**Report - 2018**



**Commercial Division**

**National Water Supply & Drainage Board**

**Vision**

Deliver the highest standard of commercial solution to the customers we serve and Inspire public confidence in the process.

**Mission**

Provide our customers with as near perfect billing, as near perfect service as is humanly possible with maximum convenience to them

**Introduction**

Installation of water meters to each premises commenced in early 1980’s, Billing of consumption was initiated in 1984. Pricing of water is bit controversial as different person view it from different angles. The initial investment for water supply and sewerage is very high. The benefits are enjoyed for many years. Many are not aware of the cost of supply. Urban population expects 24 hour water supply and sewerage facility. The cost of service vary for different places. The tariff design should bring in sufficient revenue for financial stability of the organization. The low income house hold should be in a position to get its water requirement at affordable price. To satisfy these requirements various tariff has to be used to cross subsidies.

Domestic water sale is 74% corresponding revenue is 61%, nearly 56.5% of domestic customers use water less than 100 litres / day which is much less than the design projections. 97.6% use less than 40 units per month and 74.6% use less than 20 units per month. There are 215,000 customers whose consumption is Zero out this 43,000 are commercial connections. The consumption tariff has been kept low from the time of introduction of metering. The revision of tariff has had little impact on the consumption pattern.

There are 182,000 non domestic customers, they consume 26% of the water and bring in 39% income. Non domestic customers cross subsidies domestic customers.

# The main functions of the Commercial Division are;

* The Metering, Billing , Consumer relations and collections activities within the Colombo area and Regions.
* The establishment of Standard operating and Reporting procedures for the outlying Regions.
* The collection of statistical and financial data from all regions for consolidated system-wide of all progress, statistical, and financial reporting.
* This division will be responsible for accurately reporting all system-wide billing and collection data to the financial division.
* Generation of Management of Information System Report
* Recovery of defaulted customers through legal progress.
* Formulation of Policies.

**Key Performance for the year**

**Three areas were identified as the key performance Indicator for the year**

1. **Issue water bills every 30 day to all customers**
2. **All meter reading to be completed within the month**
3. **Reduce arrears with active involvement of all staff**

One of the focus area was to reduce customer grievances through technology improvement, awareness creation to internal staff to minimize customers reaction by NWSDB actions. During the year emphasis was made for achievement of the key performance indicators, there were disruption due to trade union actions. Now there are many regions that have achieved higher percentage on 29, 30, 31 day meter reading. Some have achieved 97%. The IT development Commercial operation Management system and the Mobile application has provided enhance facility to plan implement and execute meter reading. In the event targets could not be achieved there is facility to print bill on estimation basis.

**Software development for service excellence**

 “Commercial Operation Management System” familiarization was done to decision makers by conducting awareness program in all 11 RSC’s. Dissemination of system development had to be done methodically, structured training program has been designed in consultation with Training Division. There were 10 days training for commercial officers. Enhance the capability of the other staff handling commercial activity training program has been developed to select the training of trainers comprehensive training program was done for three days to all commercial Officers, knowledge transfer was done on latest development and to identify staff who could be resource person in the region to train other staff here after. The proration method was simplified such that the customers will understand better.

**Tariff Revision**

Once in three years the tariff revision is proposed accordingly the process on revision of tariff was initiated. Deep analysis was made into historical consumption pattern and revenue pattern to arrive at a tariff proposal which will harmonize the existing discrepancy in cross subsidy, proposal has been prepared, formal approval procedure for implementation is in progress. This is the first time the tariff proposal has been prepared solely by the Commercial Division for the GM appointed committee review and guidance. A gazette notification was issued in 2016, implementation is held back pending amendments. A high level committee was appointed on the directive of the cabinet to review the proposal, Cabinet approval is pending. The last tariff revision was done in 2012. Continuous effort is made for revision.

**Water bill payment**

Water bill payments are collected by the cashiers, banks and agents. The head office cashiers serve 10,500 customers and collect 44 million for a month. Banks serve around 82,300 customers and collect 649 million in comparison with last year payment made in banks has increased, the super markets play a bigger role they serve 188,000 customers and collect 11% of total collection. Sri Lanka Post receives the largest number of customers.

