

This presentation premiered at WaterSmart Innovations

watersmartinnovations.com





“Brainwaves” Workplace Innovation @ South East Water

Presented by:
Russell Eddington – General Manager, Corporate Services
and Chief Finance Officer

Today's Presentation

- About South East Water
- Why Innovation is important
- The Innovation program "Brain Waves"
- Outcomes
- Lessons Learnt



About South East Water

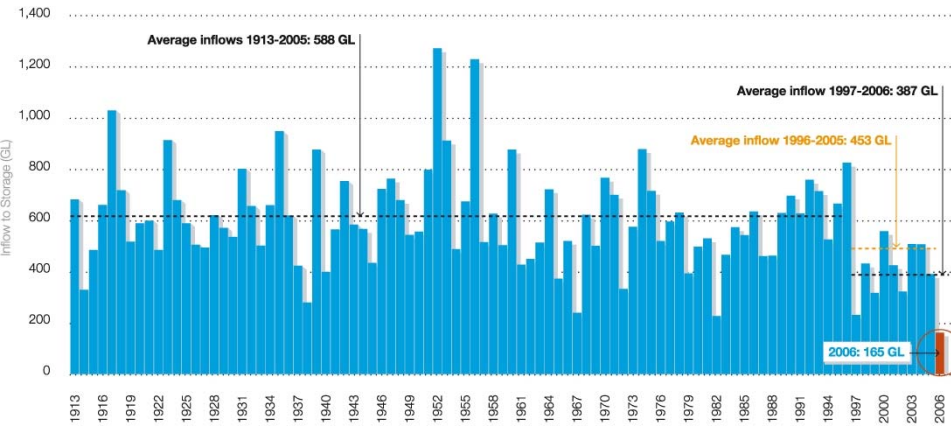
South East Water is a provider of water, sewerage, trade waste and water-saving services for residents and businesses in an area ranging from the South East of Melbourne to South Gippsland



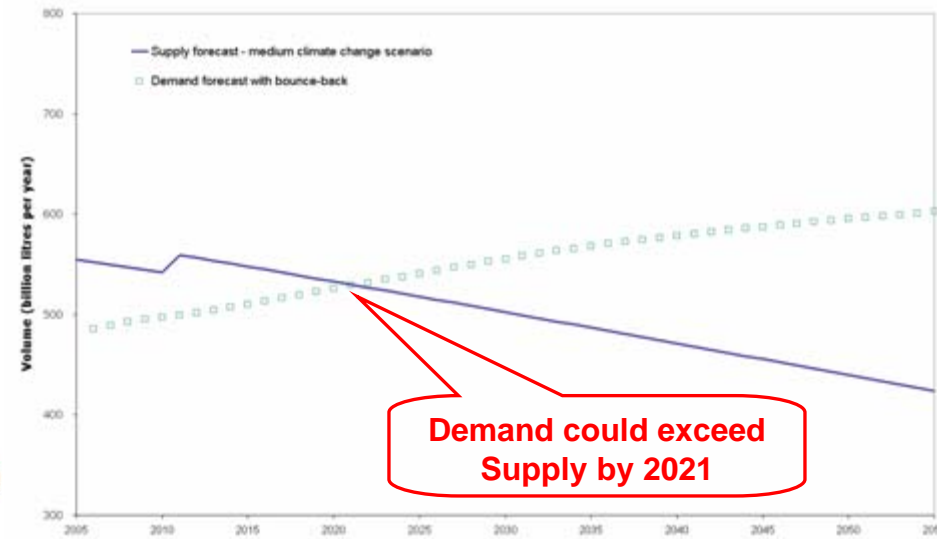
South East Water manages...

