Transforming your utility's customer experience: **from good to great**

How to boost your utility's customer experience with six essential components and one digitalization strategy

OPEN

Content

Victim of a **nightmare** experience

Chapter **1**

> *The following story is inspired by unpleasant real-life events. No customer should ever be subject to such hardships...*

D anielle, a mother of two beautiful twins and wife of an army officer deployed overseas, has just moved into her new house located in a beautiful neighborhood on the outskirts of the city. The moving process has been a lot to handle and she just wants to enjoy a nice glass of wine and a bath while the girls binge-watch the new season of their favorite show.

As soon as Danielle arrives at her new place, she tries to turn the lights on and connect to her mobile Wi-Fi network only to find out that nothing works: no running water, no AC, and no internet. She calls the utility service line and interacts with an inefficient IVR system that keeps her on hold for a long time and then asks her to type in a lot of information through her mobile keyboard. She is then transferred to a Customer Service Representative (CSR) who asks her to do the same once again. Although Danielle informed the utility about the move several days in advance, the CSR tells her that the request is not registered in the system.

Danielle cannot believe that this is happening and is now upset and disappointed with the company. The worst part is that all the services are disconnected, and it is uncertain how many days will go by until the company reactivates them. Let alone, there will be billing inconsistencies once this is all settled. What a nightmare!

Like Danielle, every customer is expecting their utility to deliver smooth and compelling experiences. This should be the case, not only when moving to a new house, but with every interaction they have with the company across all communication channels.

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Nightmare experiences, such as Danielle's, are fueled by a misguidance sowed in the industry that has led utilities to believe that improving their Customer Experience (CX) is a matter of focusing their efforts on just improving self-service portals. This is a huge misconception! Even though having a self-service portal is a necessary step to a better CX, there is a lot more to it.

That is why utilities feel frustrated when they do not achieve goals in terms of customer engagement and satisfaction. Because they lack a real understanding of where to focus their CX efforts and resources, they are vulnerable to investing time improving areas that do not represent the core of their business and are not the source of their customers' satisfaction.

Utilities are also facing additional pressure because of newer digital generations and competitors. These companies are struggling to gain new customers in this competitive market, while maintaining the loyalty of existing users. To overcome these challenges, utilities must have a complete grasp of the whole CX world.

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Everybody talks about CX, but...

- **What does Customer Experience (CX) exactly mean for utilities?**

- **What are the essential components to boost CX?**

- **How do you become a digital utility?**

The importance of customer experience for utilities

Chapter **2**

What does Customer Experience (CX) mean exactly?

81% of officers claim that their companies will compete mostly on the basis of Customer Experience (CX) within the next couple of years.

Figure 1. Competition based on CX [2]

According to Gartner, Inc., a research and advisory firm, CX is defined as "the customer's perceptions and related feelings caused by the one-off and cumulative effect of interactions with a supplier's employees, systems, channels or products." [1]

This concept is greatly relevant in the utility industry because customers need reliable services around the clock. Therefore, utilities should always improve their relationships with customers and assure that they feel satisfied at every stage of their journey, paying close attention to the pain points that lead to bad experiences.

The utility customer's journey

The customer journey comprises the series of interactions between a customer and a company that occur as the customer pursues a specific goal [3]. It is safe to say that Danielle's journey when moving into her new place was quite frustrating.

Utilities are mapping key journeys, such as Danielle's, to understand how their customers interact with the company, from an end-to-end perspective. These interactions outline the path from the moment a customer becomes aware of an unfulfilled need to the moment that customer purchases a product and advocates it. This allows utilities to identify where the CX can be improved by introducing measures to reduce problems experienced along that path.

The moments that matter most

Customers interact with their service providers at multiple moments during their journeys with the company. However, there are a few key moments that are responsible for generating the most satisfaction. Since improving overall CX is a high-demanding endeavor, focusing on the three most important moments is a great way for utilities to understand the real source of their customers' satisfaction.

These moments are:

- Resolving a service or technical question/issue
- Paying a bill
- Upgrading/changing a service or device

These moments can be mapped to outline the process that a customer goes through at each of these situations, creating the set of key operational journeys that will be the priority for utilities.
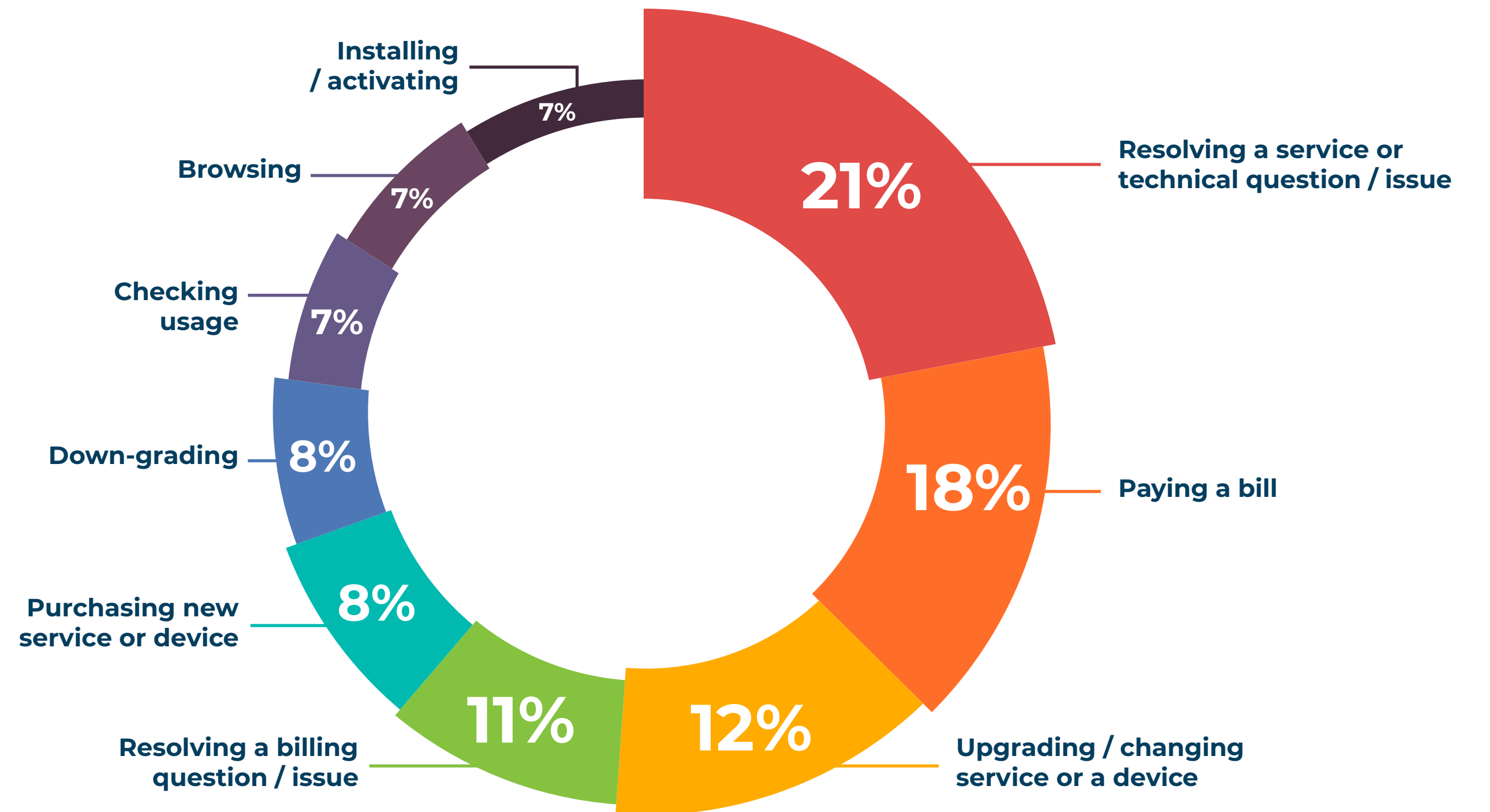