Rural Development Bank (RDB) commenced water bill collection through its ground network. This gave convenience to another segment of customers, where monthly bills are collected while other payments due to the bank is collected at the field

**Table 1: Customer Payment Option**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Cashier Head office** | **Banks** | **Super Market** | **Electronic Cash** | **Web Payment** | **Dep.****Post**  |
| **No of Payment/month**  | **10,500** | **82,300** | **224,000** | **167,000** | **683** | **232,000** |
| **Average Collection** **(Rs. m)/month** | **44** | **649** | **304** | **227** | **1.4** | **209** |

**Group Bill**

There are many institutions that have offices all over the country, monthly water bill is paid centrally. Facility was introduced to issue Group Bill to institutions that have many branches and where water bill is paid centrally. In addition to the bill given at site, group bill will be sent to the head office to effect the payment without delay and avoids inconvenience by disconnection. There are 33 institutions having 1,386 connections have come into Group Billing, monthly billing is around Rs.42.3 m/month. Some of them are government institutions.

**Figure 1: Monthly Board collection**

Income increase from 2015 to 2018 is over 6.2 billion. In 2018 there was an increase in collection arrears. The Commercial Division had a important task to bring in more revenue in absence of proposed tariff revision being delayed for implementation.

**Arrears Recovery**

Emphasis was made towards recovering of arrears, various strategy had been adopted by the region for success. Following method were followed to reduce arrears

1. Monthly GM’s Billing & Collection meeting performance on arrears collection was monitored.
2. Monthly commercial mangers meeting with DGM (Commercial) arrears Over Rs. 50,000/- and Rs. 100,000/- monitoring was given priority. Arrears reminder letters were sent with RSC DGM’s Signature.
3. Customers with arrears first letter was sent by the commercial officers, if no response second letter was sent under the signature of Regional DGM
4. Assign one person to give calls to the arrears customers and remind them to settle their arrears
5. Visiting customer premises where the registered Demand Letter had been accepted and no response received.
6. A team visiting high value arrears premises and educating them on the Board Act and encourage them to settle the dues.
7. When registered letter communication was returned letter was resent using normal post, customers responded after reading the content
8. Disconnection program implemented based on the priority basis
9. Disconnection team was accomplished by the meter reader to increase day’s performance.
10. If arrears was due to meter reading error or defective meter adjustment committee responded quickly.
11. Installments were offered pending reconnection to encourage settlement.
12. Stamping red seal in large arrears customers to effect payment to avoid disconnection
13. Hand Bills were developed and issued along with water bill to encourage customers to settle dues and avoid consequences on non payment.
14. Customer telephone number updating through the mobile phone system, paper advertisement made to communicate with the customer on arrear disconnection.

**Figure 2: Reduction in arrears over the period of time**

**BILLING AND COLLECTION RE-VISITING OF REVENUE COLLECTION APPROACH**

Every month reports are submitted to the Billing & Collection meeting chaired by the General Manager. In those reports it was found the collection efficiency was over 100% and the anticipated revenue was achieved. On the other hand the arrears accumulation was taking place. This led to re-visiting the method of calculating collection efficiency. It was found installments, late payment charges, rebates were included in to the monthly collection. This led to over stating of water sales income. Subsequently, only the water billing was compared with the water sales income and the collection efficiency showed below 100%.

Traditionally to make people pay their dues disconnection program is practiced where a group is specially assigned to visit identified places and carry out disconnections. Even though, a long list is given for disconnection the list is unable to be completed due to inability of locating all premises by the disconnection group. The disconnection method involves a team visiting for disconnection once the customer makes the payments again re-visit has to be done for reconnection.

This is expensive process is compared with the amount that is charged from the customers. End of the day after identifying many customers for disconnection only a few with large amount of arrears is disconnected. Those who received small monthly bill and who do not settle their dues for many years do not come in to this disconnection program due to value based disconnection.

Even if they are disconnected they do not have the sufficient income to pay the dues. This result in having disconnected customers who are unable to settle the dues to the board and these results in increase of arrears. In the Commercial head Office monthly Commercial Managers meeting is conducted, Head Office commercial staff participate in Billing & Collection meeting conducted by various regional support centers under the chairmanship of relevant RSCc DGMm.