- 8,500 kilometres of water supply mains
- 8,000 kilometres of sewer mains
 - 78 water pump stations
 - 237 sewage pump stations
- \$1.5 billion of infrastructure and assets
 - 620,000 customers
 - 440 staff

Water Supply/Demand forecast for Melbourne



Source: Melbourne Water



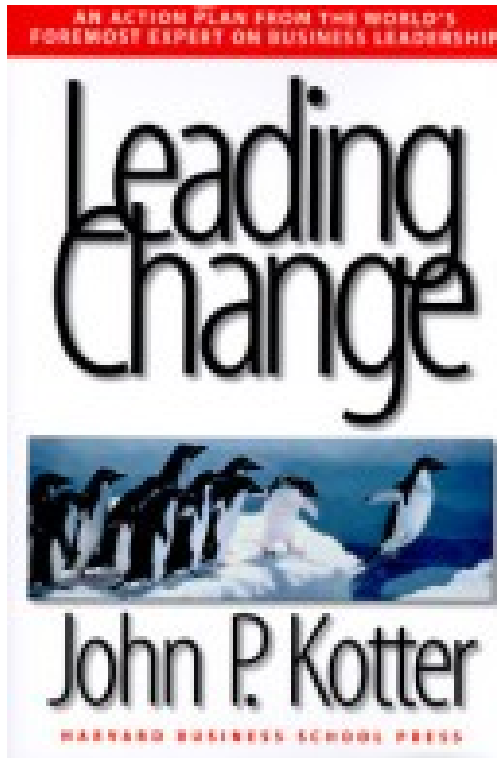


Why is Innovation Important?

- Water companies facing new challenges
 - Must decrease demand for water
 - Must find alternate supplies of water
- Need new Customer solutions
- Increasing pressure on sewage and water systems
- Increasing accountability for social and environmental impacts

We need an ongoing program of innovative to meet these challenges

Innovation – Part of Strategic Change

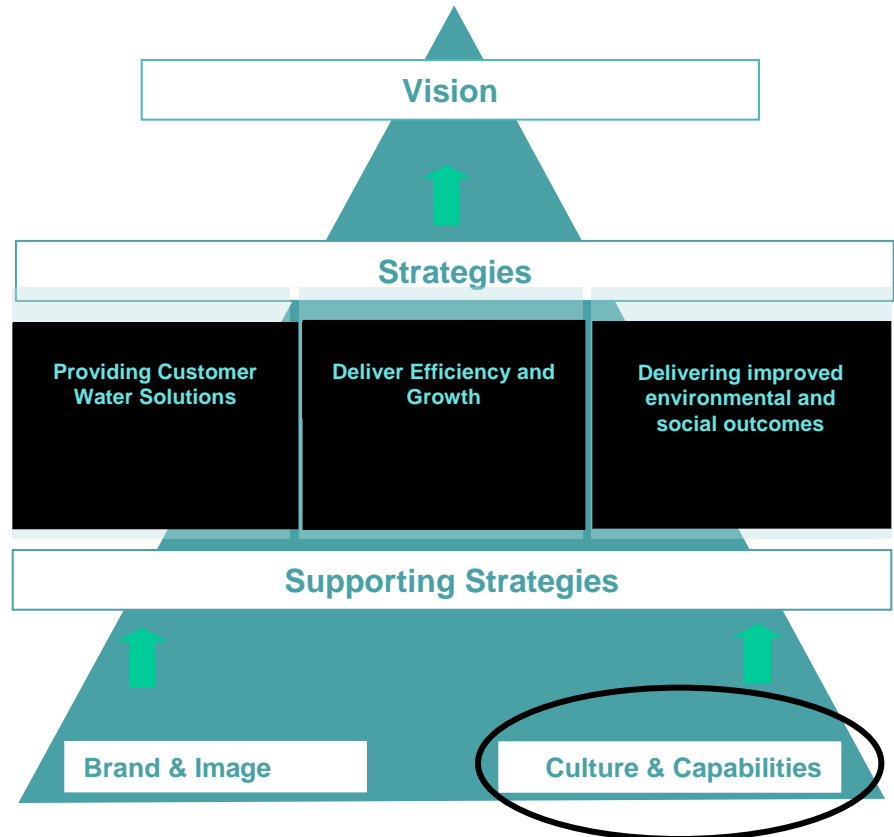


1. Establishing a sense of urgency;
2. Forming a powerful guiding coalition;
3. Creating a Vision to direct the change effort;
4. Communicating the Vision;
5. Empowering others to Act on the Vision;
6. Planning for and creating short terms wins;
7. Consolidating Improvements and Producing Still More Change; and
8. Institutionalizing new approaches.

