



Helping a Utility Make Strides Toward Customer Centricity

Digital transformation came late to the utilities industry - it is one of the last industry sectors to experience disruption. But the proliferation of personal handheld devices has now set an expectation among consumers of “have it and do it now” at their fingertips. That includes their experience with their utility company. Consumers want to be able to do things like add service, turn off service and receive service updates via mobile device.

Traditional energy companies are now facing an imperative to be digital or to become irrelevant and marginalized. Simply put, utilities need to transform or allow market forces to transform them out of existence.

Subpar customer experience and satisfaction are no longer acceptable. When it comes to their accounts, customers expect self-service, with options for personalization and tracking requests via mobile device.

One of the largest U.S. utility companies recognized the need to transform its customer experience by adding these capabilities. As part of a major initiative, the utility also planned to leverage digital technology to improve its internal operations.

A long-term partner to the utility, Cognizant initially focused on cost optimization in application development and maintenance activities. In time, we became a trusted business consultant and strategic advisor. When the utility needed advice on how to become customer centric, they turned to us.

AT-A-GLANCE

One of the largest electric utilities in the United States, the company serves approximately 4.9 million customer accounts or an estimated 10 million people. The company is recognized annually as one of the most trusted US electric utilities.

The utility needed to increase its focus on customers while also improving operationally by reducing its cost to serve. The implementation of a responsive website, an upgraded electronic customer communication platform and native mobile app drove significant hard and soft business results.

Outcomes

- Completion of self-service transactions has increased by 30% over the last four years, resulting in an additional 3.5 million self-service transactions.
- The increase in self-service based transactions resulted in a 12% reduction of calls handled by representatives.

BUSINESS CLIMATE

The utility needed help with a range of business, operational and strategic challenges:

- **Declining customer satisfaction and engagement.** The utility had seen years of stagnating and declining customer satisfaction scores due, in part, to outdated user systems and design. Thus, a major business initiative was to address these areas and improve the brand image.
- **Lack of advanced capabilities** (such as a mobile app, responsive website, real-time alerts and notifications) positioned the utility as a market straggler. In addition, website content was static and lacked personalization capabilities, making self-service unappealing and difficult. Also, there were no modern web 2.0 capabilities including social features and collaboration.
- **Inefficient and archaic processes** were causing customers to abandon requests at a rate greater than 60% for online move in/move-out orders due to confusing self-serve processes and a lack of online support tools. The cost to serve was rising as a result as customers resorted to more expensive channels such as voice and IVR.
- **Inconsistent brand image and message.** The brand image, messaging and communication were relayed through disparate digital channels including email, online and mobile leading that were inconsistent. The cost to standardize and synchronize them was prohibitive and in many cases impossible due to outdated technology. Account information was maintained in silos and non-intuitive, leading to missed program enrollment that triggered contact center calls. The result was a poorly integrated cross-channel customer experience.
- **The lack of integration with Advanced Metering Infrastructure (AMI) usage information** made it difficult to provide real-time consumption data.

AT-A-GLANCE (Cont'd.)

- 105% increase in online customer registration, from 105,000 to 220,000 year over year.
- 10% increase in online self-service transactions, from 6 million to 6.6 million year over year.
- 350% increase in visits from mobile and tablet users over the last three years -- from 3.8 million to 17.6 million.

NEEDED CAPABILITIES

The utility sought to create a digital customer engagement platform to provide external customers and internal stakeholders with a personalized and best-in-class experience that leveraged modern digital tools, multichannel solutions and data analytics.

The program focused on allowing customers to:

- Access their account information anywhere from any device
- Pay energy bills with a single click
- Review billing and payment program participation and enroll in new programs
- Determine real-time consumption by leveraging AMI usage data
- View detailed billing information, including debit, credit and collection actions
- Receive critical account messages related to final notice and disconnect information

Another goal was to boost adoption of their Digital Communications Program that delivered bills by email to their customers and created new real-time and batch email communications.

The utility also was interested in leveraging analytics to send proactive communications to customers and upgrade its contact center infrastructure in order to improve business continuity and eliminate redundancy. This activity would lay the foundation for the integration of future multi-channel capabilities.

