

A Forrester Consulting
Thought Leadership Spotlight
Commissioned By Cognizant Digital
Experience

April 2021

Activating The CX Ecosystem With Systems Of Insight: A Spotlight On Energy And Utilities

Energy And Utilities Industry Results From The
April 2021 Thought Leadership Paper, “Activate
A Holistic Customer Experience Ecosystem To
Become A Market Leader”

Introduction



Excellent customer experience (CX) boosts a business's revenue and profitability, yet few firms are able to take advantage of the CX opportunity.¹ Most companies fail to engineer a holistic customer experience ecosystem comprised of a CX team, employees, and business partners working closely in concert with one another. Without this ecosystem, firms lack the agility and creativity needed to generate and deliver genuinely valuable customer experiences.

Cognizant Digital Experience commissioned Forrester Consulting to understand the progress that energy and utilities companies have made in harnessing this experience ecosystem to deliver excellent customer experiences. Forrester conducted an online survey with 111 CX strategy leaders at global energy and utilities companies to explore this topic. We found that while companies understand the importance of providing CX delivery ecosystem insights, to better respond to customer needs, most are unprepared to deliver exceptional customer experiences today and in the future.

KEY FINDINGS

- › **Self-sustained CX enablement is rare.** While many companies prioritize harnessing insights to deliver personalized experiences today, only a third of energy and utilities respondents build evolving roadmaps to serve increasing customer needs.
- › **Investments that enable the entire experience ecosystem drive business results.** Companies that invest budget, time, and effort into their CX ecosystems see improvements in revenue, customer loyalty, and business efficiencies.
- › **Energy and utilities companies are more mature than their industry peers, but there's room to grow.** Forrester created a CX enablement maturity model that scored the level of maturity for energy and utilities companies. Per this model, there were few energy and utilities companies that scored low on maturity, which we call Followers, and there were 62% of energy and utilities companies that scored at a medium level of maturity, which we call Intermediates.

Energy And Utilities Companies Are Underinvesting In Enabling The CX Ecosystem

In a hypercompetitive business environment that’s still reeling from the effects of the pandemic, applying data and analytics at every chance to differentiate customer experiences is a prerequisite for success.² Yet Forrester finds that companies often underinvest in initiatives to align processes, workflows, and technologies to enable workers with the insights needed to deliver their intended experiences. This inaction can be costly; for example, in the utilities industry, CX greatly influences how likely customers are to follow a utility company’s guidance, to seek its expertise, to sign up for optional services, to act as a brand advocate, or even to stay with that company as a customer.³ In surveying 111 CX strategy leaders in the energy and utilities industry, we found that:



- Energy and utilities leaders prioritize providing employees and partners with an intimate understanding of customer needs.** Industry leaders recognize that understanding customers through digital advancements is a prerequisite to delighting them with world-class customer experiences (see Figure 1). Decision-makers seek to provide employees (73%) and partners (52%) with enough insight to understand and appreciate where a customer is coming from, as well as the resources they need to make the right decision for the customer. With large numbers of customer-facing employees in the field, employers in these verticals score more than 20 points higher on the provision of insights to employees.

Figure 1

“Which of the following is your company prioritizing in its employee enablement efforts?”



“Which of the following is your company prioritizing in your partner enablement efforts?”



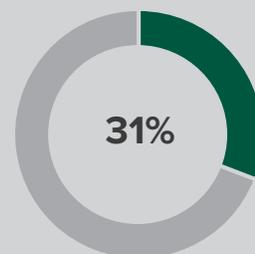
Base: 111 CX decision-makers at energy and utilities organizations around the globe
 Source: A commissioned study conducted by Forrester Consulting on behalf of Cognizant, April 2021

› **Most companies struggle to capture a complete view of the customer.**

Recognizing that customer insight should be a high priority doesn't ensure success at providing it. The number one prohibitor to employees delivering the right experience for energy and utilities companies is executives lacking the understanding of how to incentivize employees to deliver better CX. This, despite the fact that energy and utilities firms generally have the know-how and tools to deal with data and insights, includes the use of artificial intelligence. Unless remediated, this gap in understanding employee incentive will likely widen as companies struggle to keep up with constantly changing customer expectations. And barely a third (31%) of companies are building roadmaps to proactively anticipate the ways in which employees' roles will need to evolve to meet future customer needs (see Figure 2).

Figure 2

“What is preventing employees from delivering customer experiences that align to the company’s CX vision?”



Are building roadmaps to anticipate ways in which employee roles will evolve over time to serve evolving customer needs.

Base: 111 CX decision-makers at energy and utilities organizations around the globe
 Source: A commissioned study conducted by Forrester Consulting on behalf of Cognizant, April 2021

CX Ecosystem Investments Deliver Agility And Business Results

Engineering a holistic CX ecosystem that provides the right insights to employees, partners, and customers will drive tangible business results. It will also create alignment around customer needs and speed up time-to-market. Employees and partners working hand-in-hand results in agility and the ability to adapt as customer needs and desires change. Building the case for systematically harnessing insights to enable great experiences should include a number of benefits:

- › **Both employees and the bottom-line benefit from CX enablement improvements.** Energy and utilities companies are already finding that their digital enablement investments are resulting in improved customer experience (38%), increased employee productivity (37%), and revenue increases (37%) (see Figure 3). Yet the centrality of these benefits to driving employee experience (EX) suggests that these numbers are far too low, and that there’s work to be done on giving employees what they need to become fully engaged and empowered.