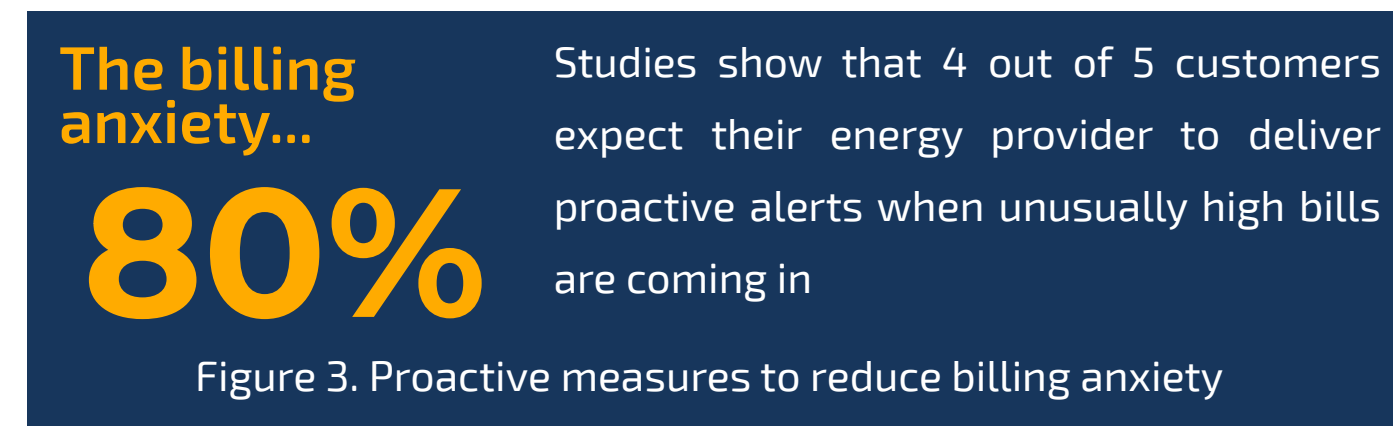Figure 2. Moments that matter the most [4]

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To improve their CX strategy, utilities must focus on the critical operational moments that can mostly affect their customers. By constantly adjusting these journeys, pain points can evolve into "wow" moments that generate a greater customer satisfaction.

The most crucial moments for utility customers are:
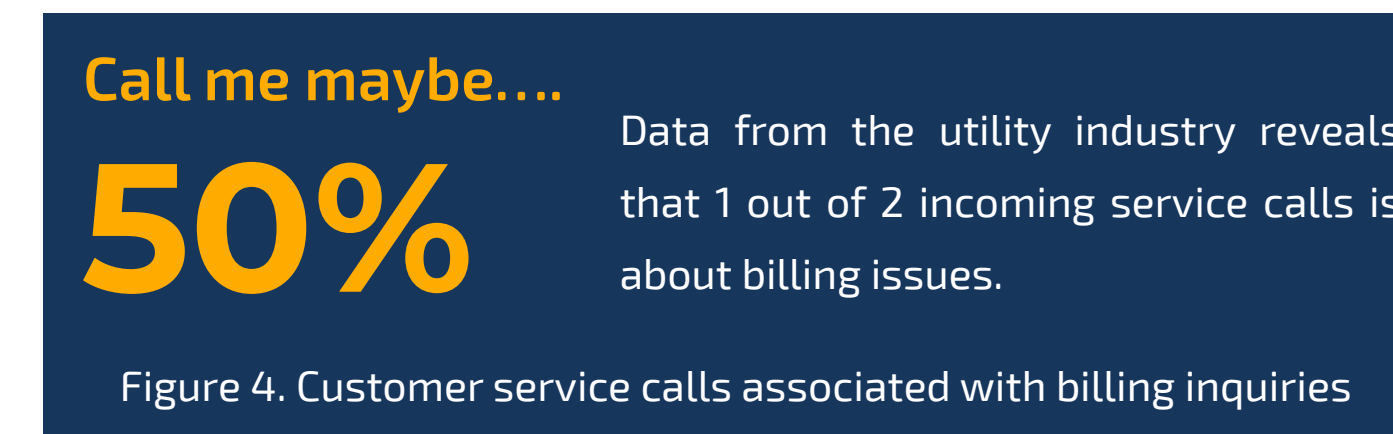
1. The billing and payment process

Although this is the most predictable and recurrent moment for utilities to communicate with customers, it is the process that gives consumers the most anxiety. Simplifying the bill to make it easier to understand and enhancing it with valuable information, like consumption insights and energy efficiency tips, can change the perception customers have about the process. Giving users self-service options to manage billing and payment situations is also an effective tactic to increase satisfaction. Nevertheless, the magic starts before the bill is even generated. With the rise of digital channels, customers expect their utility to keep them informed and deliver proactive alerts regarding billing before their bill arrives. Taking the initiative to provide customers with timely consumption and billing information will relieve an important pain point, improving overall experience.

The billing anxiety…

80%

Studies show that 4 out of 5 customers expect their energy provider to deliver proactive alerts when unusually high bills are coming in

Figure 3. Proactive measures to reduce billing anxiety

2. The customer service call

Like Danielle, customers have many reasons to call their utility's service line. Whether it is to ask for information about a request or complain about the last billing amount, utilities need to help their CSRs to better handle these situations. By providing them with technology that gives them a contextual, omnichannel 360° view of the customer, CSRs can help their customers solve any service request. However, factors, such as organizational culture and representatives' autonomy to take actions when needed, are also essential parts of the strategy to boost customer satisfaction.

Call me maybe….

50%

Data from the utility industry reveals that 1 out of 2 incoming service calls is about billing issues.

Figure 4. Customer service calls associated with billing inquiries

3. The change in service conditions

This process can be highly demanding because all the activities and interactions need to be coordinated to guarantee the correct changes without interrupting the service supply. Thus, when Danielle informed the utility about the service transfer request, several processes were triggered to stop the service at the old location and start it at the new one at the right time. These procedures affect metering, billing, customer account, and service information, in addition to any necesarry field work that needs to be done. In Danielle's case, she expects to be able to turn on the lights at her new home without any disturbances in her account.

Although these are customers' most impactful moments, utilities should review all other processes to assure that every interaction opportunity will produce a great CX. Taking exceptional measures when resolving billing inquiries and creating compelling purchasing experiences for customers is becoming increasingly important for service providers.

What's in it for utilities?

In the American Customer Satisfaction Index (ACSI), utilities rank relatively low compared to industries such as breweries, personal care products, and banking. With room for improvement, utilities can greatly benefit from improving their key processes and enhancing overall customer experience. By taking the discussed measures to boost CX, utilities will improve relevant business indicators, such as:
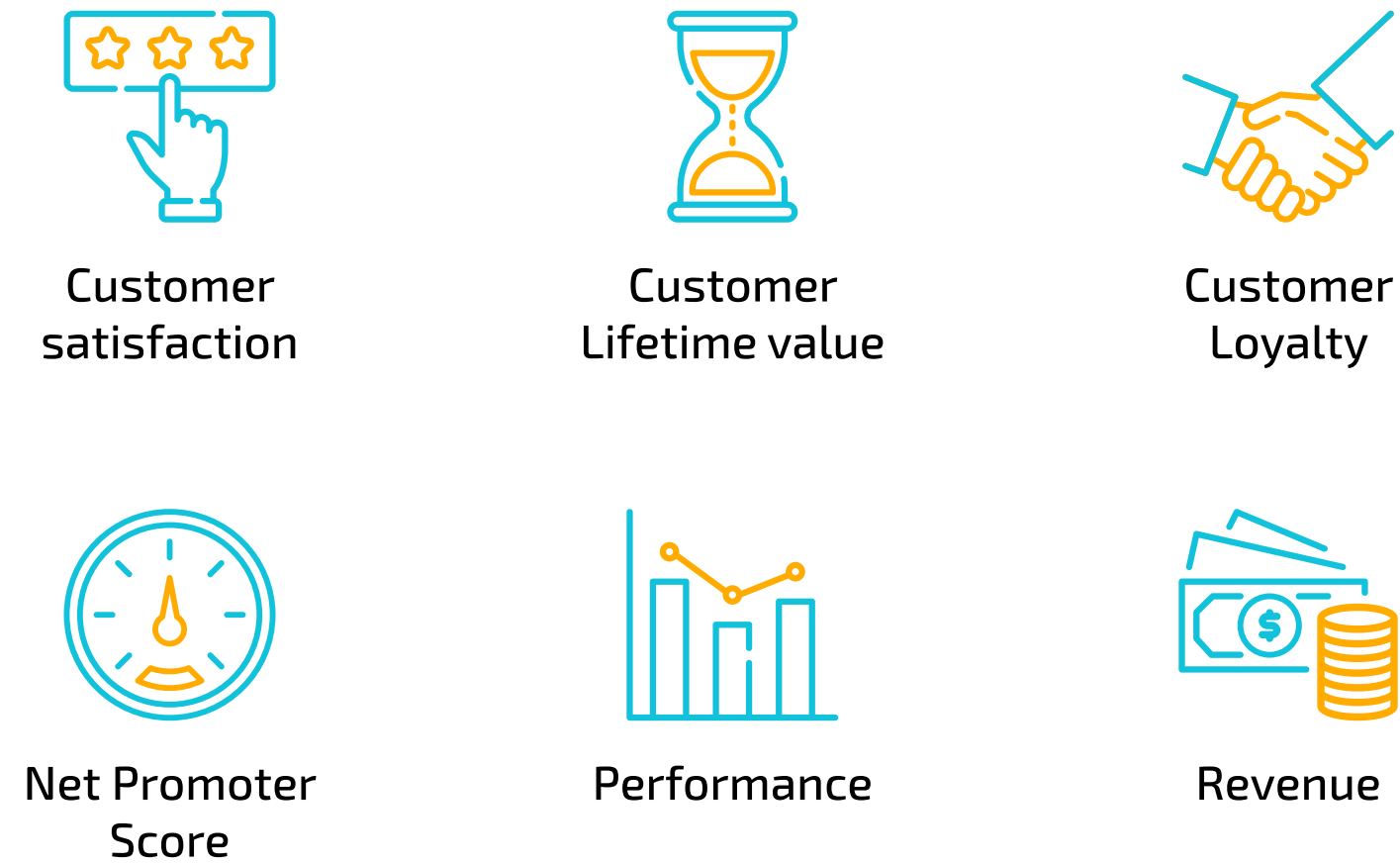

