BUSINESS CHALLENGE

Severn Trent Water faced a number of challenges including a requirement to raise call center productivity and customer service standards, deliver online bill presentation, and reduce costs by enabling legacy applications to be retired. It was also important to meet regulatory targets for responding to customer correspondence and optimize performance of the database underpinning core SAP® business applications.

TRANSFORMATION

Severn Trent Water worked with Macro 4 to implement Columbus information management solutions to assist with customer service, application decommissioning and archiving. As well as improving customer service and productivity, Columbus helped Severn Trent Water to avoid the costs and risks of supporting older technology. Macro 4's expertise also helped the company to build an effective strategy to optimize performance of its SAP applications – and ultimately its business.

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>
> Paul Hurst,
> IS Systems Manager,
> Severn Trent Water
> "

RAISING CUSTOMER SERVICE LEVELS AND DRIVING DOWN COSTS

Severn Trent Water, part of FTSE 100 company Severn Trent plc, delivers water and sewerage services to around 4.3 million homes and businesses across the heart of the UK.

The company has improved service levels, increased productivity and significantly reduced costs by using Macro 4 enterprise information management solutions to address a succession of different business challenges. Macro 4's Columbus software was initially implemented to help Severn Trent Water improve customer service by providing access to electronic images of customer bills and correspondence in the call center. A further project has reduced IT costs by enabling important historical data to be retained as part of a mainframe decommissioning programme and another supports a data archiving strategy to help maintain fast response times in the company's core SAP business software.

BUSINESS BENEFITS

FASTER QUERY AND DISPUTE RESOLUTION
through improved access to customer bills and correspondence

LOWER PRINTING AND MAILING COSTS
and a reduced ecological footprint through the introduction of paperless billing

FURTHER COST SAVINGS
by retiring legacy applications held on mainframe hardware

IMPROVED SAP SYSTEM PERFORMANCE
and lower storage hardware costs

A STRONG RETURN ON INVESTMENT
by using a single information management solution to address multiple business challenges

IMPROVING RESPONSIVENESS TO CUSTOMERS

The initial challenge addressed at Severn Trent Water was within the Customer Relations business unit. The company wanted to improve customer service and cut costs by shortening the average call duration associated with customers who queried their bills through the introduction of a new solution which presented a true replica of the customer bill to agents.

Macro 4's Columbus software was integrated with the water company's CRM and billing system, allowing visibility of each customer's bills, together with inbound and outbound correspondence, on screen by call center staff when responding to customer queries through the use of hyperlinks to the relevant documentation stored in Columbus.

Providing a full picture of millions of interactions between the business and its customers in this way has delivered important benefits to Severn Trent Water, as Paul Hurst, IS Systems Manager explained:

"Macro 4's Columbus software has helped our call center agents to deliver better customer service and become more productive by arming them with the right information to resolve more queries at the first point of contact. Now they can see what the customer actually sees – a copy of the physical bill, rather than just financial transaction and billing data – so bill queries can be dealt with much faster."

SWIFTLY INTRODUCING PAPERLESS BILLING

As electronic copies of bills were already being stored in the Columbus system, it was an easy next step to use the same system to support a paperless billing process for customers who use the web self-service solution.

"Working with Macro 4 we were able to introduce electronic billing very quickly and cost effectively, because it required no changes to our billing system or processes. Customers like the convenience of viewing their bills online, any time, and it helps them – and us – become greener. Switching to electronic delivery also generates significant printing and postage cost savings which have so far generated a conservative estimate of circa £165,000 of savings per annum. Obviously, this number will grow year on year as new customers choose the paperless billing option," said Paul Hurst.

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MEETING REGULATORY TARGETS WITH SAP WORKFLOW

Following the successful projects within Customer Relations, Macro 4 was the obvious partner to help Severn Trent Water develop a document and data archiving strategy for the new core SAP business software application being deployed in the Operations side of the business.

The use of Columbus was extended to capture scanned copies of inbound white mail documentation relating to repair and maintenance activities. Certified integration between Columbus and SAP enables the documents and emails to be accessed online directly from the SAP CRM system and then actioned and tracked using SAP workflow. This process helps Severn Trent Water meet performance targets for responding promptly to written correspondence which are set by the industry regulator, OFWAT.

OPTIMIZING SAP APPLICATION PERFORMANCE AND END USER RESPONSE TIMES

The introduction of SAP software has been a key element of Severn Trent Water's business transformation programme, and it is used in a wide range of business areas, including workforce management, asset management, projects, finance and human resources.

