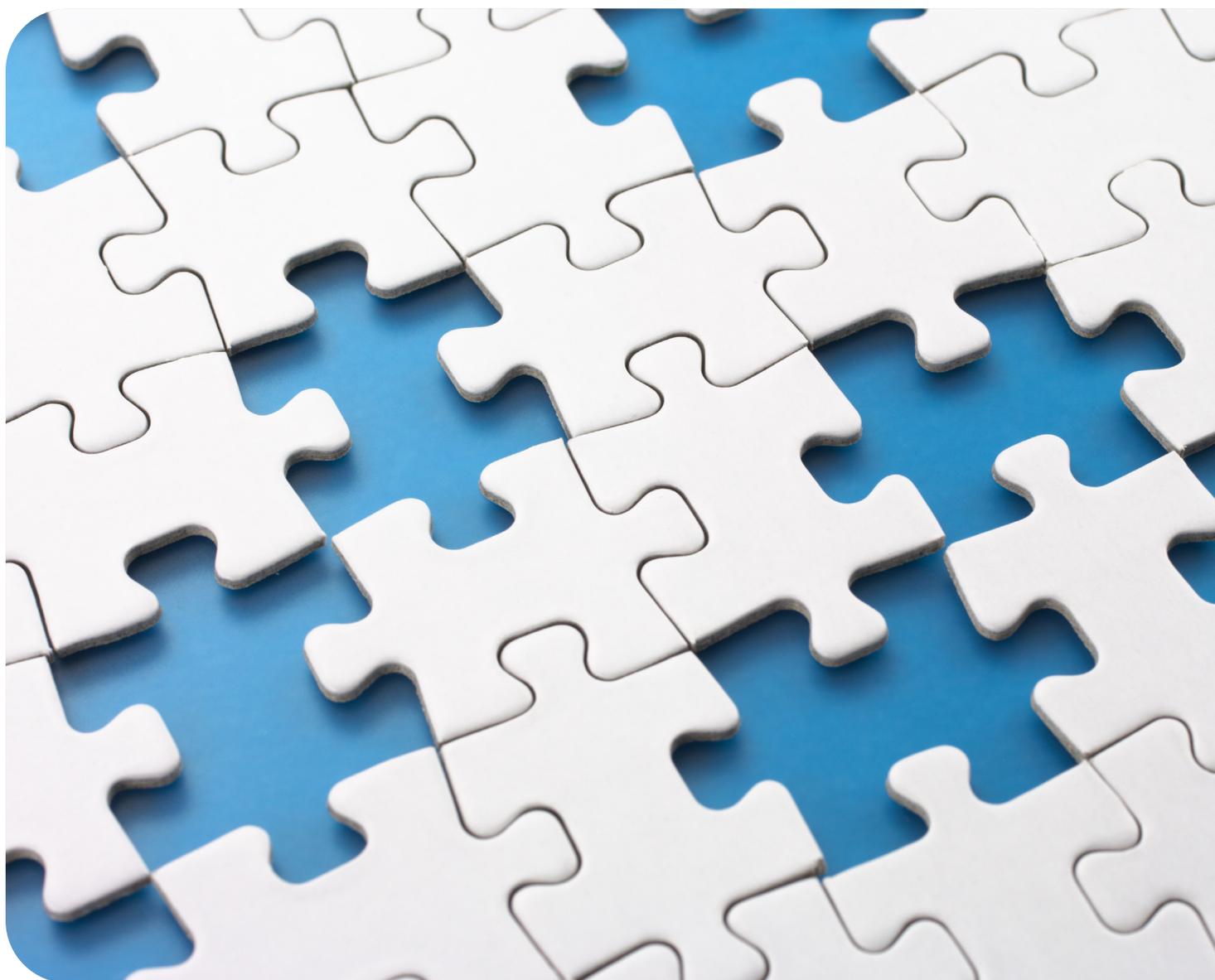


CLOSING GAPS IN CUSTOMER DATA

TO AVOID PENALTIES AND REGULATORY FINES



Without a joined-up view over the complex sets of data they hold about their millions of customers and properties, water suppliers will find it very difficult to meet Ofwat's PR19 measures.

They've each been set an individual target for reducing the number of void sites – registered as 'vacant', but consuming water and wastewater services – and gap sites – ones that are supplied but are not even on the water company's system.

In both these scenarios, services are being supplied for free, so it's not only Ofwat that will be unhappy if the situation goes unresolved: other customers will have to cover the cost of these errors as part of their bills, as suppliers try to claw back their losses.

It's not just void and gap sites – poor data quality also makes it difficult to meet obligations to support customers. This threatens a low ranking in Ofwat's C-Mex and D-Mex tables, and makes it very difficult to meet government targets to get 1.3 million vulnerable people onto the WaterSure bill-capping scheme by 2025.

With Covid-19 plunging a quarter of UK citizens into poverty, supporting vulnerable customers will become more important, but finding those that need support will be like looking for a needle in a haystack.

Data improvement

Regardless of whether it's sitting in various siloes or a central data lake, if suppliers don't put their customer data to use, opportunities to increase revenue and provide support to those who need it the most will be lost.

Industry analyst Gartner indicates application of data for these purposes must now become a strategic focus: at present, less than half of businesses' corporate strategies mention data and analytics as a way to deliver value. But they will be a key component for success from now on.

Check your own house is in order

The first step is to review the existing data – checking all customer details, such as name and addresses are correct.

Identifying and correcting data will enable suppliers to improve customer experience and reduce the number of complaints recorded in Ofwat's C-Mex surveys.

They will identify many cases where bills are going unpaid due to incorrect data. These mistakes on bills impact revenue and could have huge ramifications for customers' credit ratings and accounts can be sent to debt collection agencies unnecessarily, so need to be addressed as a matter of urgency.

Broaden your horizons with third party insights

Having laid firm foundations by correcting any mistakes within existing internal data, it's time to look beyond this. Third party data can build a much fuller picture by providing wider context and background information.

Data sources such as electoral records and registrations for banking and phone services can help identify properties registered as voids that show signs of occupancy. Building out their knowledge will also help to identify customers who might require support, social tariffs or government fuel payments.

Tie it all together

This would be extremely time-consuming if done manually, as water companies would be trying to join the dots between multiple sources and different types of data, both internal and external to the organisation.

To make it workable in practice, suppliers can lean on the power of analytics to pull all the data points together and match them up – a task that would be unworkable for a human as it involves data on millions of customers.

Finally, they need to set out a clear process for how to act on the insights, whether that's contacting 'new' customers and onboarding them, or tactfully discussing social tariff options with vulnerable customers who may not realise they are eligible, or not be forthcoming in asking for help.

Get moving

Improving data quality takes time, but wave after wave of targets and demands will continue to crash into shore. For instance, Water UK is building a new 2050 vision for the

sector and Ofwat is already planning for PR24. The fact that *big data* is referenced in these initial discussions indicates that completing the three steps outlined above will become make-or-break, and intelligent use of customer data will increasingly be key. Now's the time for suppliers to get moving, so they can improve performance in the short-term, and put themselves in a strong position ahead of the even greater regulatory demands placed upon them further down the line.

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