Customer satisfaction

Customer Lifetime value

Customer Loyalty

Net Promoter Score

Performance

Revenue

Figure 5. Indicators benefited from improving the CX

Customer satisfaction benchmarks by industry

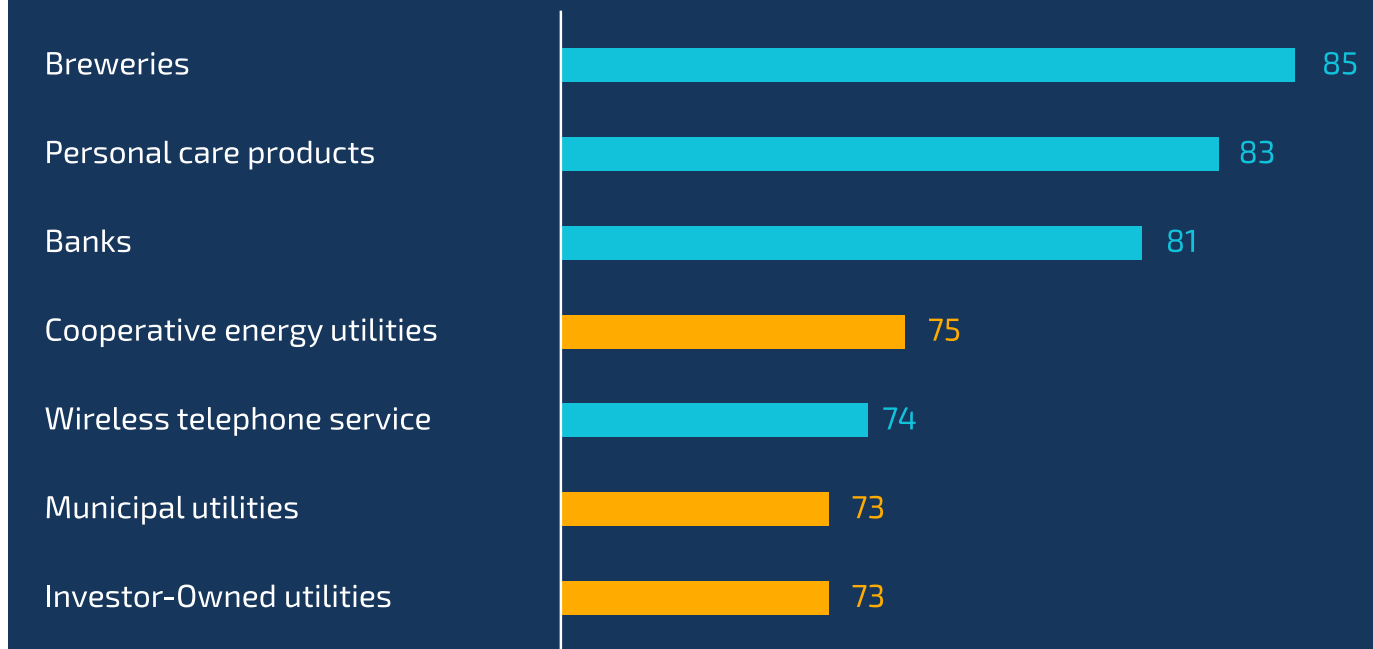| Industry	Score
Breweries	85
Personal care products	83
Banks	81
Cooperative energy utilities	75
Wireless telephone service	74
Municipal utilities	73
Investor-Owned utilities	73

Figure 6. ACSI 2018-2019. (Utilities per ownership type in light yellow) [5]

Gartner data indicates "that top utility performers have a 'customers' top of mind, with 'less of a focus on customers' correlating to lower rankings in their data". [6]
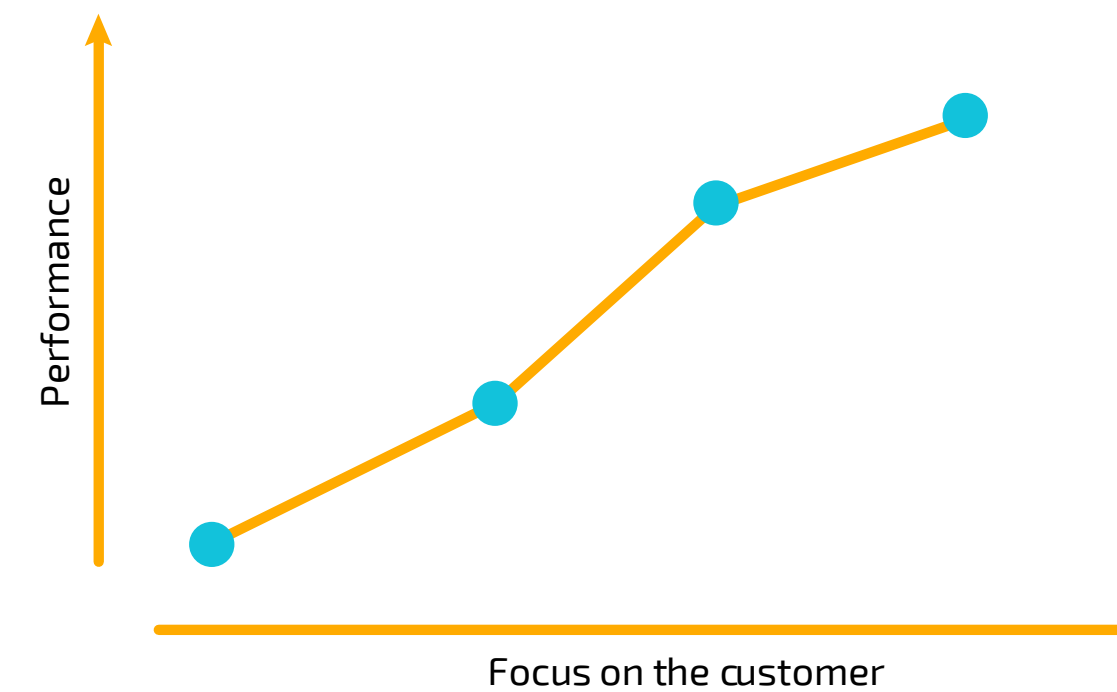
Boost overall performance of your company…

Performance

Focus on the customer

Figure 7. Relationship between the focus on the customer and performance

No pain, more gains...

