The Stewardship Challenge

Opening new pathways for enhanced organisational performance and social impact is the long game for customer stewardship. It is fundamental to ensuring that the infrastructure system of the future can adapt, be flexible and serve as a catalyst for security, growth, and prosperity.

Customer Stewardship is governed by eight foundational competencies to activate Collaboration, Courage to Change and Faster, Deeper Learning as shown in Figure 1 below. That means being more responsive to customer and community imperatives and always forward-looking to positive change – these are defining traits of Customer Stewardship centred organisations.

Figure 1: Overview of Customer Stewardship

Descriptions of the competencies below (Figure 2) give insight into how an organisation or community can evolve by being vested in building a better, more people-centred infrastructure world. It was co-created with industry, government, academia, and the community by Garry Bowditch over a four-year research program at University of Sydney, Australia.
The Customer Stewardship Framework focuses the attention of an organisation towards its customers to support improved resource allocation and customer outcomes. Infrastructure owners and operators are encouraged to report the practical results that will be delivered to their customers and reflect customers' concerns, priorities, and preferences.

Boards are responsible for outcomes they and their management teams deliver and the risk that their businesses assume on behalf of customers and other key stakeholders. By articulating goals in terms of tangible customer outcomes, the Board determines its level of ambition, which is taken into account by Customer Stewardship Alliance (CSA) in developing any programs for an organisation.

There is the need to strengthen the use of market mechanisms to provide incentives to create value and deliver better outcomes for customers, stakeholders and investors alike. Enhancing the role of price discovery ¹ will help inform owners and operators of the willingness of customers to pay for additional services and of varying quality that can better allocate investment. The information from customers is the best way that future infrastructure projects can be more timely, scaled and feasible.

Figure 2: Summary of Customer Stewardship Competencies

The Customer Stewardship Competencies for infrastructure encourages greater transparency (including open data) to inform better investment decision-making across stakeholder groups. Having more contestability in providing a deep and comprehensive layer of information that extracts more from the existing infrastructure can significantly increase economic productivity, liveability and sustainable economic growth.

¹ Price discovery means the process of setting prices through matching buyers and sellers to find an acceptable price for a given quality of product or service.
While natural monopolies, which dominate much of the sector, can make customer-led infrastructure more challenging, the cleansing effect of transparency, benchmarking, and continuous improvement embedded throughout the Customer Stewardship framework is extremely helpful in these environments.

Establishing a stronger focus on customers by setting up a more effective signalling mechanism between customers and asset owners/operators invites a crucial new discipline in infrastructure. That is where customers and service providers can exchange information, understand needs and preferences, and be motivated to meet them.

A Customer Stewardship program provides information on the quality of institutional arrangements to make customer informed investment decisions, safeguard social inclusion, and balance the interests of customer and stakeholder groups.

There is a rich textural mix of innovative and diverse approaches where government and private firms initiate customer stewardship by doing it their way, rather than a one-size-fits-all formula. CSA programs recognise that every infrastructure sub-sector has its dynamics and features, and each infrastructure entity operates in geographies that influences the approach they take to customer stewardship.

**Maturity Tracking**

The Customer Stewardship™ Maturity Model is an organising tool that summarises the overall Competency of an entity. It helps drive self-improvement through a clear understanding of what is required to evolve to the next level of maturity.

The Customer Stewardship Maturity Model shown in Figure 3 provides a summary of the framework used to determine where organisations sit within the full spectrum of customer stewardship maturity.

**Figure 3: Summary of Customer Stewardship Maturity Model**

![Customer Stewardship Maturity Model Diagram](image)

Source: Customer Stewardship Alliance, 2021©
Figure 3 outlines the characteristics of entities at each level and rates entities into one of five categories – Initiator, Fast Adapter, Integrator, Exemplar and Master Exemplar. Continuous improvement is fundamental to customer stewardship practices and performance – it is key to moving from one level of maturity to the next. Figure 4 provides further details of threshold competency development required for each maturity level.

