

# Strategy and Sustainability

## Mission Strategic Intent, Vision & Values

Umgeni Water's Mission, Strategic Intent, Vision and Values continue to provide a clear framework for formulation and implementation of its strategic objectives and delivery on its water services mandate.

The organisation's business, as articulated in its mission, is the provision of water and sanitation services to local government.

## Mission

**"To provide effective and affordable bulk water, bulk sanitation and related solutions to local government in accelerating the water sector's national developmental agenda"**

Umgeni Water wants to be recognised as a strategic and sustainable partner of municipalities, creating distinct shareholder value through providing bulk water and sanitation services as a catalyst for local economic development and supporting government's developmental agenda.

## Strategic Intent

**"A key partner in enabling local government to deliver effective water services"**

The long term aspiration of the organisation is to become the first-choice water utility in the developing world and to leave a positive legacy in the areas it serves.

## Vision

**"To be The Number One Water Utility in the Developing World"**

## Values

Six core values underpin Umgeni Water's business.

### *Customer Focus*

Partnering with municipalities to proactively identify and provide integrated sustainable solutions to enhance their capacity to deliver in accordance with their mandates.

### *Integrity*

We commit ourselves to the highest ethical standards by dealing with all internal and external stakeholders in an honest and transparent manner in order to engender trust. We appreciate the same integrity from our customers, suppliers, partners and other stakeholders.

### *Developmental Approach*

We deliver sustainable and appropriate water and sanitation solutions that improve the quality of life and contribute to the human development agenda.

### *People*

We value and respect all people equally.

### *Environmentally Sustainable*

We are committed to protecting our diminishing natural resources and reducing pollution in all areas of our involvement.

### *Excellence*

We value the use of innovation, knowledge and intellectual capital, from our staff, customers, strategic partners and stakeholders, to enhance our delivery of water and sanitation services.

## Strategy and Sustainability

Umgeni Water developed its sustainability policy in 2006. In 2009/2010 this commitment was further embedded through the introduction of ten performance outcomes.

Working together with its stakeholders, Umgeni Water will strive to progressively achieve these outcomes, thereby enabling it to be a highly performing and sustainable water utility.

The ten outcomes are:

1. Product Quality (Water & Wastewater),
2. Customer Satisfaction,
3. Infrastructure Stability,
4. Stakeholder Understanding & Support,
5. Financial Viability,
6. Water Resources Adequacy,
7. Community & Environmental Sustainability,
8. Leadership & Employee Development,
9. Operational Resiliency, and
10. Operational Optimisation.

## Ten Outcomes for Performance & Sustainability

**Product Quality (Water and Wastewater), is achieved when Umgeni Water produces potable water and wastewater in compliance with statutory requirements and consistent with customer, public health, and environmental needs.**

## Strategy and Sustainability continued

**Customer Satisfaction** is achieved when Umgeni Water provides reliable, responsive, and affordable services in line with explicit, customer-agreed service levels and receives timely customer feedback to maintain responsiveness to customer needs and emergencies.

Umgeni Water has **Infrastructure Stability** when it understands the condition and costs associated with critical infrastructure assets and maintains and enhances the condition of all assets over the long-term. This is done at the lowest possible life-cycle cost and acceptable risk levels, is consistent with customer and statutory-supported service levels, and consistent with anticipated growth and system reliability goals.

**Stakeholder Understanding and Support**, is attained when Umgeni Water engenders understanding and support from statutory, contracted and non-contracted bodies for service levels, tariff structures, operating budgets, capital improvement programmes, and risk management decisions, amongst others.

Umgeni Water is **Financially Viable** when it understands the organisational life-cycle costs and maintains a balance between debt and assets while managing operating expenditures and increasing revenues. In addition, the organisation aims at a sustainable tariff that is consistent with customer expectations, recovers costs and provides for future expansion.

Umgeni Water achieves **Community and Environmental Sustainability** when it is explicitly cognisant of and attentive to the impacts it has on current and future community sustainability, supports socio-economic development, and manages its operations, infrastructure, and investments to protect, restore, and enhance the natural environment, whilst using energy and other natural resources efficiently.

Umgeni Water has **Water Resources Adequacy**, when it assesses the scarcity of freshwater resources, investigates sustainable alternatives, manages water abstractions assiduously and has access to stable raw water resources to meet current and future customer needs.

**Leadership and Employee Development** is achieved when Umgeni Water is a participatory, collaborative organisation dedicated to continual learning and improvement, recruits and retains a workforce that is competent, motivated, adaptive and works safely, ensures institutional knowledge is retained and improved; provides opportunities for professional and leadership development, and creates an integrated and well-coordinated senior leadership team.

Umgeni Water has **Operational Resiliency**, when its leadership and staff work together to anticipate and avoid problems and proactively identify, assess, and establish tolerance levels for, and proactively and effectively manages a full range of business risks, consistent with industry trends and system reliability goals.

**Operational Optimisation**, has been achieved when Umgeni Water has ongoing, timely, cost-effective, reliable, and sustainable performance improvements in all facets of its operations, minimises resource use, loss, and impacts from day-to-day operations and maintains awareness of information and operational technology developments to anticipate and support timely adoption of improvements.

### Strategy Integration & Sustainable Value Creation

Umgeni Water continues to find value in using the strategy map architecture (**Figure 3**) to show an integrated strategy straddling key sustainability perspectives.

The sustainability perspectives, embrace horizontal combinations of strategic objectives that continue to enable the executives to separately plan and manage each of the key elements of the strategy, yet still have these vertically integrated to achieve coherence with the mission and mandate of the organisation.

On an ongoing basis Umgeni Water customises its strategy map to ensure it remains responsive and can articulate value for customers and stakeholders.

The organisation's strategy map thus visibly communicates its strategic objectives, shows how balance is to be achieved through integration of sustainability perspectives, to achieve its desired ten outcomes, and create sustainable value for customers and stakeholders.

# Report Profile

The annual report is an important component of Umgeni Water's integrated strategy system.

It is foremost a statutory requirement in terms of the Water Services Act (Act 108 of 1997) and the Public Finance Management Act (Act 1 of 1999), which requires mandatory disclosure of annual performance against the entity's business plan.

At the same time, it provides opportunity within the statutory reporting framework to align to best practice integrated sustainability reporting.

This report therefore is the means by which Umgeni Water communicates to all stakeholders: its customers, regulatory bodies, investors, employees and civil society, its annual performance and progress towards moving the organisation in a direction that supports sustainable development.

Umgeni Water has been consistently producing annual reports since its inception. This report covers the period 1 July 2009 to 30 June 2010.

Figure 3: Umgeni Water's Strategy Map → Organisational Strategy Integrated through Sustainability Perspectives to Create Sustainable Value for Customers and Stakeholders

