



## THE SIGMA GUIDELINES – CASE STUDIES

### NORTHUMBRIAN WATER LIMITED

Developing Northumbrian Water's vision for sustainability



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"Our vision is to be a national leader in the provision of sustainable water and wastewater solutions. The visioning processes enabled us to explore what this means in more detail by engaging managers from across the company and challenging them to think about the future beyond business as usual. The focused event, which benefited from having external input from an expert in the field of sustainable development who also understood the sector in which we operate, will enable us to more clearly communicate our vision to our stakeholders."

Chris Spray, Northumbrian Water Limited, Environment Director

## Background to SIGMA

The SIGMA Project - Sustainability: Integrated Guidelines for Management was launched in 1999 as a partnership between the British Standards Institution, Forum for the Future and AccountAbility. It is supported by the British Government, and advised by a multi-stakeholder Project Steering Group comprised of organisations such as Worldwide Fund for Nature, Association of Certified Chartered Accountants, the Confederation of British Industry and the Trades Union Congress. SIGMA seeks to provide clear practical advice to organisations that enables them to make a meaningful contribution to sustainable development, by improving their social economic and environmental performance.

## About NWL

Northumbrian Water Ltd is investor owned, with institutional investors owning 75% and Suez holding 25%. The company is listed on the London Alternative Investment Market (AIM) and a full flotation on the Stock Exchange is planned for late 2003. NWL serves a population of 4.3 million people with drinking water and 2.6 million people with sewerage services. It has a northern and southern operating area where the brand names Northumbrian Water and Essex and Suffolk Water are used respectively. As well as collecting, treating and supplying drinking water and collecting, treating and disposing of sewage and sewage sludge for domestic and industrial customers, NWL has leisure interests which provide holiday accommodation, conferences, fishing and recreational facilities at reservoirs. It also provides services to homeowners relating to water connections, contaminated land, flooding and planning applications. Further information can be obtained from [www.nwl.co.uk](http://www.nwl.co.uk).

## NWL and Sustainable development

NWL has reported publicly on its environmental performance since 1994 and in 2002 for the first time reported on the three pillars of sustainable development: environment, society and economy. In addition to developing a vision and strategy for sustainable development, NWL is also seeking to address the risks and opportunities that the sustainable development agenda presents (see other case study). NWL operates ISO14001 across the whole of its wastewater treatment processes and aims to have certification covering all operations by 2005. NWL is working with Water UK, the water

industry's trade body, on developing sectoral social and economic indicators and developing a sectoral sustainability strategy.

## SIGMA Pilot Project

The aim of the pilot project was to develop a vision that enables NWL to create a route map towards a more sustainable future.

## What was done

In order to create a long term vision for sustainable development that is both owned and implementable, NWL brought together their Senior Management team and members of the sustainability advisory group (key people with a remit for sustainability from across the business) for a workshop to develop the vision.

The group spent the day together out of the office with external facilitators from Forum for the Future taking the group through the visioning process.

The day began with some external input, in this case a presentation from Jonathon Porritt, Programme Director at Forum for the Future. This presentation ensured that everyone was up to the same level in their understanding of sustainable development and also presented a challenge specifically to NWL on the key issues that they needed to address to be more sustainable.

Creating the vision was done in two stages: Firstly, an initial brainstorming in small groups, focusing on the big picture of what would a sustainable NWL look like in 2020. Secondly, applying these big picture ideas to the five capitals element of the SIGMA principles.

The first exercise was done in small groups by asking people to answer questions like 'what will the promotional material be saying in 2020?'; 'what will people be discussing by the water cooler?' and 'what will the directors priorities be in a sustainable company?'. This loose brainstorming process allowed people to 'think 2020' and formed a creative basis for the rest of the workshop. It resulted in a combination of innovative, big picture ideas and some more specific changes which were captured.

The mapping against the five capitals developed the vision by incorporating more specific aims and objectives under each of the capitals in turn, building on the initial outputs. Again in small groups, people were asked to identify what managing and optimisation of natural, social, human, manufactured and financial stocks of capital would ideally look like in NWL. These outputs were ultimately developed into a number of vision statements - one for each capital and an overarching/ integration statement. These statements were then consolidated into a draft vision.

The final part of the workshop was to identify the actions that would be necessary to achieve the vision, again using the five capitals model as a framework. This both generated greater buy in and began to identify next steps.

The workshop formed the first step in developing a vision for a sustainable NWL. The vision is now being refined, shared with stakeholders and communicated more widely. In parallel with establishing the vision, NWL are developing a sustainable development policy and strategy that will enable them to build a more sustainable future.

The visioning process enabled NWL to bring together senior managers from across the business to focus on the development of the vision for the company. The outputs from the visioning process also formalised their thoughts on their new sustainable development policy. This will enable NWL to more coherently communicate their vision to their internal and external stakeholders.

### Key Lessons

- Ability of the group to think beyond their current priorities is critical for the success of the visioning approach. Asking key questions to prompt people's thinking and allow them to visualise a time in the future supports this process, as do prompts about the key changes that may be facing organisations in a particular year (in this case 2020)
- Effectiveness of workshops is generally enhanced by external facilitation and being away from your place of work
- The initial input was important in creating a good understanding across the group of the five capitals/ SIGMA principles. This particular presentation was tailored to the water sector and helped create a positive momentum for the visioning process.
- The five capitals element of the SIGMA principles provided a useful framework for visioning and provided some structure. Providing information in advance meant that less time was spent explaining the principles and instead the focus was on the vision for NWL.
- Workshops are a first step in creating a vision and the next steps are more challenging.

**Core SIGMA Elements** - Vision, mission and operating principles sub-phase

**Running:** Sept 02 - May 03