Emphasis is being made to adopt low cost strategies to have impact on large customer base. Having this message been continuously promoted and build in up of better customer relationship by verbal or print media communication and avoiding disconnection was promoted. Each region was allowed to have their own creative method in finding ways to encourage customers to settle their monthly water bills and pay their arrears. One RSC adopted a strategy by appointing one person to give phone calls to the customers and remind them to settle their dues.

In other places customers with large arrears were visited by Commercial Officers as a team to educate those people on the implications of non payment of water bill.

Having adopted various strategies still it is seen less than 50% of the customer base settle their monthly bills. The practice of accumulation of water bill and payment is being practiced which is not a healthy method.

Feedback from the field visits made by the senior management team from the head office came to know that customers have to be educated on settlement of monthly water bill and the implications if they fail to settle the monthly dues. Customers in some instances have received written communications from Board but they have neglected even lawyers have returned letters from NWSDB . Thinking the communication is for the dues that is relevant to the previous owner.

Customers receive their monthly water bill in the event meter reading is unable to be taken different codes are entered which the customer may not understand properly. Initiative has been taken in the event meter reading is not taken the customer will be informed immediately. By this process communication between NWSDB and customer is created. This allows customer to be educated on inability to take meter reading and is encouraged to come out with some solutions.

To collect mobile phone numbers various strategies have been used lately a method has been developed to update by self help method where the customer enter his water account number and use his mobile phone to send SMS to an assigned number to update the system automatically. Also existing telephone numbers are to be verified to send messages through SMS. The mobile phone app provide facility to update customer phone numbers.

Initiative have been taken for MASS communication by creating awareness to develop a culture to settle monthly water bill as soon as they receive. Promotion of 1.5% rebates being received within 14 days of receipt of bill is to be made aware. To be entitled for the rebate the monthly water bill has to be paid in full. Also in the event they fail to pay the water bill after 30 days 2.5% monthly interest is levied on the arrears outstanding.

Among the creative initiative during the festival season disconnection program are withheld, but public announcement on disconnection for non settlement of water bills were effective for those who had money and opted to differ for a future date.

Adopting various awareness program on essentials of arrears collection among Commercial Officers. RSCc staff has brought about customer friendly low cost approach in communicating to different segment of customers. MASS communication method are being initiated to communicate the latest approach to the public.

The Public Relation Unit of the NWSDB that carry out the message to the school children and various offices have been requested to include to mention about the advantages of paying on time and the consequence of non payments.

The Commercial Offices or assigned staff at the relevant DGMm visiting the premises of the high value disconnected customers. This has resulted in more awareness been created to the Board Staff and Public.

**HUMAN RESOURCE MANAGEMENT IN COMMERCIAL DIVISION**

There are different types of work being carried out mainly by three (03) Sub Divisions namely,

* Administration
* Legal Recovery
* Financial Reporting

At the monthly Staff Meeting expected performance is closely monitored and various methods are adopted to reduce the work load & improve productivity of the available staff. The resources are always limited but ways have to be found, to optimize the available resources along with the available staff.

As method each group of staff were brought in and each of their roll in the section was discussed their ideas were entertained for better performance. Further the graduate trainee and the other trainees were brought in to receive the ideas from the younger generation how they look at the existing methodology and how the system improvement could be made. The graduate trainees gave a report on how IT solution could be initiated to solve a routine work in the office.

Human Resources Management could be done by the Human Resources Division as well by the relevant sub departments for the excellence of customer service, customer complaint was analyzed for better service delivery.

The traditional approach of Legal Recovery was re-visited by visiting some selected customers on a pilot basis to have a clear understanding as to why the customers have difficulties or poor response to the expensive process of our writing letters to the disconnected customers. Having understood the reason, that the customer not being adequately educated on implication of non-settlement of arrears, to overcome this gap. Assistance of Public Relation Unit has been sought where in the curriculum of educating people, school program and the program conducted in government Offices & in other places. Legal recovery and relevant Board Act with respect to water bill payment is introduced. It is anticipated more publicity will be made through Mass Media.

Customer awareness on legal implication should bring down the number of customers coming in to the process of Legal Recovery. This approach has given new insight to those who are managing legal recovery process and have motivated them through field visits.

There again information on mobile phone numbers is being collected with the intension that the customer will be updated and also be informed on his dues that are covered under legal recovery.

