



Everyone Wins: After refusing to stop at “pretty good,” a powerhouse is born

The client success that led to JMW’s third international consulting award in four years.



The Challenge

In 2011, things were going well for Yarra Valley Water in Melbourne, Australia. The publicly-owned water corporation—responsible for water and sewage services to 2 million Australians—had taken significant strides in performance. General Manager for People and Culture, Anne Farquhar, had spent a decade dedicated to transforming the work culture, with promising advances.

The work initially began following a disaggregation of the water industry. Plans to privatize had been suddenly scrapped by the government, and as Anne recounts, “The organization was thrown by the change and lacked purpose and direction. The Managing Director hired me with a mandate to create a culture capable of high performance and innovation.” Through a combination of internal programs, working with leadership consultants, and utilizing a globally recognized culture measurement tool, that’s exactly what she did.

So in 2011 when Anne turned to JMW for help, it wasn’t because they needed a complete turnaround. But there was tremendous room for growth. “We saw the potential for real breakthrough,” she explains. “We had a strong performance culture, but needed to translate it into extraordinary business results.”

The biggest problem, from JMW’s perspective: While there wasn’t a burning platform, there was an element of unrest and a desire to do more. Anne saw opportunities—too many service interruptions, leaks, and customer complaints; too many hardship customers not getting help; not enough revenue from customers able to pay. A 2011 culture survey showed a decline in results, and the organization needed a new strategic direction.

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The Approach

As Anne recounts, “Although we were already pretty good, we were determined to elevate performance. The opportunity had to be framed in a way that would get people out of the ‘drift’ of everyday work and motivate them to take us beyond what they thought was possible.”

“It was one of those rare instances where you’re working with an already successful organization who on the one hand doesn’t really need to change, yet is firmly



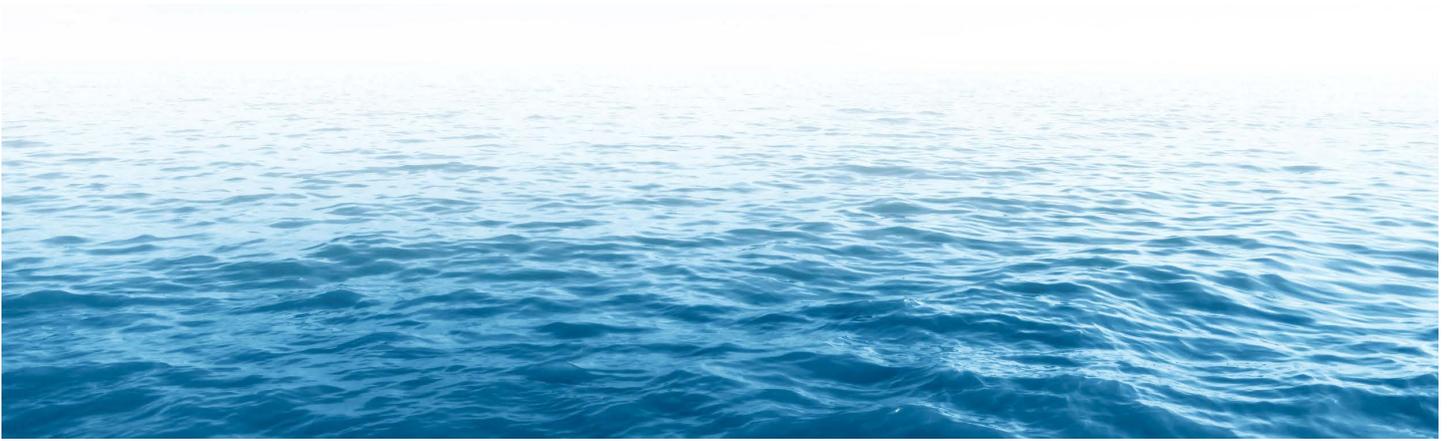
committed to changing,” comments JMW’s lead consultant on the engagement, Conrad Amos. Yarra Valley Water senior leaders and JMW agreed that dramatically elevating performance would require (1) articulating a strong, clear strategy, (2) leadership taking an unwavering stand for that strategy, (3) evoking an embrace of the strategy throughout the organization, and (4) developing leadership to ensure delivery of the all-important business results.

The Work

Anne worked with JMW to pull together 40 key leaders, including executives, divisional managers and team leaders. In parallel, the focus was on both establishing a “2020 Strategy” and developing the leadership required to champion the change. In these early interactions, there was “some real grappling, and crawling before we could walk,” Anne recalls. There was no instant gratification, but with JMW’s support, Yarra Valley Water became clearer and clearer about what was of fundamental importance to them as an organization—and the culture and leadership that would be required.

