asset Management Framework & System?

1. **Leadership** for asset management capability, including governance to sustain & improve capability
2. **Assurance** for the corporation (& regulators) for asset management process and objectives – service & risk.
3. Leverage **Standardisation** for efficiency & knowledge
– it is the platform for continuous improvement.
4. **Improvement** - identify gaps /confusion in process or direction.
5. **Visibility** - staff can understand the what & why for the objectives they are to achieve.

Subsequently...

6. OL requires ISO 55000 certification by June 2019.

Asset Management Framework

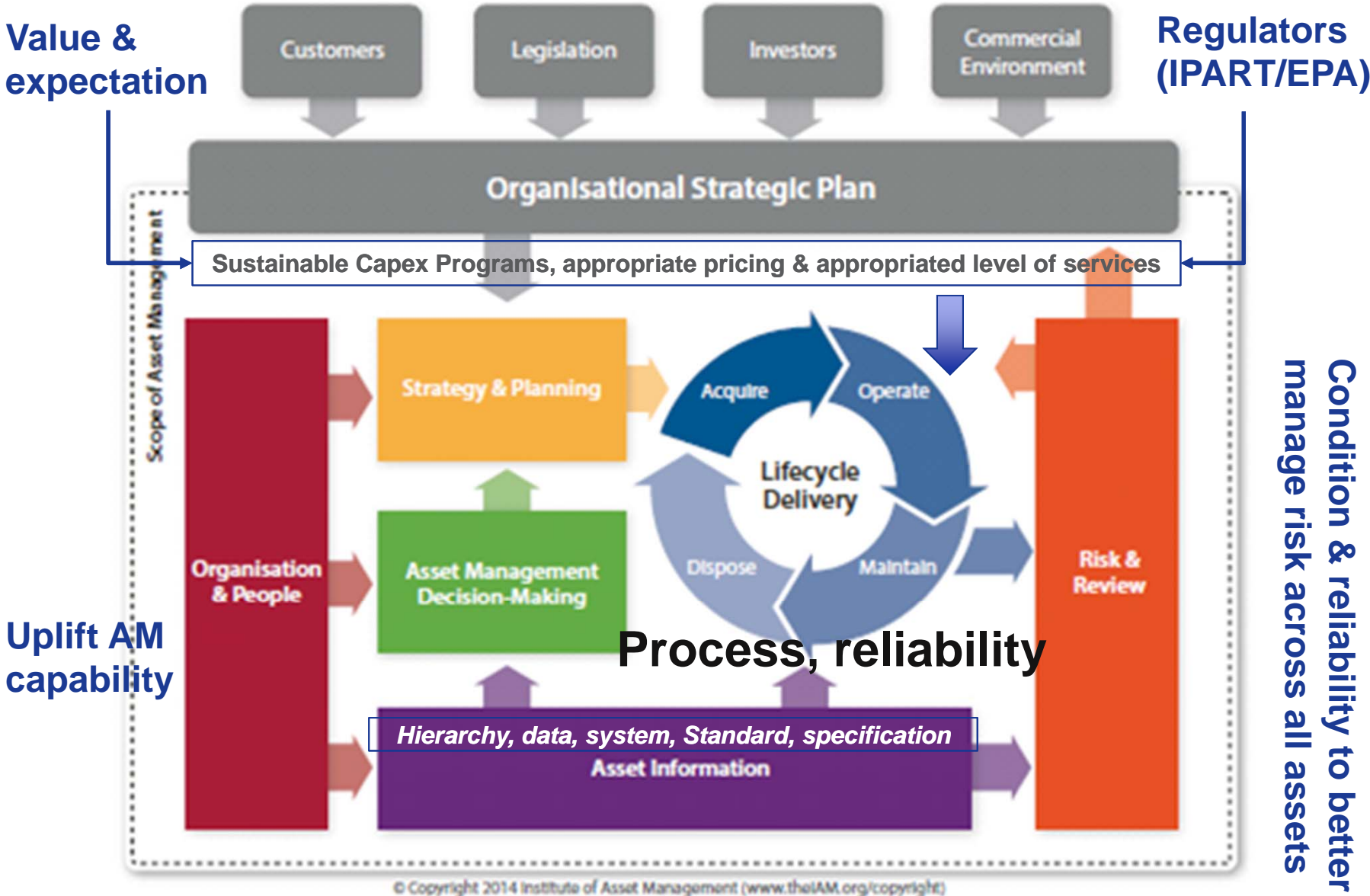


Customer Service begins in Planning....