95%

of customers tell others whenever
they have had a bad experience [8]

84%

of companies working to improve
CX report an increase in revenue [7]

7x

**CX IN
NUMBERS**

Loyal customers are 7 times as
likely to test a new offering, 5
times as likely to buy again and 4
time as likely to refer [9]

67%

of customers are willing to pay
more whenever a great experience
is provided [10]

87%

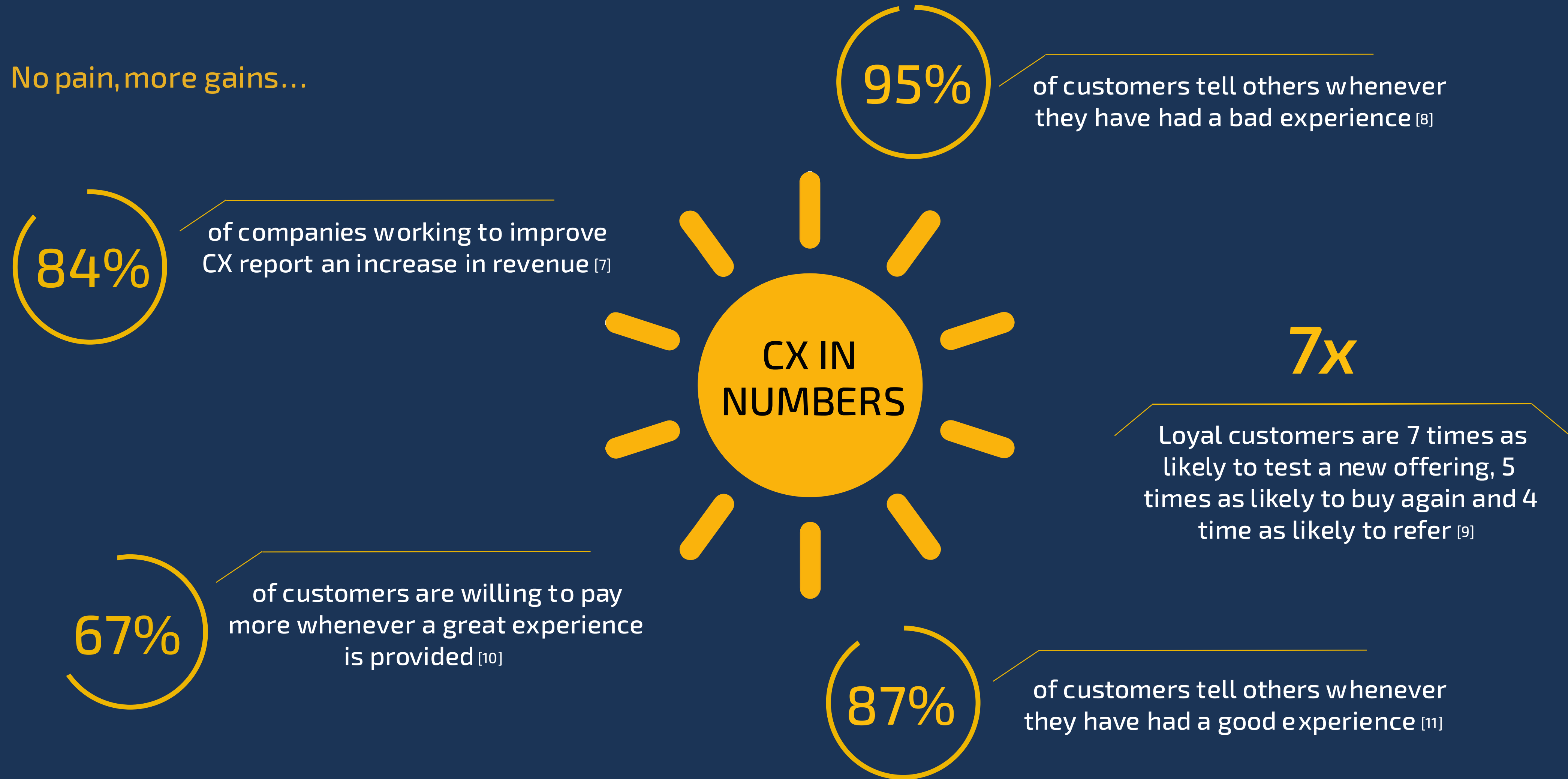of customers tell others whenever
they have had a good experience [11]

Figure 8. The importance of CX in numbers

The role of technology for utilities' CX

With the rise of CX as a source of competitive differentiation in the utility industry, technology vendors have found an opportunity to also position themselves as providers of CX solutions, misleading companies into thinking that software, on its own, is the only thing necessary to deliver a superior experience.

CX and technology…

According to Gartner, "[…]Regardless of what you hear from your software vendor, you cannot buy a Customer Experience platform. CX is not a product, it is not something you can buy." [12]

Figure 9. CX and technology

Nevertheless, technology plays a key supporting role when dealing with CX, enabling utilities to put their initiatives to practice and transform painful situations into delightful moments for their customers. To select the technology required to enable a CX strategy, utilities must assess the capabilities offered by their current systems to determine if they are capable of supporting customer-centric business requirements like prosumers and demand-side consumption management.

The pressures created by these requirements, among others, have exposed the limitations that legacy systems have when managing traditional meter-to-cash (M2C) and billing processes. As a result, these systems have turned out to be ineffective in supporting increasingly challenging scenarios in the CX field. Nowadays, utility companies are looking for technology platforms to support relevant CX requirements such as multichannel interaction, social media engagement, and advanced consumption analytics, to name a few. These platforms deliver significant value to customers by handling inbound and outbound data, communications, and transactions (often coming from/going to various enterprise systems).

Utilities are presented with the option to transition from outdated legacy systems to holistic and customer centric solutions, capable of supporting both traditional core processes and advanced customer-facing requirements. According to TMG consulting, having a Customer Information System (CIS) with a scope expanded into the CX purview to meet customers' expectations is the main driver behind technology modernization projects in these companies [13]. It is through these innovative solutions that utilities can create end-to-end journeys at a lower Total Cost of Ownership (TCO). It is safe to say that if Danielle's utility provider had a holistic solution, her experience would have been a pleasant one.

The essential components to boost **customer experience**

Chapter **3**

6 essential components to improve customer experience

There are fundamental factors that utilities must keep in mind to deliver the best experience and achieve a customer centric mindset. These components comprise a combination of business practices and technology that allows companies to streamline the journey associated with every customer-facing process:
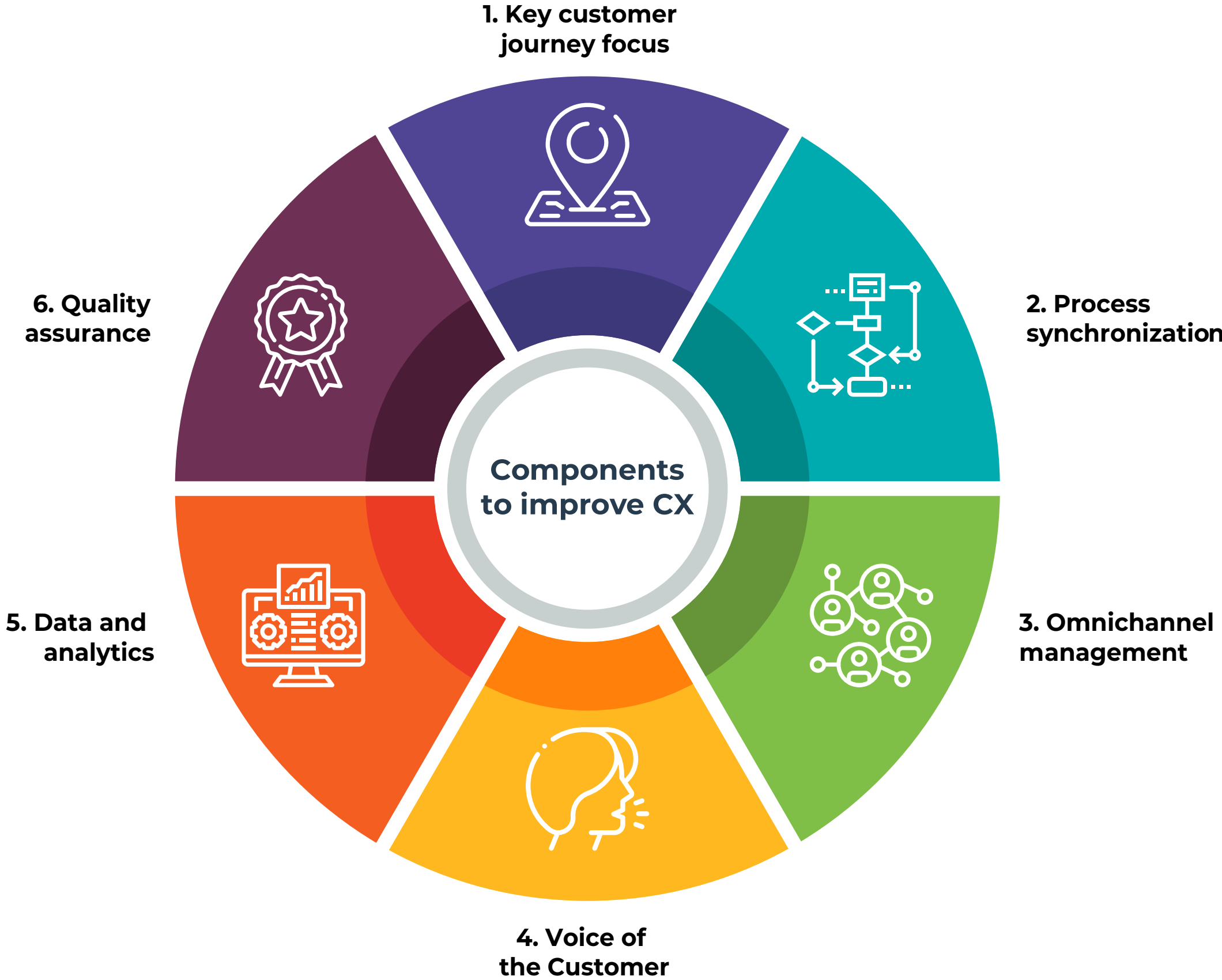
Figure 10. The essential components to improve CX