**Figure 4: Details of Threshold Competency Development for Maturity Levels**

![Figure 4: Details of Threshold Competency Development for Maturity Levels](image)

Source: Customer Stewardship Alliance, 2021©

**Self Assessment Testing**

The Customer Stewardship Alliance (CSA) applies its methodologies and competency development programs to organisations. We have a special interest in organisations that impact the quality of life today and how they pay forward a positive legacy to the future. These include government, private and not for profit organisations involved in all aspects of the provision of infrastructure assets and services.

CSA invites visitors to our website and do a Self-Assessment Test to see explore where an organisation that you are affiliated with might be positioned in respect of the Customer Stewardship Maturity Model that is discussed in the previous section. It is a quick, easy quiz that will help give you a more practical understanding as to CSA’s perspectives about organisations in a confidential and safe way.

Please go to our ‘[Contact](#)’ page and request a Self-Assessment package.
Customer Stewardship™ Competencies Elaborated

**Engagement**

Engagement is undertaken with various customer segments and key stakeholder groups, including communities, to understand better and inform goals. Evidence that customers and other key stakeholders are consulted and that the insights inform the development of customer goals and corresponding capital and operating spending allocation. This includes evidence of the trade-offs made between the interests of different customers.

Actions to implement this competency include:

- consulting customers and other key stakeholders to gain insights into needs and issues faced by the various customer groups, segments and stakeholder groups;
- using the insights from these consultations to inform better the setting of goals, strategies, allocation of capital and operating spending and project selection.

**Ambition**

The Customer Stewardship Framework pivots the entity’s attention towards their customers in a way that supports improved resource allocation and customer outcomes. Entities are encouraged to set goals and report in terms that reflect the outcomes delivered to customers, reflecting the concerns, priorities and preferences of customers.

Boards are responsible for the outcomes they and their management teams deliver and the risk that their businesses assume on behalf of customers and other key stakeholders. By articulating tangible goals for customer outcomes, the Board determines its level of customer stewardship ambition.

Rather than a one size fits all approach, entities are encouraged to engage with customers to identify the most important goals.

Actions to implement this competency include:

- Customer goals are specified in terms of practical outcomes the entity plans to deliver to customers that collectively constitute the entity’s ‘Ambition’.
- Customer centricity has been implemented, embedded, and become a cultural marker for the entity.
- Goals and strategies are understood and supported within the leadership and across all business units and functional areas.
Alignment

Key performance indicators are specified underlying these goals comprising measurable outcomes, outputs, deliverables and corresponding targets against which performance will be monitored and assessed.

Actions or programs (and proposed completion dates) that the entity will undertake to meet the agreed targets linked back to the goals. Critical operating expenditure and capital investment plans are linked to goals and delivering improved customer value.

Actions to implement this competency include:

- Strategic planning identifying drivers of change and strategic risks and opportunities and preparing for an uncertain future;
- Enterprise risk management systems and practices enabling decision making within a risk-return framework;
- Ambitious targets that go beyond financials to non-financial targets and goals set for both short term and long-term horizons; and
- Goals and strategies are reinforced through formal mechanisms, particularly metrics and targets that cascade down to individual performance expectations.

Adaptiveness

Adaptiveness requires infrastructure that can change, be repurposed, and made more resilient to meet long-term customer outcomes and opportunities of the future.

Infrastructure should continually adapt to and deliver services when and how customers want them today and into the future, based on fair and reasonable costs of provision, pricing and quality of service.

Risk and innovation should be central to planning to allow flexible responses to, for example, changing technology, trends in disruptive activities and shifts in customer and consumer preferences and behaviour.

