



## CASE STUDY

# CSC DELIVERS A BEST-IN-CLASS DEBT MANAGEMENT SOLUTION FOR ANGLIAN WATER

### INGENIOUS

To help Anglian Water become a top performer in debt management, CSC integrated a specialist debt management package with SAP ISU — a first within the UK utilities sector

### PURPOSEFUL

CSC impressed Anglian Water with its ability to orchestrate collaborative working with a number of third parties, to ensure delivery of an innovative solution on time and to budget

### PASSIONATE

Focused executive engagement and joint commitment to a common purpose drove project success

Anglian Water is geographically the largest water company within England and Wales. It serves the needs of around six million industrial, commercial and domestic customers, which includes supplying over 1,100 million litres of drinking water to 4.2 million people every day. Ofwat, the water industry regulator, assessed Anglian Water as the top-performing water company in England and Wales for the last two years in its Overall Performance Assessment (OPA).

### THE CLIENT'S CHALLENGE

Customer debt is a challenge for all utilities but is particularly difficult for water companies, as there is no right to refuse supply to non-paying customers. Debt in the water industry is growing, and on average adds £11 to every customer's bill.

Determined to reduce bad debt and minimise the burden of debtors on its paying customers, Anglian Water decided to look for a solution to improve its debt recovery capability — a decision that proved especially timely, given the economic downturn. The company also wanted to:

- Reduce the cost of debt collection by automating processes
- Improve the productivity and effectiveness of its contact centre staff
- Enhance its ability to monitor and change its debt collection strategies

Following discussions with Anglian Water's Customer Services Director and CIO, CSC was invited to propose a solution that would enable the company to improve its debt collection capability. The overall aim was to enable Anglian Water to significantly reduce bad debt over the next two to three years.

At the time, the company was handling debt collection out of its SAP ISU (SAP for Utilities) system, but this was proving insufficiently flexible for the advanced approach required. Although implementing the latest SAP Credit and Collections module was considered, Anglian Water needed a highly responsive system that would enable it to make changes and introduce new collection strategies quickly, with configuration under its own control.

The company therefore decided to opt for a functionally rich, specialist debt management package, that could be tailored to its specific requirements, and integrated with its current SAP system — obviating the need for an immediate SAP upgrade.

### CSC SOLUTION

Following a review of Anglian Water's business processes and a short selection process facilitated by CSC, the decision was taken to integrate Experian's Tallyman debt collection management software with Anglian Water's SAP system. An associated project covering business process and organisational change would also be implemented, to train Anglian Water staff in more proactive debt collection practices.

Anglian Water appointed CSC to run the multi-million pound programme, for which CSC acted as the solutions architect, systems integrator, prime contractor and programme manager. High-level executive engagement, including a willingness to address any issues rapidly, formed the basis of a joint commitment to successful programme delivery.

Not only was CSC undertaking the first-ever integration of Tallyman with a SAP ISU solution within the UK utilities sector, it was also handling an integration project that proved to be exceptionally complex and challenging, within tight timescales. These factors made close collaboration and team-working between all parties vital to keeping the programme on track.

Designing the new processes that would quickly provide Anglian Water with step-change improvements was undertaken by a joint team led by CSC, that consisted of SAP ISU specialists from CSC's ERP practice, utility business process experts from CSC Global Business Solutions, Experian's professional services team and Anglian Water staff. The team also worked together to identify strategies for debt customer segmentation that would enable different customer segments to be targeted in different ways.

To meet Anglian Water's demanding budgetary constraints, CSC devised an innovative risk/reward financial wrapper for the programme, with agreed reward payments for delivery of business capability and project completion on time and to budget.

*"The key to the success of the project was collaborative working, which transcended the conventional parochial boundaries of the supplier-client relationship to forge a partnership. From the outset, executive engagement from each partner provided the common purpose, vision and drive that broke through any road block to progress, and enabled fast decision-making. Both the CSC and Anglian Water project managers were first rate, with a total 'can do' attitude and a determination to deliver for the client — a model for others to follow."*

**Martyn Oakley,**  
Customer Services Director,  
Anglian Water

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*"Quietly and without fuss, we launched our new debt management system on the original planned go-live date. This is the result of a great team effort from the joint project team working to very tight deadlines, and overcoming some tricky technical challenges. It's a tremendous example of collaborative working by a team focused on a common goal - and scoring!"*

**Martyn Oakley, Customer Services Director and Chris Boucher, CIO, Anglian Water**



## BUSINESS RESULTS

The new debt collection solution went live on the original planned date, initially handling domestic customers, and within just a few weeks Anglian Water started experiencing improvements in its ability to manage debt.

This was primarily because it quickly gained an accurate view of the overall debt position, was able to view debt recovery performance for different customer segments, and could easily modify debt management strategies in poorly performing segments.

The company is also benefiting from a range of process automation improvements that include:

- A reduction in the number of manual interventions needed to complete routine business processes so that, for instance, a confirmation letter is automatically generated and sent out when a payment plan is agreed with a customer
- The provision of fail-safe functionality through more frequent updates which means that, for example, if a collection action against a customer is already in progress, the contact centre is prevented from agreeing a payment schedule with the same customer
- Improvements to the auto-dialler process through daily updates to the call list by the Tallyman system, preventing debt collection calls to customers who have made payments within the previous few days; and access to the Tallyman system for call centre agents, enabling them to see past debt-recovery actions that have been taken for a customer

- The ability to categorise customers for targeted collection campaigns, and the facility to tailor standard letters
- More powerful, easier-to-use management reporting, that enables Anglian Water to monitor its debt collection strategies more effectively
- Improvements in customer demographic and account progress tracking information



Contact centre staff involved in debt collection are enjoying improved working practices, with a reduction in administrative tasks and a more proactive role. Business staff can now analyse data more rigorously, in order to segment debt types, design campaigns more easily, and better monitor their effectiveness.

Both the accuracy of records and the timeliness of updates have been enhanced. The company is also capitalising on its earlier investment in a corporate data warehouse, as the programme involved providing data for the new data mart. This data, coupled with data from the SAP ISU system, enables vital aged debt reports to be run that show the overall effectiveness of Anglian Water's debt management strategies.

A subsequent programme phase will see the remaining Anglian Water debt processes for other debt categories move onto the new Tallyman system. At the same time, Anglian Water will start to take advantage of further functionality offered by the system, including the ability to hold, maintain and use payment behaviour scoring within its debt collection campaigns.

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