- 1. Key customer journey focus
- 2. Process synchronization
- 3. Omnichannel management
- 4. Voice of the Customer
- 5. Data and analytics
- 6. Quality assurance

Components to improve CX

Let's take a look into each essential component:

1. Customer journey focus

As discussed in chapter one, being able to map the way customers interact with their service provider is the foundation of any CX effort. By implementing a customer journey approach, utilities understand how customers behave and feel at each point of their journey. However, these companies must concentrate on the moments that matter the most to their customers, which are the key operational processes that relieve pain points and generate "wow" moments that exceed expectations.

Captivating customers with "wow" moments: An exemplary case

"One utility is rethinking its handling of power outages. As an experiment, it is issuing field crews with equipment such as wilderness blankets, water bottles, flashlights, charging stations, and even a Wi-Fi hotspot to help customers without power. The idea was inspired by primary research and a look outside the industry to see how exemplary companies go to great lengths to recover from disappointing customer experiences." [14]

Figure 11. Exemplary case of a 'wow' moment
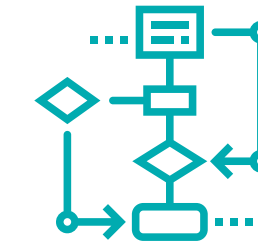
2. Process synchronization

All customer-facing processes require coordination to create a frictionless, cohesive experience. A typical business may struggle to create this seamless process because their logic is to use different systems to support each portion of the operation. A Customer Relationship Management (CRM) enables strategy, and identifies and manages customer relationships [15], a Customer Information System (CIS) addresses business-critical utility meter-to-cash (M2C) and customer service business processes [16], a Meter Data Management (MDM) controls consumption and event data obtained from meters [17], and a Mobile Workforce Management (MWM) helps deliver and optimize utility-specific needs and achieve greater field productivity [18].

As a result, utilities are faced with a complex integration landscape in which the information is *"lost in translation"*. Having one single solution synchronizes processes and allows customers to travel a seamless path across their journey. With this strategy, utilities can handle every service situation efficiently, increasing satisfaction and promoting a sense of promptness among their customers.

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3. Omnichannel management

Utilities must have a wide array of mechanisms to establish fluent 24/7 communication with their customers, enabling them to reach out to their company using their preferred channel. However, managing various communication sources can make it difficult for Customer Service Representatives (CSRs) to unify all the information from every customer interaction. To help them perform better, they need to be presented with a 360° view of the customers' information and their interactions, including those carried out through web and mobile portals. Delivering a great experience depends on the ability to keep track of contact history, no matter when or through what channel it occurred.

4. Voice of the Customer (VoC)

To avoid wrong assumptions about customers' thoughts, desires, and behaviors, utilities must develop in-depth processes to capture their expectations, preferences, and aversions. By using mechanisms such as surveys, focus groups, and online feedback, companies can first-handedly understand where to concentrate their CX endeavors, giving priority to the Voice of the Customer (VoC).

5. Data and analytics

All data coming from customers' interactions must be enhanced with analytics to help decision-makers boost CX. Given the dynamic nature of customer expectations, being able to introduce timely improvements underpinned with data is vital for utilities.

6. Quality assurance

To maintain quality over time, utilities must keep control of all processes to detect and resolve any issue hindering performance in customer service. By implementing such controls, companies assure high-quality standards and prevent service problems, delivering captivating experiences that live up to customers' expectations.

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The synergy of the components…

According to McKinsey's recent e-care survey, "60 percent of customers were less than fully satisfied with the channels available for contacting the utility, and almost 45 percent would prefer to use digital channels as their primary means of interacting with it […]." [19]

Listen to customers + **Synchronize all processes** + **Omnichannel management**

Figure 12. The synergy of the components

To embrace every essential factor, utilities must embark on a corporate-wide digital transformation project that encompasses the upgrade of enterprise technology, the optimization of customer-facing processes, and the alignment of the areas that have an impact on CX. Such a project represents a great challenge in which companies require a well-defined digitalization strategy based on industry expertise, innovative and flexible technology, and a shift in the organizational mindset to place the customer at the center of the business.

Gartner recognizes three pillars that comprise the foundational ground to secure a successful customer experience [20]. Through the alignment of people (employees), personas (customers) and technology (data), utilities can undertake a company-wide endeavor that involves all business domains that have contact with customers. The tune-up of customer-facing processes based on the strengthening of these interdependent pillars allows companies to bring silos down, enabling a collaborative, cohesive cross-department performance and ultimately producing an outstanding CX.
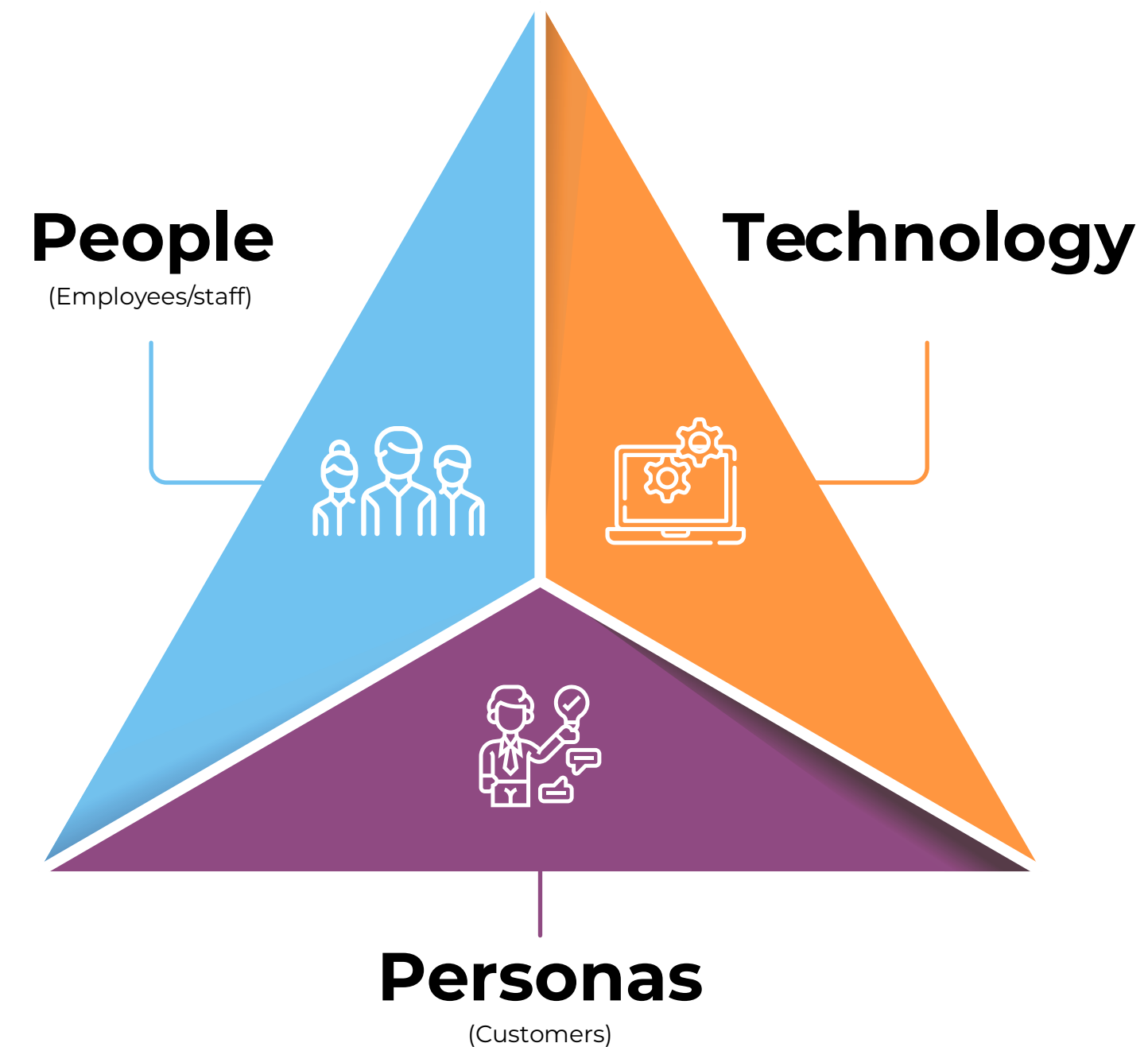
People (Employees/staff)

