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When High Performance Flows:

How Yarra Valley Water made it to the global stage

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

I'm often asked how Yarra Valley Water accomplished all we have the past few years. Yet there's no sound bite to describe the work behind our innovations. These include an award-winning customer hardship program, new water recycling methods to drought-proof 100,000 properties, a breakthrough leak detection process, and Australia's first Waste-to-Energy facility linked to a sewage treatment plant. We've seen a 36% increase in hardship customers assisted, a 20% operating expenditure decrease, and staff engagement scoring in the Australia/New Zealand Top 20. Recent accolades we've proudly earned include being named to Australian Business Review Weekly's "Most Innovative Companies" list.

None of it was predictable. To begin with, our hands were very full providing water services to 2 million people and 50,000 businesses in Victoria. Moreover, what our people have delivered is really the result of a 15-year story – one of high performance and innovation that ultimately put us on the leading edge of our industry, with peers in other parts of the world replicating our advances.

To be clear: we've always been about high performance. The mandate from the managing director who hired me in 2001 was: create a high-performance culture. That commitment has never changed, but our view of what a high-performance culture is has expanded exponentially. The marketplace demands that we adapt. By constantly evolving, we've delivered performance that almost no one thought was possible.

When we started this transformation, we really had no choice. Following a disaggregation of the water industry, the government decided against privatisation. Our people needed a new sense of purpose and direction. So utilising a combination of internal programs and leadership development, we were able to get on track. Ten years into this work, we had established a strong performance culture.

If we had been satisfied with that, I wouldn't be writing this article.

In 2011 post-drought, executive team discussions revealed a concern that we were drifting. A culture survey showed a decline in results. We hadn't yet translated culture into extraordinary business results.



Anne Farquhar

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Despite our progress, I saw so many opportunities: too many service interruptions, leaks, and customer complaints; too many hardship customers not helped; not enough revenue from customers able to pay.

We decided to set a new strategic direction, communicate it throughout the organisation, and develop leaders capable of delivering on it. Among other partners, we started working with Conrad Amos of JMW Consultants, who helped us understand this critical juncture. As he observes: "One of the best times for an organisation to realise its greatest potential is when performance is already strong, but you know there's still much more to accomplish."

We established a 2020 Strategy and developed the leadership required to champion the change. This effort included 40 key leaders - including executives, divisional managers and team leaders. We emerged from that work in a better position to perform than ever before - and in short, we did. Beyond the powerful impact for the organisation and our customers, we realised something else: an inspiring influence on the industry, region, and beyond. Indeed, this year we were honoured alongside JMW with an international award from the global Association of Management Consulting Firms (AMCF).

Here are some lessons from what catapulted us from a good organisation with a sense of culture to a thriving high-performance organisation.

Listen as you lead, and be brave enough to grapple.

We led this revolution with leadership that's not afraid to listen, allowing people to dream up new ways of doing things. Maybe not every idea sticks but we have an environment where people aren't afraid to try. An overarching strategic plan is essential but we aren't weighed down by it; we know how to adapt when needed.

In this work, we've had to sometimes really grapple with things, and you have to be brave to do that. For change to take hold - for it to be transformational - people have to actually experience it. It can't be change as a concept. We see our organisation's capacity for change as a vital capability, and always will.

Allow commitment to lead to innovation

To quote Conrad: "As you develop a stronger culture of responsibility, innovation is a classic example of where organisations can take huge leaps forward. Things get to a point where people decide, 'circumstances don't get in our way.'" When people's hearts and souls are attached to what they're doing, a whole new level of performance is unleashed.

We took on so many serious challenges. Each and every innovation started with a real commitment from people to do



something that had never before been done. That's how we drought-proofed all those households, developed waste-to-energy and leak detection breakthroughs, and mobilised staff to elevate our hardship outreach. These innovations became far more than "work" for our people as they developed a true connection and commitment to what we were doing.

"When people are free to operate and be who they can be, that removes so many previously perceived limits to performance and innovation."

Collaborate

We've picked the right partners. Our recent acceleration in results has in part been fuelled by collaborators who help us reach even farther and think even bigger. Yet we absolutely retain ownership. It's always been our lens, our story. There can be a tendency in our industry to focus on processes, but it takes more to rise above the status quo. As JMW Partner Deborah Kiers describes it: "Despite numerous ground-breaking technologies developed to combat drought, there's a demand for something beyond tactical — even strategic — solutions: a critical need for solutions delivered in collaboration."

She's right. We now collaborate not only with outside experts, but also with other water utilities as we seek out new approaches to dealing with water scarcity. We're evolving from being organisation-centric to embracing the value of taking on complex issues in collaboration.

Don't forget buy-in at the very top

I can't understate the role of the Board, Managing Director, and the management team. They have to be on board with the change required for high performance. In our case, the commitment of our managing directors during this process came shining through, demonstrating to the Board that ours was the right path.

Many companies start change programs but can lack strong direction. Unless there's a clear line of sight to something worthwhile that staff can see themselves contributing to in a meaningful way, no real change will take hold. Transformational change certainly requires the engagement of people at all levels of the organisation, but it can't happen without commitment from people at the very top.

Follow strategy, but adapt

We set a bold strategy with a broad landscape of objectives, including a commitment to "smash productivity targets." Yet with a culture where people felt free to aim extremely high, unexpected things happened, including divisional managers recommending – and receiving executive endorsement for – even more aggressive targets than in our original strategy.

When people are free to operate and be who they can be, that removes so many previously perceived limits to performance and innovation. People know where they're going, why, and what they must deliver. You will also see them begin to operate this way outside of work, with an elevated sense of freedom and purpose. And in their professional lives, they will continue to be inspired in new ways – and consistently redefine how far their high performance can take their organisation.