The strategy work included one-on-one coaching of the Managing Director, as well as a top leader who would become his successor. Sessions with senior executives resulted in a strategy with a bold landscape of targets, and a commitment to “smash productivity targets.” In 2013, with backing from the Board, leadership across the enterprise began working with their teams to put the strategy into action. The effort also focused on specific business initiatives such as a major IT implementation requiring across-the-board buy-in, as well as development and coaching for all people managers.

The work with managers became especially important in



2014, as the senior team made a critical decision to loosen the reins. Headed up by newly-appointed Managing Director Pat McCafferty—a longtime general manager and change agent in the organization—the executive team delegated operational execution of the strategy to divisional managers so that senior leaders could focus on the next horizon for the organization. Anne’s team and JMW also co-designed and co-facilitated training in breakthrough thinking and “difference-making conversations” to further equip managers in their more autonomous roles. Off the back of this training, divisional managers recommended—and received executive endorsement for—even more aggressive targets than in the original strategy.

With each business success, the collaboration evolved, defying the formulaic and generating increased momentum. “We’ve had so many companies and government agencies come to us wanting to replicate what we’ve done,” Anne observes. “They want the recipe, the steps to take from A-Z. But it wasn’t like that. We gave life to it as we grew. And JMW was there to guide us without stepping all over us. It was a big step up in thinking; it took us to places we hadn’t been before.”

The Results

The partnership between Yarra Valley Water and JMW yielded striking results on so many fronts that it was recently selected as the winner of the prestigious **Association of Management Consulting Firms (AMCF) Spotlight Award** in the Human Capital category—the fourth time in three years that JMW has been honored with the international accolade.

As Conrad points out, “Beyond the honor this is for us, the award represents the best of what can happen in a consultant-client relationship, where a true partnership develops and people ultimately take their business to places they truly never knew they could go.”

The foundation for Yarra Valley Water’s new levels of high-performance was their 2020 Strategy, which articulated a focus on exemplary services not only for current customers, but also “future generations.” It established Key Commitments, from “being safe” and “making every cent count” to “working in harmony with the environment” and taking “a stand for an exceptional water industry.” As Yarra Valley Water operationalized the strategy and delivered unprecedented business metrics, ideas and inventions flourished. “Everyone knew where they were going, and why – and importantly, what their contribution was,” Anne observes. Beyond the powerful impact for the organization and its customers, Yarra Valley Water accomplished something else: an inspiring influence on the industry and the region.

According to the world’s most widely used culture survey, Yarra Valley Water now ranks in the top 2% of organizations with a proactive mindset for change and long-term effectiveness. Staff engagement now scores in the Australia/ New Zealand Top 20, according to Aon Hewitt.

Additional quantitative results from mid-2011 through 2015 include:

- Water quality complaints – Down 30%
- Sewer supply interruptions, spills, blockages – Down 36%, 31%, 27%, respectively
- Hardship customers assisted – Up 36%
- Serious Injury Frequency Rate – Down over 80%
- Operating expenditures – Down 20%
- IT insourcing cost savings – \$2 million annually

The culture shift also unleashed a wave of innovation which resulted in Yarra Valley Water being selected for Business Review Weekly’s “50 Most Innovative Companies” list. “As you develop a stronger culture of responsibility,” Conrad explains, “innovation is a classic example of where organizations can take huge leaps forward. Things gets to a point where people decide, ‘circumstances just don’t get in our way.’”

Innovations at Yarra Valley Water since 2011 include:

- A world-leading leak-detection process
 - A breakthrough technology for clearing water mains
 - An award-winning hardship program for customers in need
 - First-ever digital payment options for Australian utility customers
 - Australia's first profitable Waste-to-Energy program
 - New water recycling methods to drought-proof 100,000 properties
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In addition, qualitative results were documented in approximately 100 interviews by IPSOS Social Research. Based on this research and observations from Yarra Valley Water leaders and staff, the following fundamental shifts have taken hold.

From	To
Victim of circumstance	Champion of industry, community
Culture as a concept	Culture in action
Good enough	World class
Improving	Inventing, innovating
Managers implementing directives	Managers with autonomy
Staff wavering	Staff all in

“A recent local water industry audit indicated we have the lowest per-employee Leadership & Development spend—yet we’ve achieved incredible capability improvements, with other organizations seeking out our programs. The old saying comes to mind ‘What if you invest in development and they leave? But what if you don’t invest, and they stay?’”

– Anne Farquhar, General Manager for People and Culture, Yarra Valley Water

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