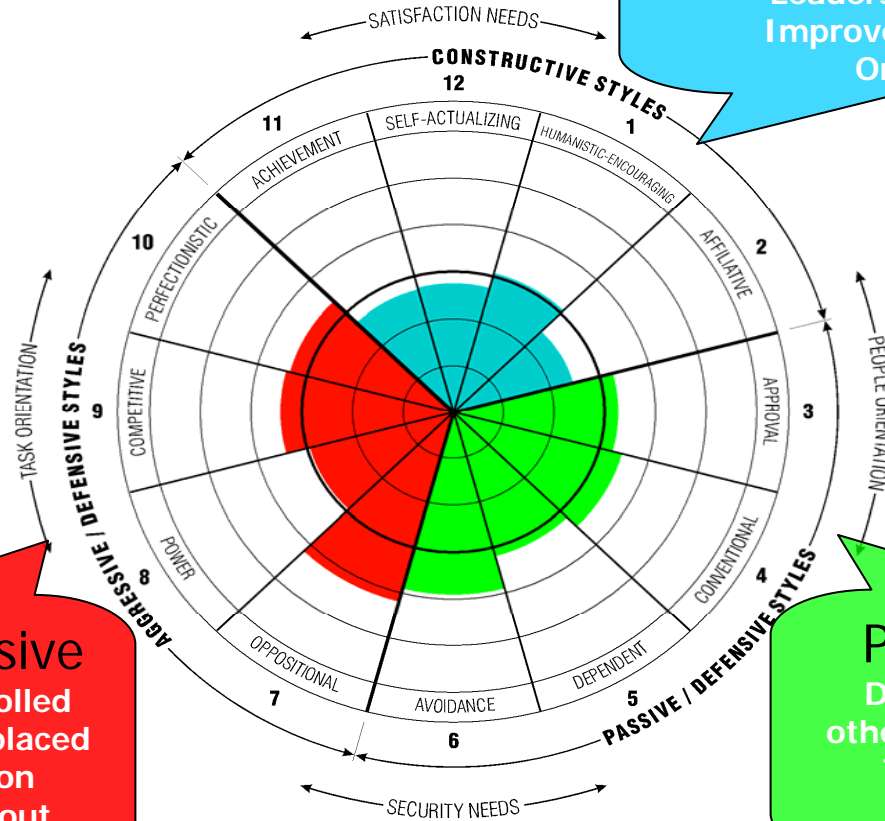
Kotter – Eight Phases



Strategic Context



Impact on Culture



Constructive
 Empowerment, Transformational Leadership, Continuous Improvement, Learning Organisation

Aggressive/Defensive
Appear competent, controlled and superior. Little value placed on people, more focus on finding errors, weeding out 'mistakes'

Passive/Defensive
 Do what it takes to please others (particularly superiors). Take back seat to rules, procedures, orders



Brain Waves established to:

- Encourage innovation better than we had in the past
- Assist SEW to respond more positively and proactively to challenges and change
- Identify, screen and exploit ideas in an ongoing, sustainable program
- Deliver on Corporate Strategy and objectives

BRAIN WAVES

Innovation @ South East Water



Creativity Training

Innovation Fair

Business Planning Competition

Innovation Roundtable

Brain Waves iCampaign

Innovation Conference

Increased Networks



Business Planning Competition - Brain Waves Cup



- Called for significantly innovative ideas
- Strong Linkage to Strategy and Culture
- Encouraged cross functional teams
- Five months building viable business cases
- Prize pool of \$20,000
- Encouraged employees to have real input into the business



