

From Monopoly to Competition: Yorkshire Water Transitions with the Help of Training

Customer Satisfaction and Financial Results Demonstrate Effectiveness of AchieveGlobal's Professional Selling Skills Programme



Few organisations continue to enjoy monopoly status, even in the once-secure utilities field. Anticipating changes in both regulated and non-regulated services, Yorkshire Water has risen to the challenge and demonstrated positive results.

Yorkshire Water serves the historic county of Yorkshire, with its population of 4.5 million that includes 1.8 million customers and 140,000 business customers.

Yorkshire Water's two business lines are water supply and waste water removal and treatment, (a service regulated by the Office of Water Services) and provision of water/effluent-related business-to-business services (a non-regulated service).

Even in the regulated services, challenges include increasing competition as well as substitution or reduction in service usage. Although competition in the regulated water industry is still perceived to be limited, recent regulatory changes have stimulated greater competition, particularly for large commercial customers, a number estimated at approximately 250. Non-regulated services are an open market, with much more vigorous competition.

Assessing the need

With the creation of a commercial directorate to operate these services, Yorkshire Water analysed its markets and identified broad goals, including:

- Accomplishment of its vision to be clearly the best water services company in the United Kingdom
- Increase in non-regulated income
- Success against current and potential competition
- Ability to respond favourably to customer expectations of a more "commercial" business approach

"We realised there were challenges we faced in achieving these goals," says Peter Cruikshanks, Manager of Business Services. "These included balancing our focus on service with a more commercial approach, changing team member perceptions of their roles and changing customer perceptions of us from a commodity supplier to a valued partner."

The stakes were high. There was growing pressure on regulated income, in addition to the mounting threat of significant income loss if major customers defected to the competition. Along with these financial pressures, the company realised it was also important to improve its customer satisfaction ratings.

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Peter Cruikshanks
Manager of Business Services
Yorkshire Water

Training as a solution

Yorkshire Water identified three key result areas that they believed would respond well to the right training programme:

- Improved long term customer relationships, including wider, deeper and more satisfied relationships
- Increased non-regulated sales
- Team member buy-in to revised roles

The next step was to define these result areas in terms of more specific goals:

- Commercial “vision” described as: “To provide new sources of earnings to grow Yorkshire Water’s dividends and exceed business customer expectations in order to maintain and grow our income from them.”
- Sales targets: To triple non regulated income in three years
- Customer satisfaction: To improve relationships with major business customers and implement satisfaction measures to monitor customer satisfaction

Armed with goals and desired results, Yorkshire Water began working with AchieveGlobal in a programme centered around Professional Selling Skills (PSS) Core Skills, Account Development Strategies and negotiation skills. AchieveGlobal Trainer Ken Coles led initial sessions, trained internal trainers and led coaching sessions, with ongoing implementation handled by the four-person internal training team.

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Priority was given to the Business Services team and non-Business Services members of the Key Account Teams, “KATs,” who are assigned to the top 30 customers. Word about the value of PSS training has spread, though, and the next Core Skills class will include members of IT, Asset Records, YorMap commercial mapping service, R&D and Customer Service Centre teams.

“Core Skills training has been the most successful strategy to date, ensuring that ‘customer-facing’ staff dealing with business customers are attuned to the needs satisfaction approach to customer relationships,” says Abigail Parker, AchieveGlobal Account Manager. “Yorkshire Water has achieved this by delivering training in a way that puts the PSS model into the corporate context and is attentive to each different role within the organisation.”

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Measurement and results

Yorkshire Water identified and measured results through three quantifiable methods:

1. Customer satisfaction surveys of key customers: Overall satisfaction ratings increased from 91 percent in 2001/02 to 95 percent in 2003/04.
2. Surveys by external bodies, including the annual Energy Information Centre (EIC) survey: Yorkshire Water has been rated the top water company two years running – 2002 and 2003. Areas Yorkshire Water was rated best included “listening to needs” and “knowing the customer.” Peter Cruikshanks says, “All our Business Customer Managers have been trained in PSS and we attribute our success in these areas to their successful application and reinforcement of PSS skills.”
3. Growth in sales: Non-regulated income has increased 260 percent since implementation, from £350K in 2001/02 to £725K in 2002/03 and £915K in 2003/04.

Other important results have been identified as well, including:

- Greater team cohesion through sharing of common language, understanding and skill sets
- Greater understanding of the commercial environment and the world Yorkshire Water business customers operate in
- Enhancement of the team’s reputation and commercial leadership within Yorkshire Water

Challenges and success factors

As might be expected, the training team encountered and ultimately overcame significant challenges along the way. These included:

- Team members didn’t see themselves as “salespeople.” Trainers overcame this by ensuring that managers were committed to the concept of improving the team’s sales orientation. With this in place, they were able to communicate consistent messages as to how and why they could achieve that focus. Most team members embraced the concept and those who did not were transferred to other teams.
- Finding time to keep practicing and reinforcing skills: Yorkshire Water appointed a PSS “Champion” whose role was to organise Core Skills courses for new team members and to keep the impetus going with regular reviews and training refreshers for those who had already received training.
- Staff felt that PSS was “just for sales.” By using training and practice sessions to demonstrate how the PSS model fits and delivers benefits in any supplier/customer relationship, trainers successfully conveyed the idea that the concept works even if actual “sales” are not involved.

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Peter Cruikshanks reports that a number of factors were critical to the initiative’s success:

- Buy-in from senior managers across the team
- Making PSS real within the organisation’s context
- Providing proper training for everyone
- Keeping the message alive through team meetings, quizzes, application within the Key Account Team process and many other vehicles
- Developing an internal training capability

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About Yorkshire Water

Yorkshire Water, part of the Kelda Group, provides 1.8 million households and 140,000 businesses with water and sewerage services, managing the collection, treatment and distribution of water. The Company’s vision is “to be clearly the best water company in the UK.”

About AchieveGlobal

AchieveGlobal provides research-based learning solutions that aid clients in developing leaders and acquiring, growing and retaining profitable customer relationships. Working with AchieveGlobal’s trainers and consultants, clients can translate business strategies into business results by improving the performance of their people in the areas of leadership development, customer retention and sales effectiveness.