

Business Planning/Commercialisation

GCW – Scientific Services

Background

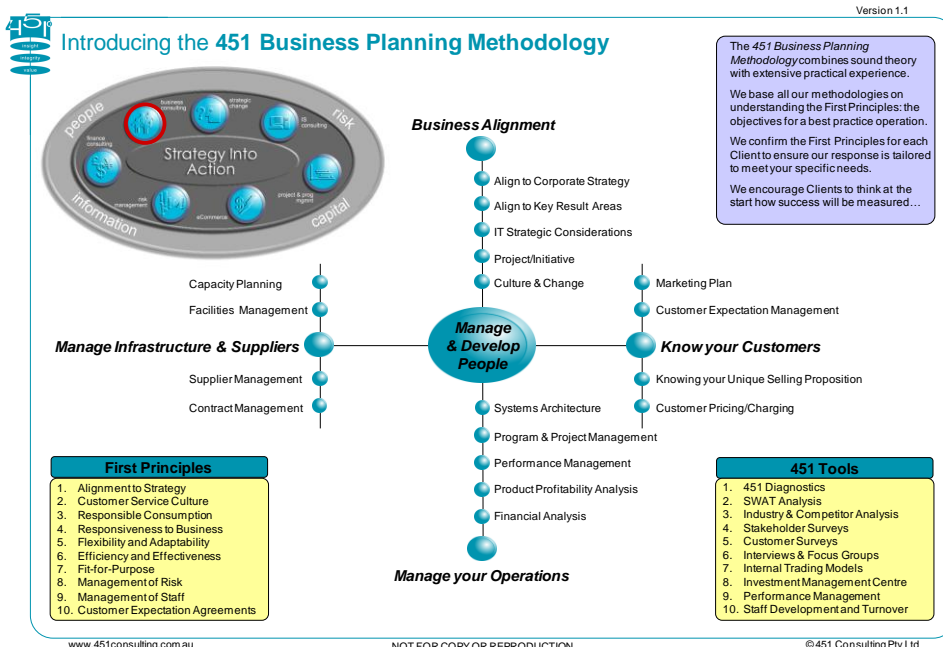
Gold Coast Water (GCW) has been established as a Directorate of the Gold Coast City Council since June 1995 to provide water and wastewater services to to customers through the management of the City's water and wastewater assets. They are also responsible for the creation of new assets. Their Scientific Services Branch monitor water quality and investigate pollution problems. They collect water samples from a wide range of locations for testing at their Coombabah and Molendinar laboratories. They also conduct on-site field tests at dams, reservoirs, taps, rivers, creeks, storm water drains and effluent discharge points. Gold Coast Water also manages the Hinze Dam and the Little Nerang Dam as well as constructing new facilities.

In 2004 they commenced a transformation of the business to a commercially managed operation with stand alone financial viability. They commissioned 451 Consulting to help create a business plan that the people within Scientific Services actively supported. As they became familiar with the commercial basis, they evolved the business plan to match their new needs and changing culture.



Process

451 Consulting partnered with Scientific Services in 2004 to identify progressive changes to the business planning and management processes to meet the new commercial imperative. These early initiatives helped Scientific Services to organise their business along commercial lines. In 2006, we assisted Scientific Services in the Business Planning process to focus on forecasting and planning for changes in the operating environment. The people in Scientific Services have participated in all key stages of the process and this has fostered a highly supportive environment for change for staff. The approach was tailored from the 451 Business Planning Methodology, enabling the Scientific Services to build their competencies and retain ownership throughout the process.





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451 worked with the people at Gold Coast Water to develop and evolve a business planning structure in 2004 and 2006 covering the following dimensions:

1. Aligning prices to the market and facilitate development of an equitable pricing policy to **ensure customers gain commercial services**.
2. **Surveying customers** to understand Scientific Services unique selling proposition, customer perceptions and **segment the customer base** to tailor specific services to meet each group of customers.
3. Defining a **labour charging model** for the different services they offer.
4. **Enhancing the detail of the trading statement** to understand how the different revenue components impact viability and to model the trading performance.
5. Creating a **scenario model** to plan
 - For additional workload from **future capital project activity**
 - How best to achieve the financial viability requirements whilst **managing the forecasting risks** for new capital project demands
6. Defining a resourcing strategy that allows Scientific Services to fulfil additional testing requirements for new capital projects whilst maintaining an efficient cost base.

Outcomes

The segmentation and pricing reviews helped to identify economic customer types and to maximise value for existing customers. The scenario model helped to identify a key business decision to position for stand-alone financial viability. It also demonstrated how the branch had to plan for people numbers and accommodation so they could be sure of servicing the volume of work, and continuing to be highly responsive to their customer needs.

Testimonial

“Scientific Services commenced the commercialisation journey four years ago. We commissioned 451 Consulting in 2004 and again in 2006 to help the scientists understand and develop the right commercial structure, plan and focus to achieve our objectives. The 451 consultants brought understanding and professional insight, working with our people whose prime focus was scientific excellence to provide a commercial overlay. The scenario modelling within the 451 Business Planning process helped identify the key business decisions to meet our financial viability requirements. We are now well equipped technically and positioned commercially to respond to our customers needs now and in the future.”

Michael May, Manager Strategy and Business Improvement Gold Coast Water