Successful Projects

- **Remote Condition Monitoring**
 - Pilot.
- **Stormwater Diversion**
 - Installed in Prahran on Yarra river
- **Fire Services**
 - Validated Water Savings (\$)
 - Industry commitment
- **Web based Water Calculator**
- **Wet Tappings**
- **Domestic Water Aid**
- **Tankering of Recycled Water**

In Progress

- **Managed Billing Services**
- **RainWater Tank**
- **Bespoke Software Distribution**

Outcomes

Business Outcomes:

- 24 final plans submitted
- 16 approved for implementation
- Financial, social & environmental benefits
- Enhanced reputation

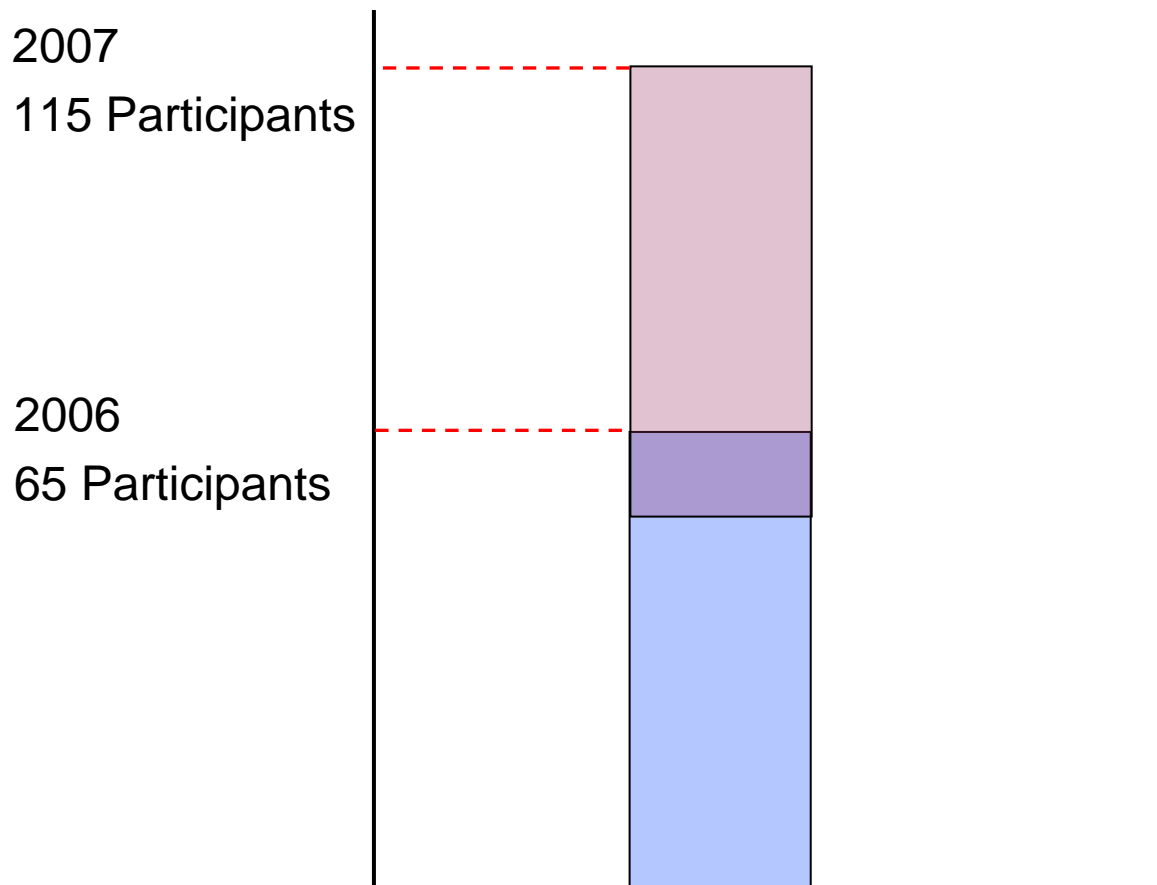
Cultural Outcomes:

- Engaged 20% of business
- Cross functional teams
- Employees trained in opportunity evaluation, presenting etc
- Example of achievement culture
- Living the Corporate Plan



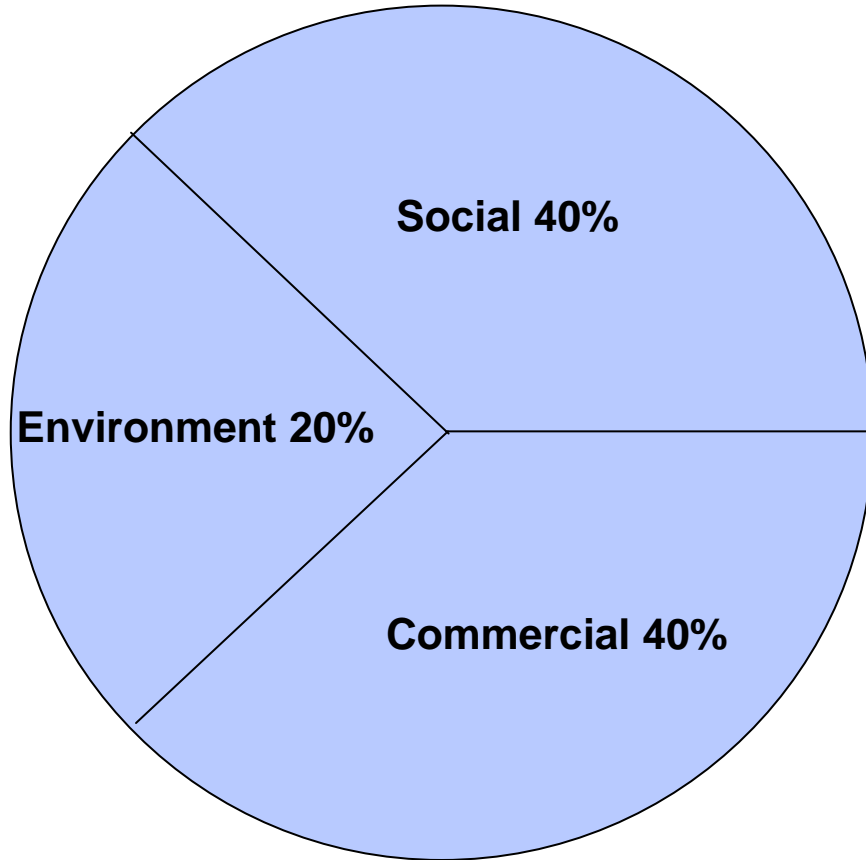
Victorian **ENGINEERING**
EXCELLENCE Awards
2007