- Engage customers
- Understand costs and risks
- New (innovative) solutions
- Wider (integrated) range of services

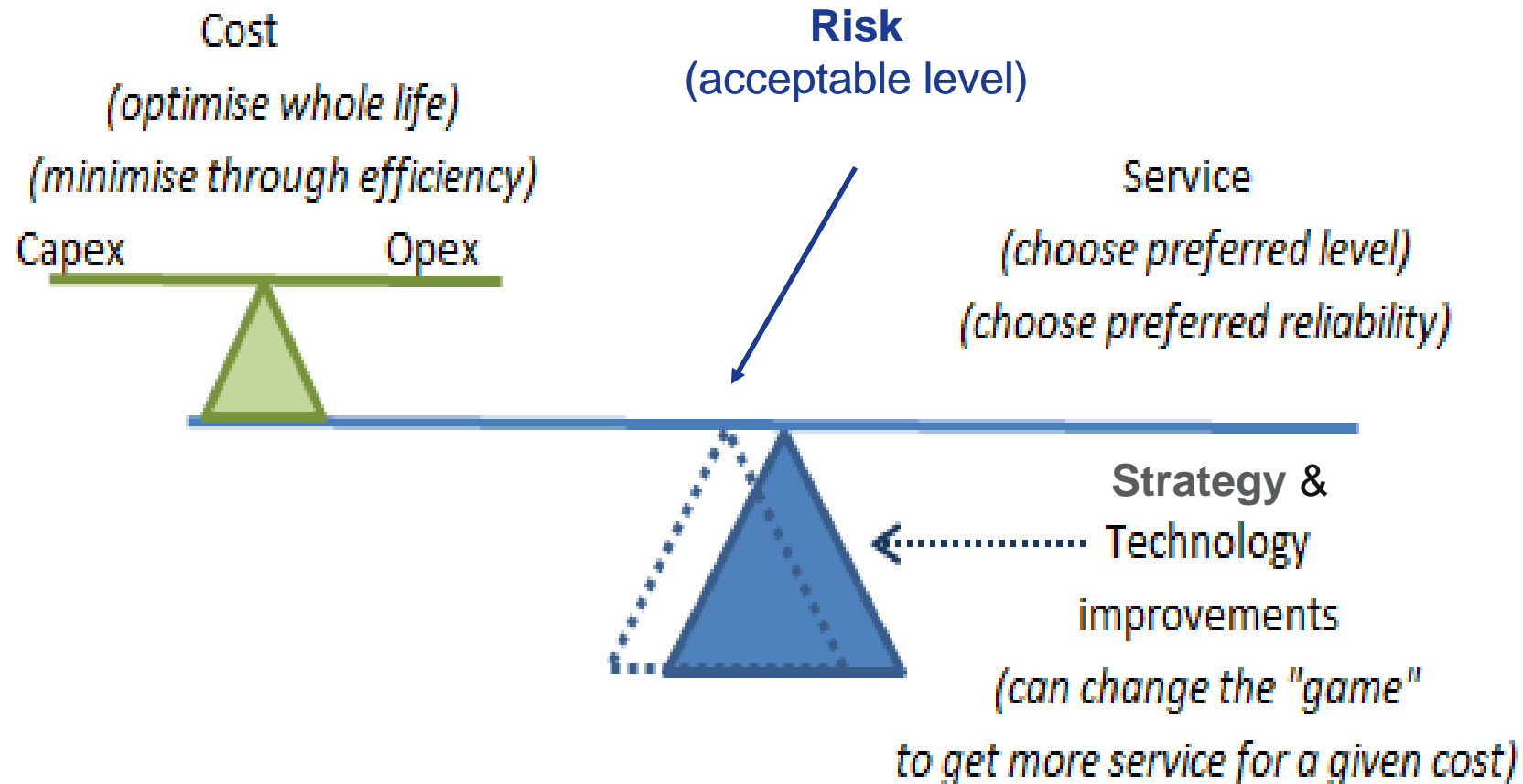
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Opportunities (asset management system, data, cost/service/risk, specs)