Due to the central role played by SAP within the company it was vital to control data growth within the underlying SAP database, as Paul Hurst explained:

"It's a mistake to leave historical data such as completed work orders and closed financial transactions from past years within the live SAP system instead of migrating it to an archive. Over time, if you let this build up, it forces SAP to work harder, leading to slower response times and higher running costs – plus much more data is then kept on costly tier 1 storage than is necessary. Backups, restores and upgrades also take longer because there's more data involved.

We wanted to follow best practice by having a plan in place right from the start to address how we archive static and historical data away from the live database to help ensure the system performs at optimum levels and to keep costs down."

To address this issue, Macro 4 worked with the SAP project team to migrate older business-complete data out of the live system and store it securely within the Columbus system in line with compliance requirements. As Columbus incorporates SAP-certified integration, end users can continue to access archived data through the SAP application itself, alongside current data in the live environment.

"Macro 4's data archiving solution has helped to ensure our SAP applications continue to deliver fast response times and, by restricting data growth, we have made significant savings in disk utilization. This has been in the order of 40 per cent in the first year alone. Archiving also protects us against downtime by ensuring that backup and restore windows remain within manageable limits," said Paul Hurst.
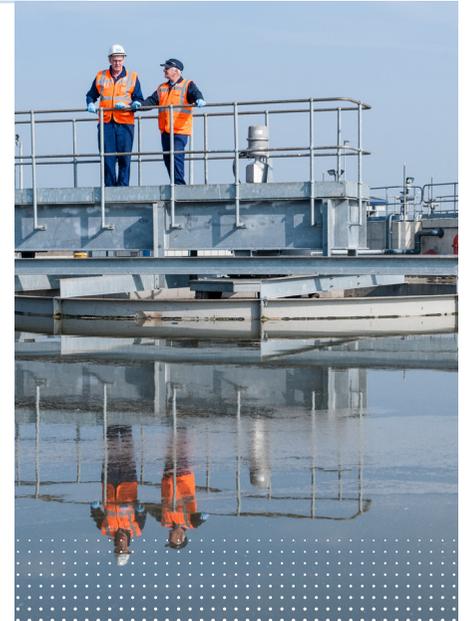
"Macro 4's data archiving solution has helped to ensure our SAP applications continue to deliver fast response times and, by restricting data growth, we have made significant savings in disk utilisation. This has been in the order of 40% in the first year alone."

Paul Hurst,
IS Systems Manager,
Severn Trent Water

REDUCING LEGACY SUPPORT COSTS

Having gone live with SAP, Severn Trent Water was able to start decommissioning its previous generation of applications. Macro 4 played an important role in this decommissioning programme, facilitating the movement of legacy data onto the Columbus system, thereby supporting the retirement of the mainframe and saving an estimated £1m a year in annual running costs.

Data from two key legacy systems was transferred to Columbus: ten years' customer history, for 3.7 million homes and businesses from Severn Trent Water's legacy billing system, and many years of job management information from the company's previous work management application. The Columbus system keeps all data online and accessible throughout the organization, enabling the original legacy applications to be shut down.

"As is the case with many legacy business systems, we couldn't just switch off applications with no repercussions. Our old billing application held around 700 million customer records which we needed to keep alive to address queries and potential disputes that can arise about historical billing activity. There's also a lot of valuable, historical information including meter locations and other billing data that is helpful for operations personnel," explained Paul Hurst.

Severn Trent Water's IT team worked closely with Macro 4 to determine which data needed to be retained from the legacy systems and how it should be structured and presented.

The data is displayed in a similar layout to the original applications, so it is familiar and easy to use. Staff can quickly find the information they need to handle queries and requests without retraining.

"The data is actually more accessible now it's in the archive because the navigation between screens has been improved, making it easier for staff to find their way around it. And productivity has also increased by moving other data to Columbus that was originally archived on magnetic tapes and could only be accessed by specialist technical personnel," said Paul Hurst.

A MULTI-PURPOSE SOLUTION

Severn Trent Water has benefited from the versatility of Columbus throughout the company, as Paul Hurst concludes:

"Macro 4's Columbus solution is truly multi-purpose, delivering value in so many areas where data or documents need to be managed and made accessible – both within the enterprise and to customers via the web. As well as improving customer service and productivity we have cut costs on numerous fronts – legacy application decommissioning has helped us avoid the cost and risk of supporting yesterday's technology, for example. Macro 4's expertise with data archiving has also helped us build an effective strategy to control data growth and optimize performance of our SAP applications – and ultimately our business."

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THE NEXT STEP

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