



Llywodraeth Cymru  
Welsh Government

Innovation

## Wales & West Utilities

### Gas emergency and pipeline service delivers innovation through collaboration



Innovation manager, Lucy Mason and regulations director, Steven Edwards, from Wales & West Utilities

**Wales & West Utilities** was one of eight organisations to join an 'open innovation' pilot programme, developed by the Welsh Government, to encourage some of the country's biggest employers to reach out to the huge pool of talent that exists in Wales to help tackle their key business challenges.

Participants in the open innovation programme identified challenges that they felt could benefit from innovation delivered through proactive collaboration with the business community or academia in Wales.

#### Developing an 'Innovation Framework'

Innovation has long been central to Wales & West Utilities' role in delivering essential services to the 7.5m people in its region, but it has become more prominent since 2013, when a new regulatory framework was introduced. The framework determines the revenue gas and electricity distribution and transmission companies receive, with innovation being one of the key criteria.

The company focussed on innovating to reduce costs for customers both now and in the future, while driving business efficiency. It developed an innovation strategy, led by a newly

#### Wales and West Utilities' Key Achievements:

- The company assessed more than 400 different ideas that translated into 47 projects
- 33 of these projects involved external collaboration
- Resulted in £3m worth of investment
- Estimate cost savings of £1m

appointed innovation manager, and supported by a programme of engagement and collaboration with external organisations.

A range of partnerships, including with the UK-wide Energy Innovation Centre (EIC), have helped to identify opportunities and facilitate the development and progression of new innovation projects and technologies.

The company also recognised that staff were a significant source of innovation, so an internal 'innovation forum', with representatives from across the business, met monthly to discuss progress.

## Delivering results

During a three-year period, the company's innovation team assessed more than 400 different ideas that translated into 47 distinct innovation projects, of which 33 involved external collaboration. These projects have been underpinned by £3m worth of investment; have already resulted in an estimated £1m of cost savings and put the company in a far better position to maximise the potential of future projects and solutions. The company's involvement in the open innovation pilot was a catalyst for change and also contributed to two goals of the 2015 Wellbeing of Future Generations Act – creating "a prosperous Wales" and, given the environmental remit of the company, "a resilient Wales".

Innovation continues to play a key role in helping Wales & West Utilities to deliver the highest possible levels of safety, service and reliability to the communities it serves. The company has also shared its learning experiences with the Welsh Government, as well as other organisations beyond its immediate networks.

"The open innovation pilot has given us valuable wider exposure to a diverse range of sectors including defence, pharmaceuticals and electronics. It has allowed us to go outside of our own organisation to connect with academia and new suppliers, both big and small, to develop solutions and draw on skills and expertise to meet the challenges of the future."

**Lucy Mason, Wales & West Utilities Innovation Manager**

## What next?

The Welsh Government has continued its push on open innovation by engaging with other large organisations in Wales directly, as well as promoting opportunities for collaboration projects on its Expertise Wales website [[www.expertisewales.com](http://www.expertisewales.com)]. The open innovation strategy centres around encouraging partners from within the Welsh SME community to engage directly with large organisations and to work collaboratively on innovative solutions to their business challenges.

To find out more about funding and support from the Welsh Government  
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