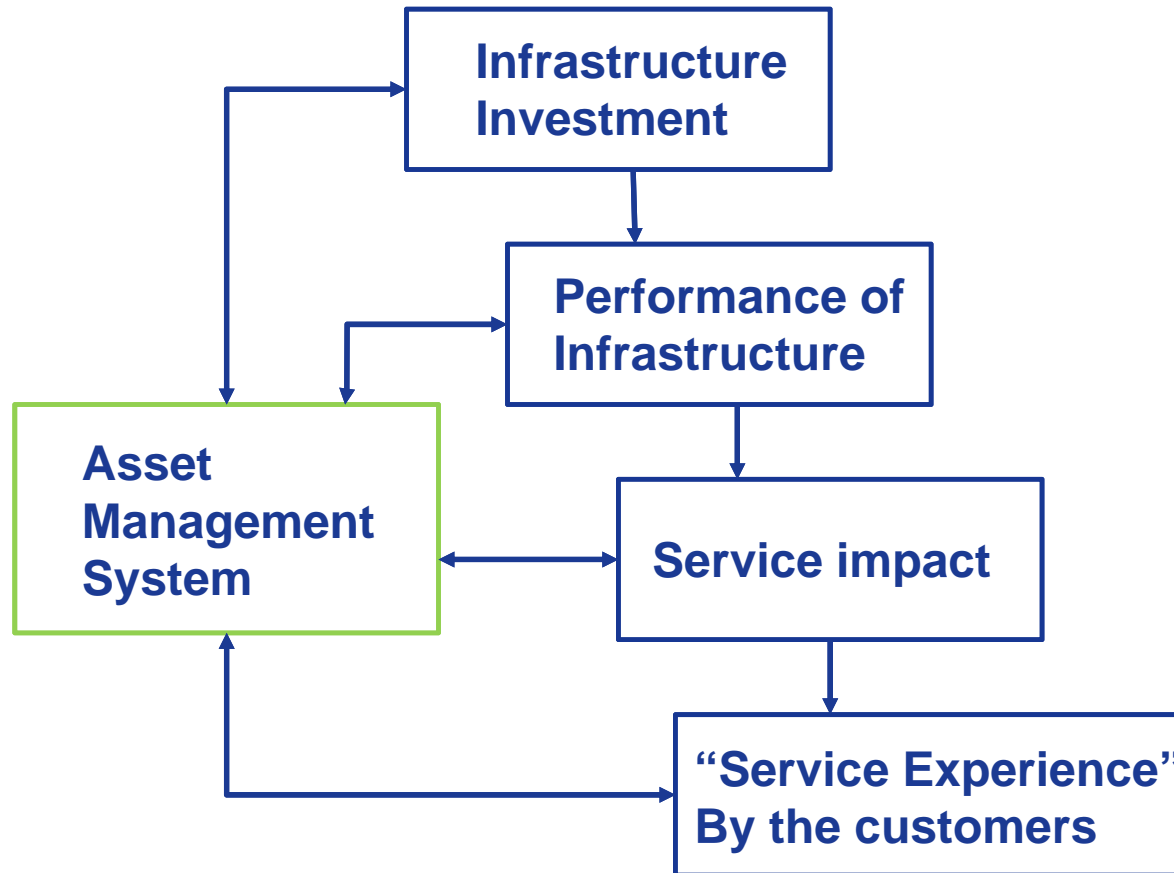


ISO55000 - 30% is AM framework & 70% is actual documents/procedures. Embed into practice is the aim.