Technology

Personas (Customers)

Figure 13. Gartner's customer journey pillars

Open's
digitalization
strategy

Chapter **4**

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The secret formula to becoming a digital utility

For years, Open International has guided utilities towards digitalization with success. Their extensive experience has helped more than 100 companies embrace every essential component of a CX organization through a digitalization strategy that combines a leading-edge technology solution with a complete redesign of the way customers engage. This digitalization strategy requires a collaborative effort in which both the utility company and Open bring crucial elements to the table, necessary to guarantee a smooth transition to becoming a customer-centric digital business.

Open has developed the following equation that can be used as the blueprint for a utility's digitization process:
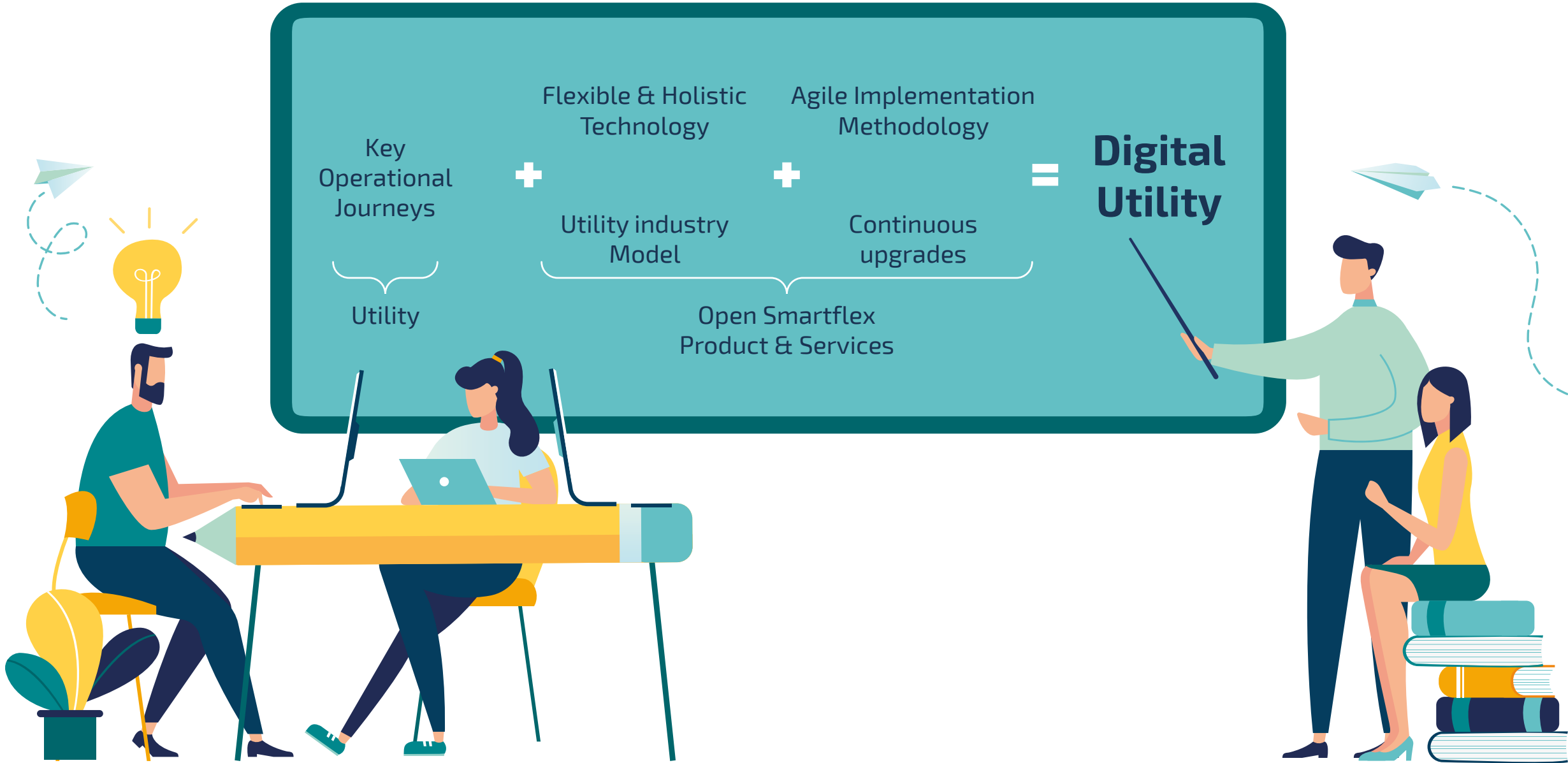
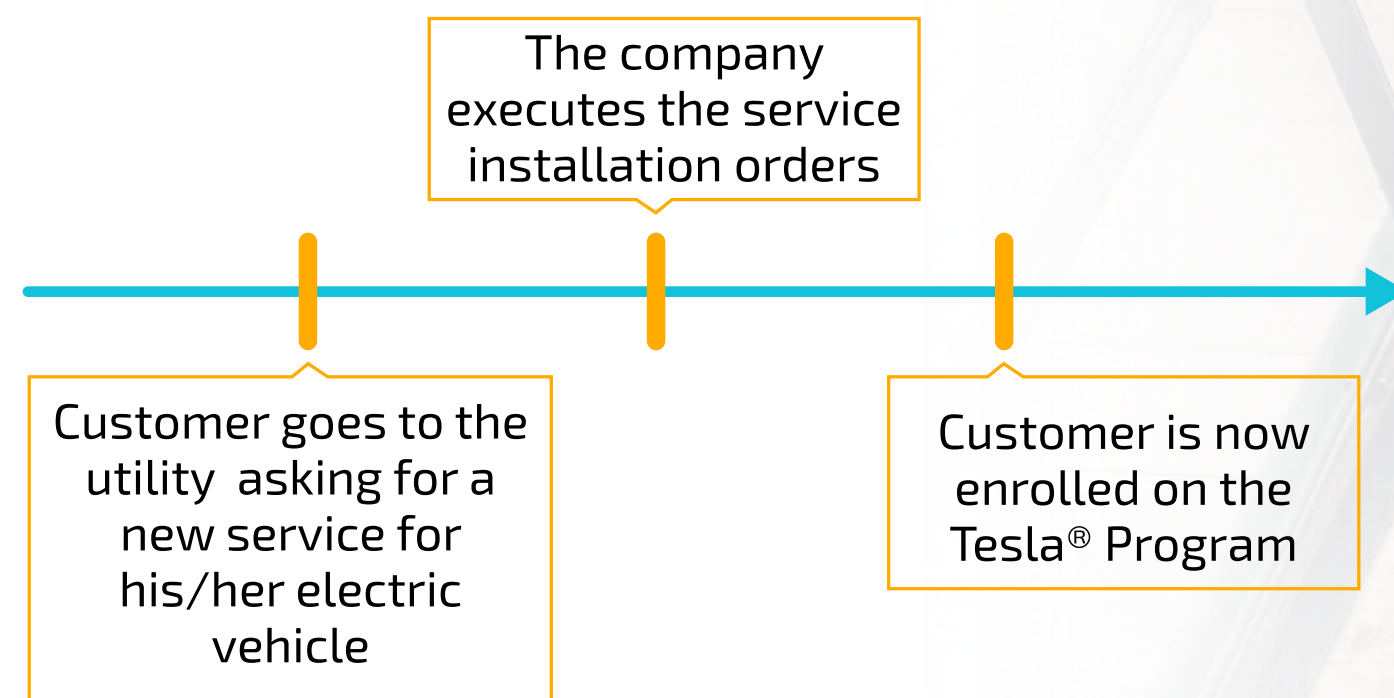Figure 14. Open's digitalization strategy equation

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Utilities' side of the equation

Focus on key operational journeys:

From a utility's point of view, developing proactive business initiatives with a focus on improving the key operational journeys is crucial to create an outstanding CX. Every initiative must be backed by data and tools that truly capture customers' expectations and the VoC. To do so, utility companies must have a solution capable of supporting processes underpinned with accurate customer information to prompt effectiveness.