Cumulative Employee Participation

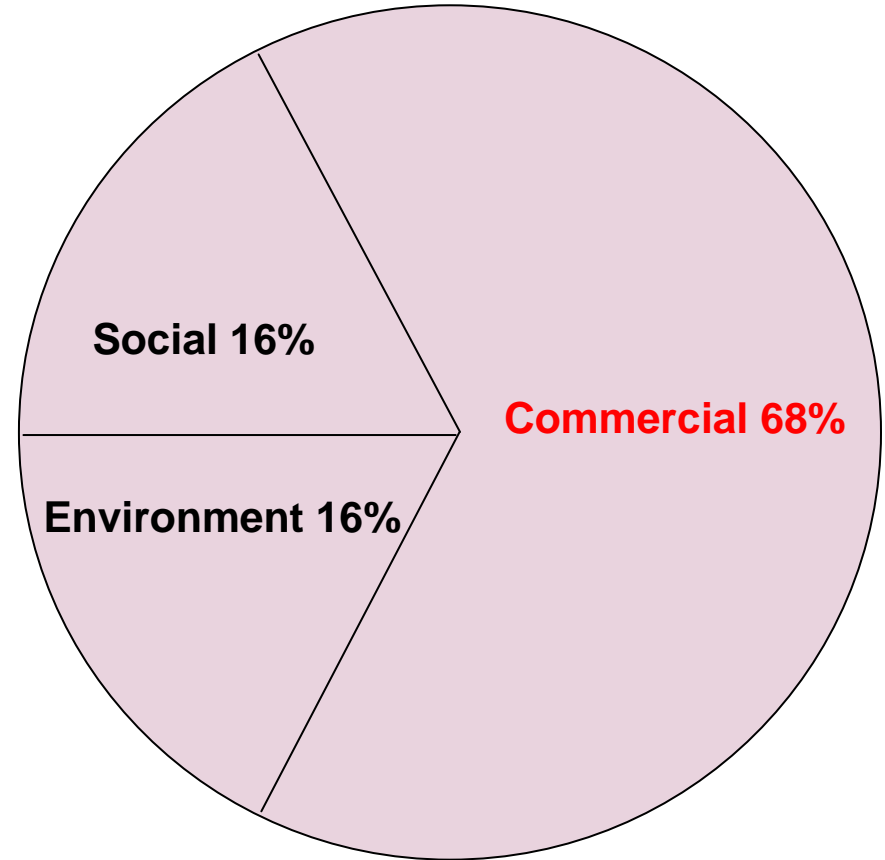


Evolving Focus of Ideas

2006



2007



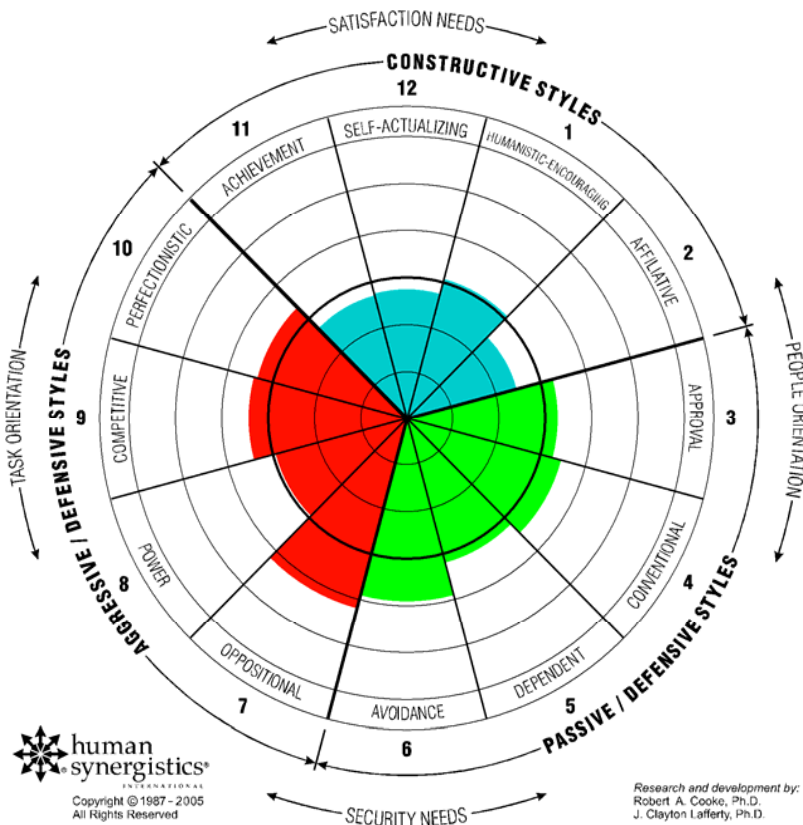


- Targetted and white space
- Topics:
 - How can you better service your customer?
 - What should be included in a sustainable development?
 - Give us your water saving tips
 - How might be improve major processes?
 - How can we better attract and retain staff?
- Also used to capture spontaneous ideas
- 150 registered users (30 percent of company)
- 150 ideas (more in four months than for previous year)