Cost, Service and Risk



Investment to Services



One Team Change Agenda



■ Customer at the heart
 ■ World class performance
 ■ High performance culture

Customer Focused Asset Solutions

1. Asset Management Framework
 2. Product Management Framework
 3. Product & Service Planning Framework
 4. Asset Information Standards
 5. Asset Investment Management
- Customer Engagement Framework



6. Customer Advocated Pricing Submission

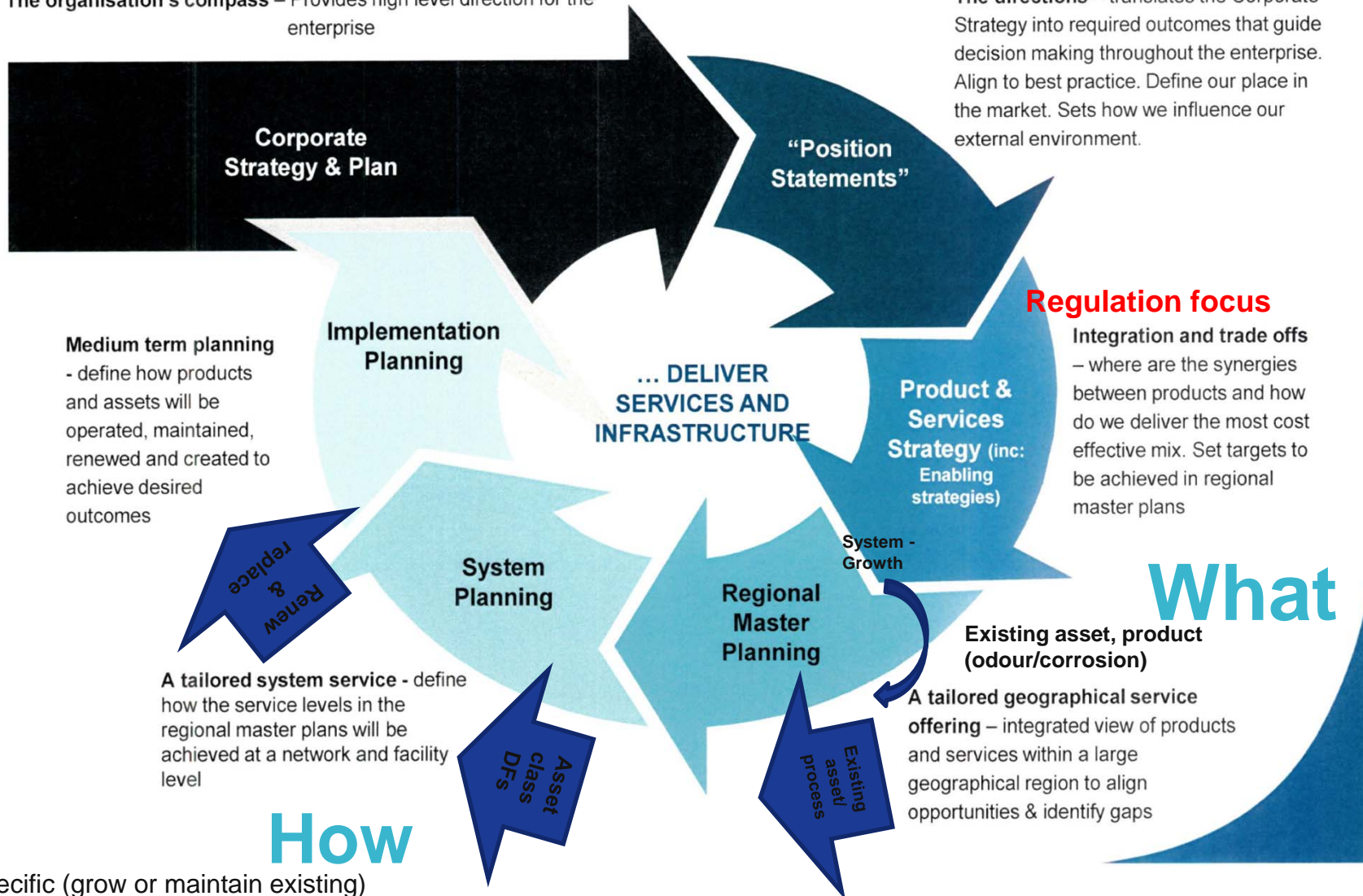
Planning Framework

6 Phases of the new planning framework

Why