Actions to implement this competency include:

- actively identify, analyse and implement adaptations that can directly improve customer outcomes through both lower costs and enhanced value;
- portfolio of investment in adaptation, including disruptive technologies to both respond and shape a dynamically changing environment;
- nurturing and championing adaptation of the broader network the entity operates in and engenders a collaborative ecosystem where appropriate; and
- innovate to facilitate new services and technologies that support sustainable solutions that meet the changing needs of customers.
Connectedness

Connectedness is essential because infrastructure customers, communities and the economy rely more than ever on highly functional interdependent networks to support economic and social wellbeing over the long term. Connectedness ensures adjacent infrastructures complement each other to work as a network that can transform customer behaviour, service outcomes and regulation over the long term.

Actions to implement this competency include:

- collaboration across the supply chain and community to implement solutions to improve service delivery, resolve service issues and meet evolving customer needs over short and long-term horizons;
- investing and working beyond defined institutional boundaries where necessary to improve customer outcomes; and
- policies, processes and actions that give practical effect to the importance of dependence of connected and adjacent networks.

Resilience

Resilience speaks to the importance of adaptation by being informed of choices and equip customers, consumers, and stakeholders with the necessary information to choose wisely and understand the consequences of their decisions for themselves and more broadly.

When customers and stakeholders are better informed about their choices, this enables a ‘price discovery’ to guide the allocation of capital and other resources more efficiently and effectively.

Actions to implement this competency include:

- providing customers with a range of products and services that match individual needs and preferences, particularly a price for quality offering.
- Providing customers with prompt and timely information that is accessible and easy to understand about the service’s availability, cost and quality to enable customers to make informed choices concerning when and where to use services.
- Improving interaction with customers including through conducting new trials and pilot programs to inform the development of capabilities, products and services.
- Ensuring data openness and availability to enable dynamic and entrepreneurial processes for both opportunity and need identification for capital and operating spending.
Empowering consumers through choices that are communicated with clarity and in a timely manner with effective tools and incentives that help to address customer passivity to manage their usage and costs better; and enable customers to receive fair outcomes regardless of their level of engagement in their consumption decisions and promotion of special offers to all customers.

**Sustainability**

Sustainability requires the ability to meet the needs of the present without compromising the ability of future generations to meet their own needs, encompassing environmental, social and governance considerations. It requires infrastructure that serves all members of society over its long life to a satisfactory standard to lift economic and social inclusion and achieve enhanced environmental outcomes. Addressing economic, social and environmental challenges requires infrastructure to serve everyone in society, not just those that can afford to pay for it.

Serving all requires government and private owners and operators to work together to improve the efficiency and efficacy of regulation to enable pricing and subsidies supporting universal access to be sustained over the long term. Actions to implement this competency include:

- Environmental sustainability targets, actions, innovations and performance reporting on performance and action plans to support sustainability and continuous improvement in respect of social inclusion;
- planning and investment decisions encompassing consideration of vulnerable and disadvantaged customers; and
- collaborate across the value chain and with the government to implement solutions that improve sustainability and outcomes for customers facing hardship or vulnerable circumstances.

**Transparency**

Transparency helps ensure that infrastructure that is accountable to long term goals across its life cycle through operational performance, governance of data and payment systems that are transparent and open to regular review.

Transparency is essential so that infrastructure can be an agent of change in pursuing continuous improvement rather than remaining a static asset. It can help keep political interference in check, identify under and exemplary performance and inform follow up actions with investors, operators, market disruptors, regulators, and customers. Actions to implement this competency include:
● reporting on activities by the entity that have consequences for issues that are seen to be sensitive to stakeholders or relating to customer-centred design;

● progressively and innovatively embedding transparency into management practices with a readiness to communicate in ways to meet customer and community expectations outside of annual reporting cycles; and

● producing reports and providing performance, policies, systems and service volumes data (including data and narrative descriptions) that permit comparisons of performance over different reporting periods enabling stakeholders to conclude the infrastructure service performance.

Further Information

Contact Garry Bowditch for any further inquires about Customer Stewardship Alliance and if you or your organisation is interested in undertaking an obligation free Self-Assessment of competencies relating to Customer Stewardship.

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