**External**

To enhance the performance of the staff within the section and all in the regions, Commercial Officers, Consumer Relation Clerks, Consumer Relation Assistants. The training need has been identified at the Head Office Commercial Division. To the higher level NWSDB Staff , training / awareness program has been conducted. To other level of staff the curriculum has been made known to the Manpower Training Development Division (MDTD) and discussions had been held to develop resource person in the RSC level to train staff. Training of Trainers program has been conducted and resource person has been selected for a structured training.

On completion of the training program the number of unsatisfied customers are expected to reduce in other words there will be time saving for over all Commercial Staff. This will result in better Human Resources Management of the Commercial Staff as over all.

**TRAINING AND DEVELOPMENT ASSESMENT OF STAFF**

Training program planned and implemented in all the Eleven (11) regions of the board by the DGM and Two AGMM to the decision making staff in the regions. Through that interaction it became clear further training has to be given to all the Commercial Offices, Accountants, Engineering Assistants, Consumer Relation Assistants and Consumer Relation Clerks to enhance their performance. Accordingly, the assistance of Manpower Development and Training Division was obtained and the resource persons were made available from the Commercial Division.

Apart from that, training requirements was identified for the all the category of staff such as, Commercial Offices , System Operator, Cashier, Management Assistant , Management Assistant (CR), Peon, Labour, Driver and the Record Keeper. List of training need for each of the category was informed to MDTD. Requesting them to include this category of staff in to their Annual Training Program.

There are many circulars that have been issued over a long period of time. Essential of recapping was identified. The relevant circulars were methodically documented in the form of a book as Commercial Circulars, a training session was done to all COO. This is being repeated to CRA and CRC. This has brought about a good dialogue and eliminating misconceptions in interpretation of circulars. In the training session more discussion was encouraged, to have a better understanding for better performance in the future.

The training needs identification had been done by working closely with the staff and identifying the gaps in their performance and also by examining various on the job deliveries of day to day activities. Further, discussion at the monthly Staff Meeting and the Monthly Commercial Managers Meeting requirements were identified further reconfirmation is obtained by monitoring the performance while execution.

Various initiatives are implemented to improve the skills and attitudes, capabilities, looking at the problem from different angles while encouraging creative thinking. Various other activities are being implemented for team building and to expose their creative ability with intensions to identify suitable persons for the right job.

By working closely with MPDT training modules have been developed, resource person have been identified and developed to train different segment of staff in commercial activities in the board. Where possible, training will be done in the regions.

Instead of bringing persons to Colombo for training, Training of Trainers (TOT)program has been done to enable the regional staff to carry out the training to it own staff by using the trained persons. This is a quicker method and maintain Knowledgeable person

All Commercial officers were brought to Colombo for three days to give a comprehensive awareness program and make importance on key result areas. Learning from other regions were shared for better performance and customer satisfaction

**Customer Service**

To be in line with the current trend to communicate with the customer through SMS customer mobile numbers are collected through different methods. A paper advertisement was made to encourage customers to update their mobile numbers by themselves. Apart from that there is facility to update information through complain management system, the new entrant is mobile app for meter readers to update mobile information. Already customer information is available that are being verified to confirm functionality. External resource person were brought in to have different approach for customer service.

**Participation in Billing & Collection Meeting**

In the western province all three RSC’s monthly Billing and collection meeting are participated by the head office commercial division. RSC Southern two meeting were attended. The largest customer base areas have been covered for close corporation to enhance performance with different approach.

**Meeting with Commercial Officers**

Monthly commercial managers meeting are conducted. In this meeting standard presentation formats are shared for comparison of performance and to encourage improvement. Small groups of commercial offices meeting are held to have an insight of the issues for routine work. System improvements are made based on feedback.

**Regular Meetings**

There are regular meetings held a. Monthly Progress Meeting with staff b. Monthly All Island Commercial Managers meeting and c. once in six months sub section staff meeting d. Annual all commercial officers meeting. All theses meeting focus on enhancement of performance. The staff are allowed to discuss the hindrance in performance and solutions were given. In comparison with previous years significant improvement had been made in revenue collection, reduction of debtage closer to 0.46 disconnected arrears collection, reliable information transformation to Finance Division. To discuss commercial staff issue regular meeting are held with participation of Addl GM(CS) and Addl. GM (HRM)****