Outcomes

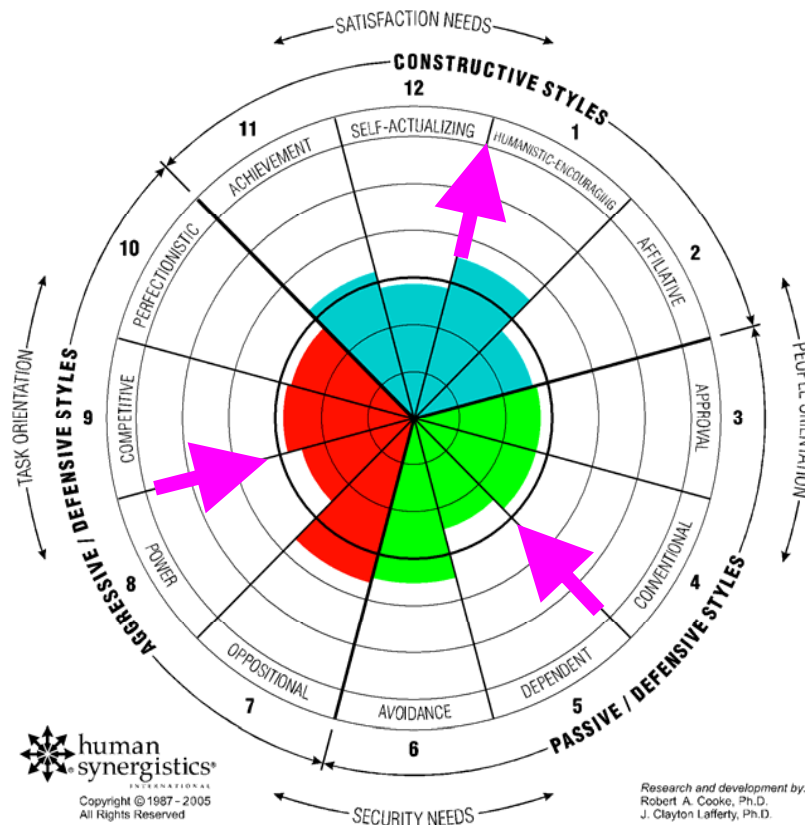
Test; All Data 2005; N = 171



human synergistics[®]
INTERNATIONAL
Copyright © 1987 - 2005
All Rights Reserved

Research and development by:
Robert A. Cooke, Ph.D.
J. Clayton Lafferty, Ph.D.