COGNIZANT SOLUTION

As part of our initial work with the utility on this project, Cognizant's Business Consulting unit took the following actions:

- Conducted benchmarking and gap analysis of utilities' digital maturity
- Performed gap analysis and a "to be" feature set of leading digital capabilities
- Worked with client stakeholders to elicit business requirements
- Utilized a global delivery model to develop and deliver a solution on time and within budget

The utility engaged Cognizant to build, implement and maintain the following critical pieces of the customer-centricity initiative:

- website rollout based on a Web 2.0 architecture that is interactive, engaging and responsive to a customer's need for information and provides self-service while supporting multichannel development
- implementation of a Digital Communications Platform which delivered critical customer information electronically enriching their engagement experience
- rollout of native mobile apps, developed for both iOS and Android platforms which provided customers with access to account information anytime, anywhere enabling them to make smart energy choices

REAL BUSINESS BENEFITS

The project drove immediate hard benefits to the utility's bottom line:

- Reduced billing query calls with 10% self-service transaction uplift
- Approximately 20% reduction in print and postal costs due to increase in online enrollment in the email bill program, eliminating the need to print and mail millions of paper bills and flyers every month
- Improved process conversions thanks to more customers being able to complete more processes online - such as enrollments, unenrollments, payments -- without having to call the care center
- A nearly one-third (30%) reduction in contact-center support for billing, payment and deposit-related queries
- How-to, DIY and instructional tutorials that divert customers from voice to digital channels reducing calls to the contact center.
- Increased user adoption of the improved online and mobile program that is projected to produce operational cost savings of \$1.5 million per year.

Other project benefits include:

- Expanded self-service capability. Complex business scenarios that were only available via care center assistance can now be handled via self-service. For example, residential service cutover with special conditions or transferring connectivity from one premise to another.
- Increased adoption of energy efficiency and demand-side management programs

that help customers reduce their energy consumption via home improvements (for example, energy audits, insulation improvements, roof coating) or purchasing efficient electronic equipment (such as newer HVACs, washing machines and heaters). While these programs have been available for many years, targeted messaging using digital channels enable customers to be more aware of the factors impacting usage and enrolling in energy-saving programs.

- Improved customer service rankings (taking the top ranking in their region and among the top in the United States).
- Enhanced ability to cross-sell and up-sell services and programs online to business and residential customers.
- Automated notification of electricity bills and payment dates, resulting in improved collections from customers. This reduces the need for payment communications, reminder letters, past-due and final notices, further lowering costs.
- Increased adoption of email bills from 33% to 60% -- the highest rate for any utility in North America. The associated cost savings are attributed to the reduction in paper, printing, postage and manual handling costs. Other savings are derived from reductions in

supervisory costs related to handling lost claims bills and notices. Savings are also realized via automated online self-service payments resulting in fewer defaults.

- Features such as enhanced self-service, the ability to personalize online account views and anytime access to features such as billing and payment significantly increasing customer satisfaction.
- Reduced channel costs. Online self-service (website and native app) has the lowest costs among all customer support channels.
- Superior data collection for analytics that lead to customized offers and programs.
- Greater engagement through provision of online analytics and comparison tools for end users, such as alerts and reminders.
- Enhanced propagation of the brand through integration of social and sharing features.
- Improved messaging, offers and calls to action across all channels which are projected to improve online and mobile program adoption by up to 30%.

ABOUT COGNIZANT

Cognizant (Nasdaq-100: CTSI) is one of the world's leading professional services companies, transforming clients' business, operating and technology models for the digital era. Our unique industry-based, consultative approach helps clients envision, build and run more innovative and efficient businesses. Headquartered in the U.S., Cognizant is ranked 195 on the Fortune 500 and is consistently listed among the most admired companies in the world. Learn how Cognizant helps clients lead with digital at www.cognizant.com or follow us [@Cognizant](https://twitter.com/Cognizant).



World Headquarters

500 Frank W. Burr Blvd.
Teaneck, NJ 07666 USA
Phone: +1 201 801 0233
Fax: +1 201 801 0243
Toll Free: +1 888 937 3277

European Headquarters

1 Kingdom Street
Paddington Central
London W2 6BD England
Phone: +44 (0) 20 7297 7600
Fax: +44 (0) 20 7121 0102

India Operations Headquarters

#5/535 Old Mahabalipuram Road
Okkiyam Pettai, Thoraipakkam
Chennai, 600 096 India
Phone: +91 (0) 44 4209 6000
Fax: +91 (0) 44 4209 6060

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