The organisation's compass – Provides high level direction for the enterprise

The directions – translates the Corporate Strategy into required outcomes that guide decision making throughout the enterprise. Align to best practice. Define our place in the market. Sets how we influence our external environment.

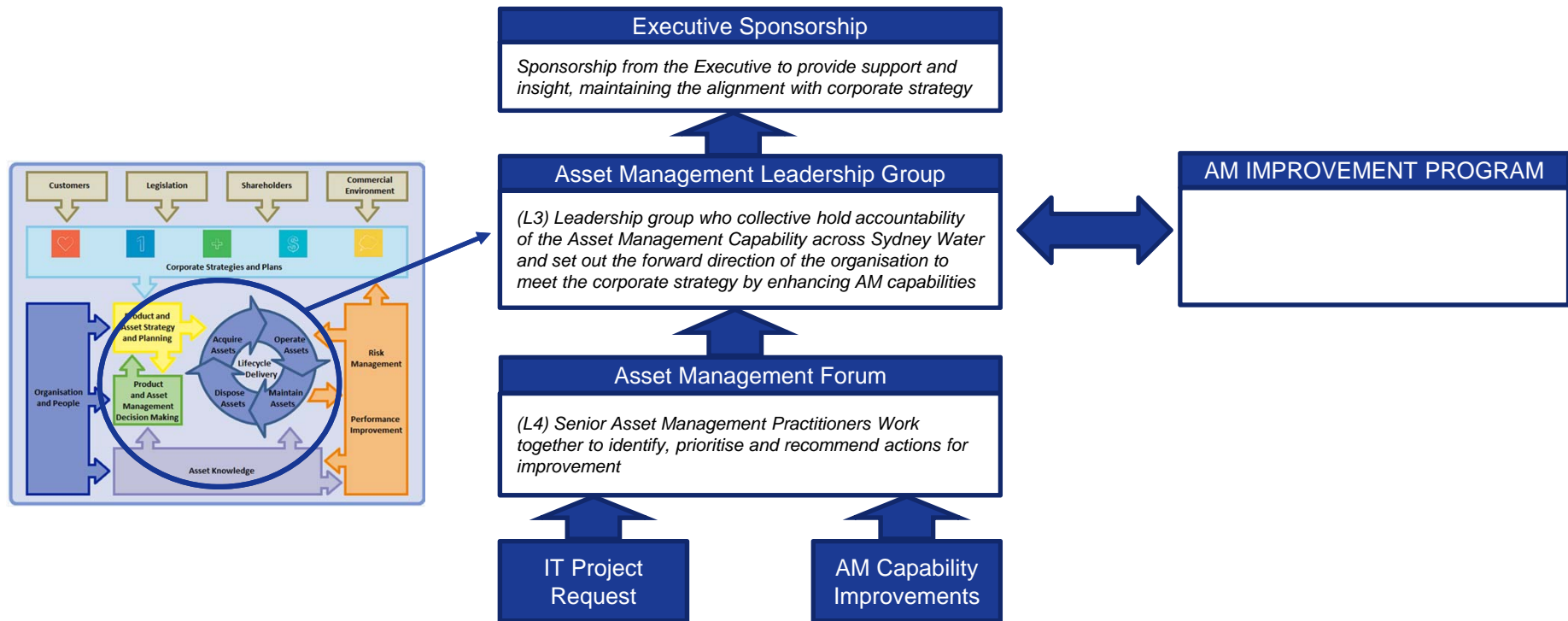


Key Scope Elements

Key tasks include:

1. 
2. Review & improve AM framework > structure
3. 
4. SAMP and AM Manual > practice
5. Communications & Training > culture
6. Certification to ISO 55000 > compliance
7. 'Aquamark' AMCV process benchmarking > maturity
8. 