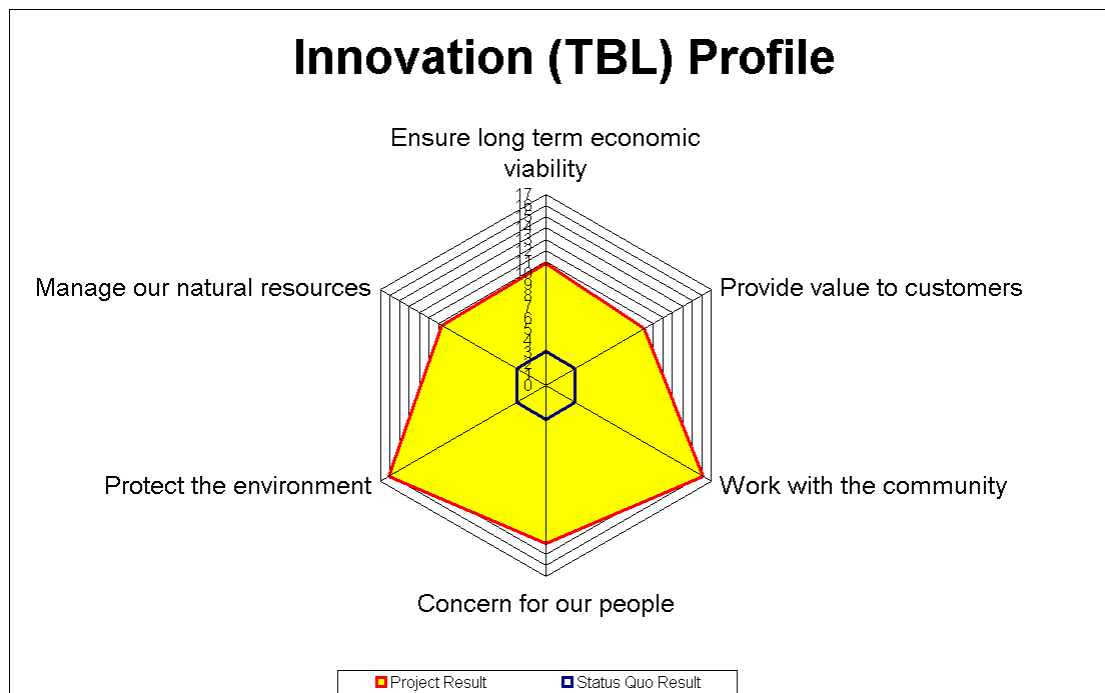
Retest; All Data - SEW; N = 250



human synergistics[®]
INTERNATIONAL
Copyright © 1987 - 2005
All Rights Reserved

Research and development by:
Robert A. Cooke, Ph.D.
J. Clayton Lafferty, Ph.D.

Projected ROI 18%



The Flywheel Effect



Recent feedback

All staff survey

Good news:

- “I believe innovation is important to the success of our business”
95%
- Employees are willing and encouraged to suggest new ideas 81%
- I am a willing contributor to innovation 75%

Challenges:

- Everyone knows what to do with a good idea 56%
- Good ideas are quickly progressed 41%
- Resources are allocated to make ideas happen 47%
- Employees have been given access to training in innovation 49%
- Staff are able to work on things outside their normal job 40%



Measurements

- Implementation of all 2006 and 2007 projects
- 130 instances of staff participation in events or training
- Improvement in Cultural survey by 10 percentage points
- Profit target established



What we did well....

Resourcing and Strategy

- Dedicated and Skilled Resources
- Answer the “Why” question
- Long term view vs. Quick Wins
- Linkages to Strategy and Culture

What we did well....

Employee Engagement

Effective communication most important

1. Built the Innovation Brand
2. Communicated all the time
3. Used multiple mediums
4. Face to face worked well
5. Made it FUN when appropriate....



Brainwaves Cup Fair



What we did well....

Employee Engagement

- Offered incentives
- Focused on recognition
- Provided the right tools
 - Training
 - Clear avenue for ideas
 - Access to decision makers
- Encouraged cross functional teams



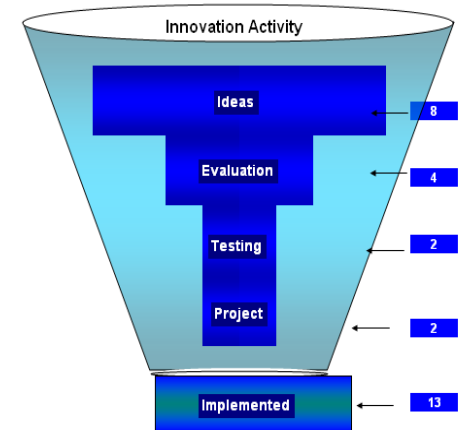
What we did well....

Senior Executive Commitment

- Executive chair of the Innovation Panel
- Managing Director heavily involved
- Judging panel made up from the executive committee
- Managing Director funded approved projects

Challenges and Opportunity for improvements

- *Tying to other corporate initiatives*
- *Measurement & Reporting*
 - *Funnel*
 - *Survey*
 - *Participation*
 - *\$*
- *Implementation of ideas we choose to progress*
 - *“Adopt an Idea”*
 - *Resourcing*
- *Engagement with Customers and Business Partners*
 - *Workshops*
 - *Research*





“Brainwaves” Workplace Innovation @ South East Water

Presented by:
Russell Eddington – General Manager, Corporate Services