Before

The company executes the service installation orders

Customer goes to the utility asking for a new service for his/her electric vehicle

Customer is now enrolled on the Tesla® Program

* Tesla® is a registered trademark by Tesla, Inc.

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After

Tesla® and the utility create a
new program considering:
Customer segmentation,
Multichannel Communication
options

The utility creates a digital
campaign inviting target
customers to enroll into
the program (by email +
SMS)

The customer asks
Alexa, to learn more
about the Tesla®
program

The Customer enrolls
into the Tesla®
Program
Through CSS Portal

Customer is now
enrolled on the
Tesla® Program

Tesla® sends its
list of customers
to the utility

The customer receives
an SMS with information
about The Tesla® program

The company executes
the service installation
orders

The customer is
invited by email to
answer a survey

The customer calls the
Utility. The CSR receives
the incoming call and the
CIS app displays an alert
informing that the calling
customer has been
interested in enrolling to
the Tesla® program

The customer receives an
SMS when the crew is on
the move

The CSR schedules the
service order installation

The CSR offer the
new Tesla® Program
to the customer,
including an special
discount for S Model.

The customer accepts
and enrolls into the
Tesla® Program

Figure 15. Transformation of the journey to request a new service into the journey to enroll on a utility program

Open Smartlex's side of the equation

The holistic essence of the solution:

Open Smartflex is a holistic solution that, at its core, has a CIS extended in four dimensions: a metering side with MDM features, a customer aspect through a CRM with omnichannel engagement capabilities and digital self-service features, a field dimension with MWM features, and an analytics element to provide the input necessary to enhance utilities' decision-making process.
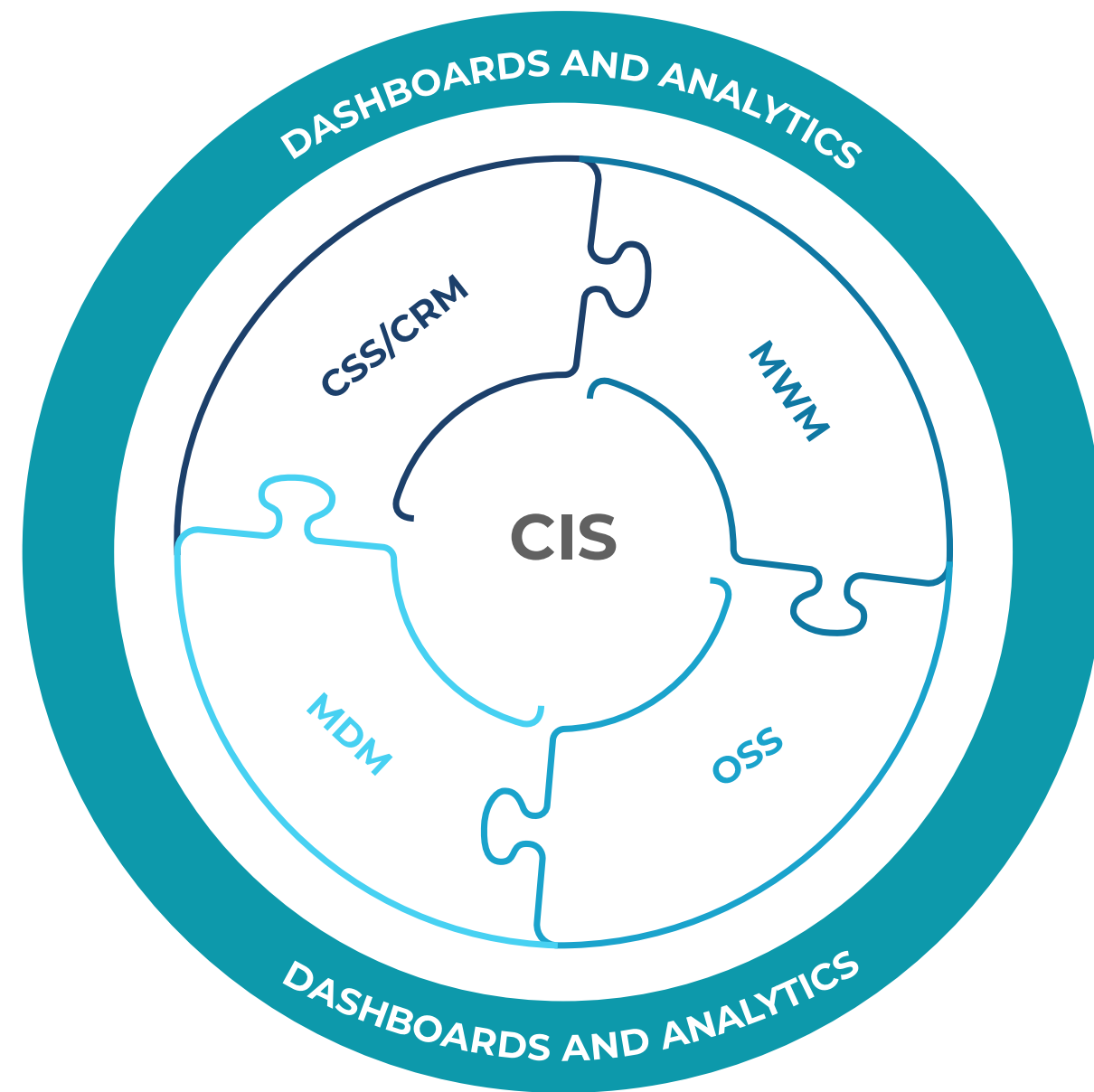
The next graphic ilustrates a detailed view of this holistic approach:
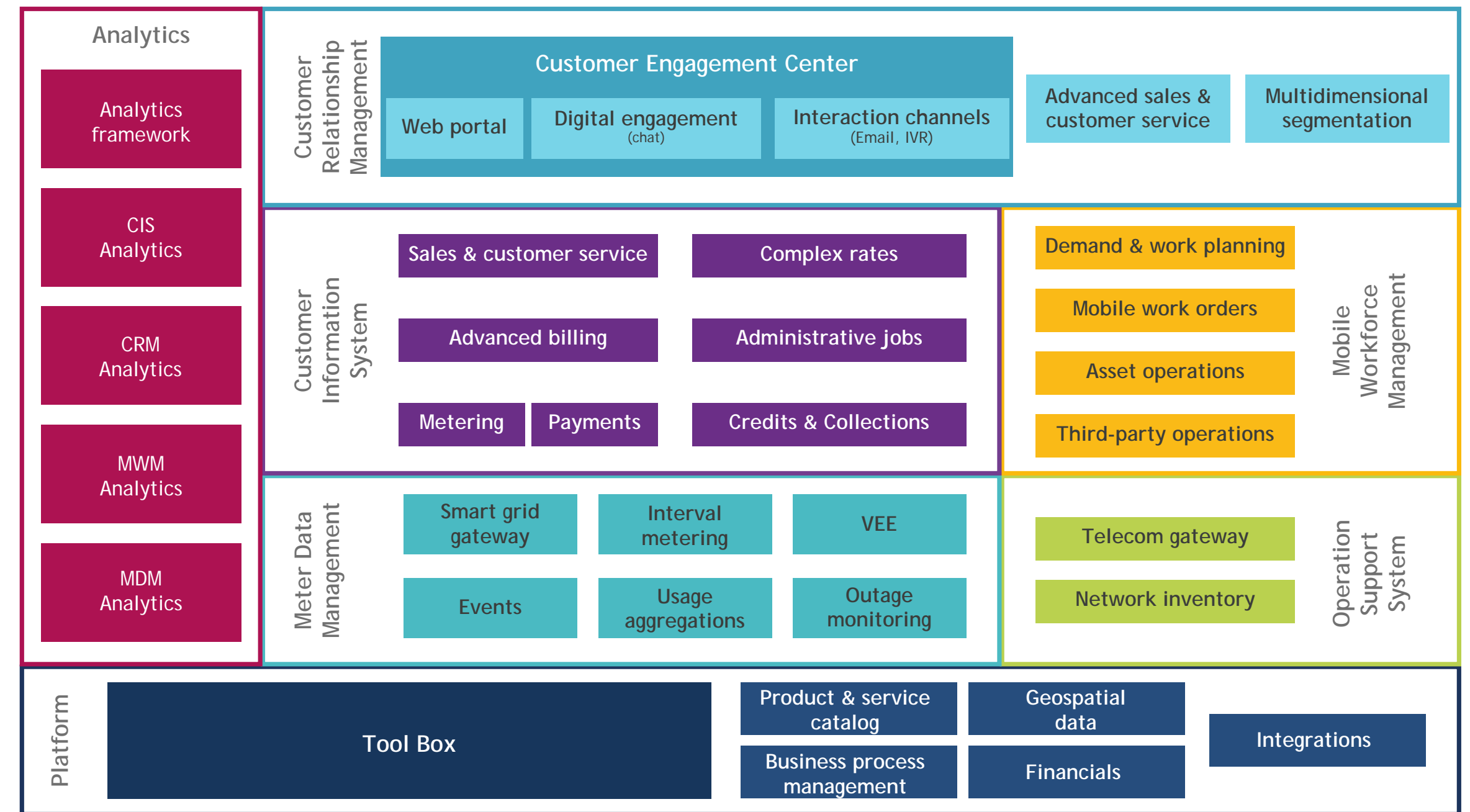
Figure 16. Open Smartflex's Holistic Footprint