Leadership & Governance Structure



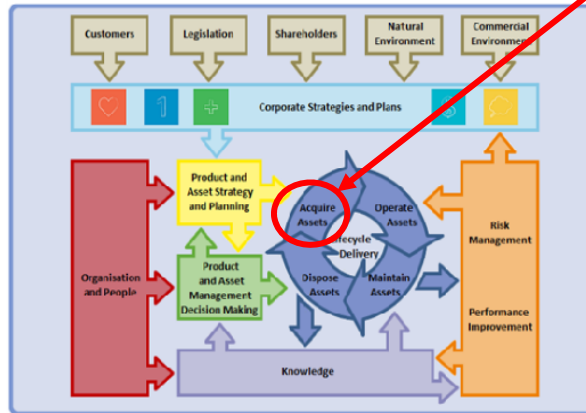
Process Alignment



How We Manage Our Assets to Deliver Products and Services to Our Customers



Acquire Assets



Definition
Life cycle value realisation covers the activities undertaken to balance the costs and benefits of different renewal, maintenance and disposal interventions. It requires the optimisation of life cycle costs and the value obtained from assets over the period for which an organisation is responsible for managing them. To achieve this, it is necessary to apply both Life Cycle Costing (LCC) and Value Optimisation (VO) techniques, where:

- **Life Cycle Costing (LCC)** is the analysis of costs implications for an asset or asset system over the organisation's period of responsibility. If a required asset performance is met, then the lowest life cycle cost corresponds to the best value way of delivering this requirement for the organisation. Sometimes LCC is called the 'Total Cost of Ownership'.
- **Value Optimisation (VO)** considers the value of the asset system in addition to the asset costs. It aims to deliver the best ratio of benefits (in terms of delivering organisational objectives) and life cycle costs - in other words, the best 'value-for-money'.
- LCC and VO can be applied at different levels for an asset portfolio.

At the portfolio level - Asset Intervenor

Business Unit(s) with Responsibility

- Delivery Management
- Urban Growth
- WSR & Growth Program

Other Stakeholders

- Investment Program Management Office (PMO) - LCS
- Major Projects
- Capital Management

Policies, Strategies, Position Statements, Guidelines & Plans, etc

- Asset Management Policy - AMQ0033
- Asset Creation Policy - ABR0033.02
- Asset Numbering Policy - ACP0001
- Asset Capitalisation & Revaluation Policy
- Procurement Policy
- Environmental Policy
- Asset Capitalisation & Revaluation Policy Manual
- Delegations Manual

Processes

- 020401 - Deliver New, Renewed & Upgraded Infrastructure
- 020402 - Renew Water Retention Main Assets
- 020403 - Manage Developments (Section 73)
- 040401.01 - TV - Commission New and Renewed Treatment Assets
- 040501.01 - DW - Handover New Distribution Assets
- 040701.01 - TVWV - Commission New and Renewed Treatment Assets
- 040901.01 - CVWV - Handover New Wastewater Assets
- Category Management Procurement Process Framework



Businesses

Improvements by the relevant business area to outcomes specified & governed by framework. ie: Procedures, Work Instructions

AM Improvement Plan

Strategic & Tactical Initiatives...

Five (5) big rocks.

1. **Customer Focussed Asset Solutions** – governance, direction
2. **Asset Knowledge Management** – access, sustain integrity
3. **Risk Management** – assessment, controls, appetite
4. **Service & Cost** – best investment, customer value, risk/cost,
5. **Standardisation** - of product, assets, practices

Questions