These attributes make Open Smartflex an optimal solution, preventing companies from the hassles of dealing with several systems that cover just a fraction of their operation and require huge synchronization efforts.

Unparalleled flexibility:

Besides its holistic essence, Open Smartflex provides utilities with incomparable flexibility, giving them autonomy to adjust the solution to their operation instead of adjusting the operation to the solution. Due to the evolving nature of customer expectations, the system's flexibility comes in handy to support a dynamic CX strategy, allowing the introduction of modifications and enhancements derived from a permanent quality control process to relieve the pain points harming customer satisfaction. The solution's flexibility is also reflected in the ability to offer innovative products and services. With Open Smartflex, utilities can enhance their portfolio and carry-out new processes to participate in non-conventional lines of business, helping them in their bid to entice customers, thereby furthering acquisition and increasing retention and loyalty.

Industry expertise:

Ratified as a world-class holistic solution, Open Smartflex incorporates an industry model that follows the best practices of utility providers. The software allows utilities to create end-to-end customer journeys by defining business flows that make up the activities needed to carry out every customer-facing process. This model allows utilities to operate more efficiently and with maximum quality standards using pre-configured scenarios to support the key aspects of their operation.

Ability to overcome challenging implementation projects:

Open relies on a SMART implementation methodology to deploy Open Smartflex. This strategy allows utilities to operate a powerful solution equipped to support the most challenging business scenarios in less time thanks to an agile project culture.

Continuous updates:

The ability to perform continuous upgrades without interrupting the normal operation allows utilities to maintain Open Smartflex constantly updated at a lower cost and effort. This feature helps companies stay innovative with the latest functionalities by avoiding lengthy update processes and heavy customizations.
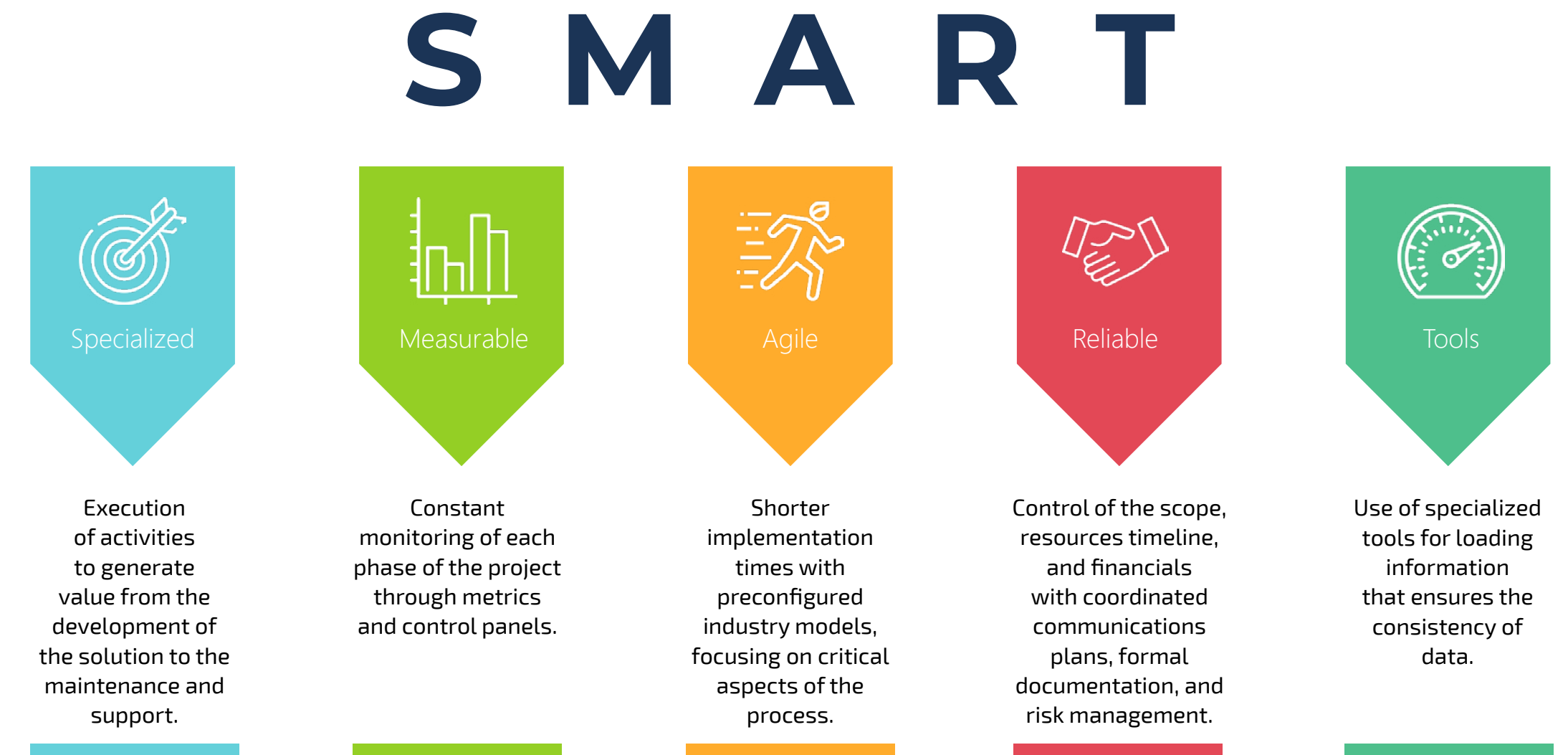
Figure 17. Open's SMART implementation methodology

The bottom line

Today, utilities are focusing on the importance of meeting their customers' expectations, setting a primary goal to deliver the best experience and transition towards a customer-centric digital business. As utilities feel the pressure to enhance customer satisfaction, companies are becoming increasingly aware of the value of CX as a strategic business differentiator. However, many service providers find it difficult to identify the right measures to improve their CX by comparing themselves with industries such as retail and e-commerce, leading them to allocate resources, time, and effort in aspects that are not relevant for their business.

By adopting the CX-oriented digitalization strategy proposed by **Open**, utility companies can focus on the elements of CX that are important to them: key operational customer journeys. Optimizing these processes not only leads to high returns on the customer side but can also help improve areas of the operation that are lagging behind. **Open Smartflex** is developed with utility customers in mind and allows service providers to create frictionless, enticing end-to-end journeys enhanced with a wide array of omnichannel digital touchpoints to excel in the moments that matter most for their customers.

With the expertise of **Open** as a strategic partner, utilities can combine their efforts to improve key operational journeys with a holistic and flexible solution that conveys extensive knowledge of the utility industry and ultimately enhance the CX of their organizations successfully.

Your business, empowered

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References and acronyms

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References and acronyms

AC: Air Conditioning; p. 4

ACSI: American Customer Satisfaction Index; p. 10

CIS: Customer Information System; p. 12

CRM: Customer Relationship Management; p. 15

CSR: Customer Service Representative; p. 4

CX: Customer Experience; p. 5

IVR: Interactive Voice Response; p. 4

M2C: Meter to Cash; p. 12

MDM: Meter Data Management; p. 15

MWM: Mobile Workforce Management; p. 15

SMART: Specialized, Measurable, Agile, Reliable, Tools; p. 22

TCO: Total Cost of Ownership; p. 12

VoC: Voice of the Customer; p. 16

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