Figure 3

“What benefits of improving employee enablement have you realized/do you expect to realize?”

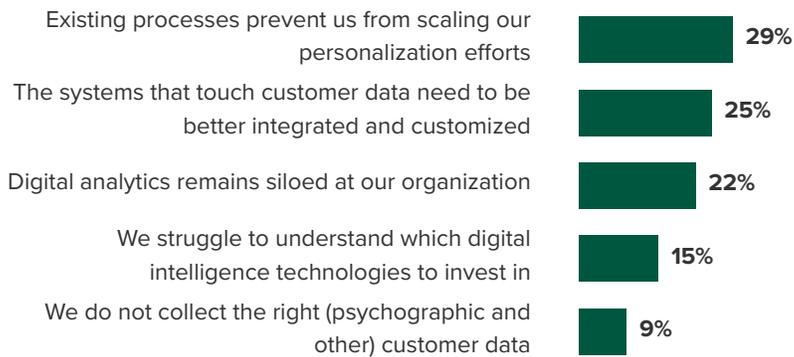


Base: 111 CX decision-makers at energy and utilities organizations around the globe
Source: A commissioned study conducted by Forrester Consulting on behalf of Cognizant, April 2021

› **As energy and utilities companies mature their CX enablement practices, they can expect higher returns.** In the maturity model developed for Cognizant’s core thought leadership study, only 22% of energy and utilities companies are what Forrester deems Leaders. Leaders in the study were twice as likely to experience many of the benefits referenced in Figure 3. On the other hand, Followers and Intermediates face a number of challenges. By being unable to connect their CX, EX, and partner experiences, they can’t generate the outcomes customers crave. Additionally, only 9% of survey respondents ranked collecting customer data as a top challenge in gaining a holistic view of customers’ digital interactions. However, almost three in ten respondents (29%) ranked existing processes first when considering what prevents them from scaling personalization efforts (see Figure 4). Energy and utilities firms may have the right data and digital channels, but the leadership, processes, organizational support, and cultural dimensions of CX must be added to digital practices and data systems to drive success.

Figure 4

Top challenge preventing employees from having a holistic view of customers’ digital interactions



Base: 111 CX decision-makers at energy and utilities organizations around the globe
 Source: A commissioned study conducted by Forrester Consulting on behalf of Cognizant, April 2021

Key Recommendations

Energy and utilities companies are, in many ways, well-positioned to capitalize on the customer insights revolution: They have the technology know-how to leverage advanced tools like artificial intelligence to make the most of the data they have about customers and to personalize experiences accordingly. But only 22% of energy and utilities firms are customer experience Leaders who have prioritized CX, EX, and partner experience improvements and aligned them to form an ecosystem of value. Companies that fail to activate this holistic CX ecosystem will lose ground to quickly changing customer demands and more effective competitors.

Forrester's in-depth survey of energy and utilities leaders about the CX ecosystem yielded several important recommendations:



All energy and utilities industry leaders should construct an ecosystem.

Customer, employee, and partner experience practices all play a key role in driving customer delight. But too often do these practices receive uneven investment and are only loosely connected to one another. Accountable leadership of dedicated experience roles will help create a cohesive ecosystem. In other words, link reporting, goals, incentives, and operational processes between CX, EX, and partner enablement functions. To do so, you must build a foundation of technology and data that can deliver relevant insights at scale and in real time. Align your CX, EX, and PX teams around some key customer goals:

- **Driving resilience.** After the pandemic, the utilities space needs to digitally and physically drive higher levels of resilience. Facing new challenges such as climate change and competition from alternative energy sources, utilities companies must place resilience at the center of their CX efforts. This includes: continuing migration to the cloud; investments in data and analytics; improved user experiences; and becoming agile and flexible operationally.
- **AI, automation, and personalization.** Harnessing your CX, EX, and PX teams can provide alignment around AI, automation, and personalization solutions to drive customer obsession. Customers can receive fully personalized insights into their energy consumption, along with recommendations for actions and lead generation for value-added services. Employees like the field service technician, who is wishing to make best use of their time, can receive personalized insights into their daily journeys. Through alignment and a foundation of data, insights, and software, utilities firms can drive deeper client engagements and loyalty.



Followers: Make alignment your north star. Your organization lacks the necessary alignment between CX, EX, and partner experience functions. As a result, even when individual components are advocating for customers, there's no coordination, and the ecosystem can't drive results. You need to enable each of these experience practices with a common baseline — the customer journey — and spend time understanding how to connect employees, partners, and the customer experience strategy into a well-coordinated ecosystem. Invest in technology platforms that aid visibility into the data, analytics, and automated workflows that support these functions.



Intermediates: Focus on enablement and connection. You have created valuable CX, EX, and partner experience roles along with some alignment between them, but they do not form a cohesive ecosystem. Your company is not supporting a high level of EX, and employees are therefore not as engaged as they could be. Enablement can play a key role here: Give employees and partners a rich understanding of customer needs and how they are changing, even as you build up EX through listening data. You also need to remediate any disconnected data and technology platforms, as disconnected platforms lead to disconnected ecosystems. Invest in platforms that will bring insights to employees and partners at signature moments when dealing with customers.

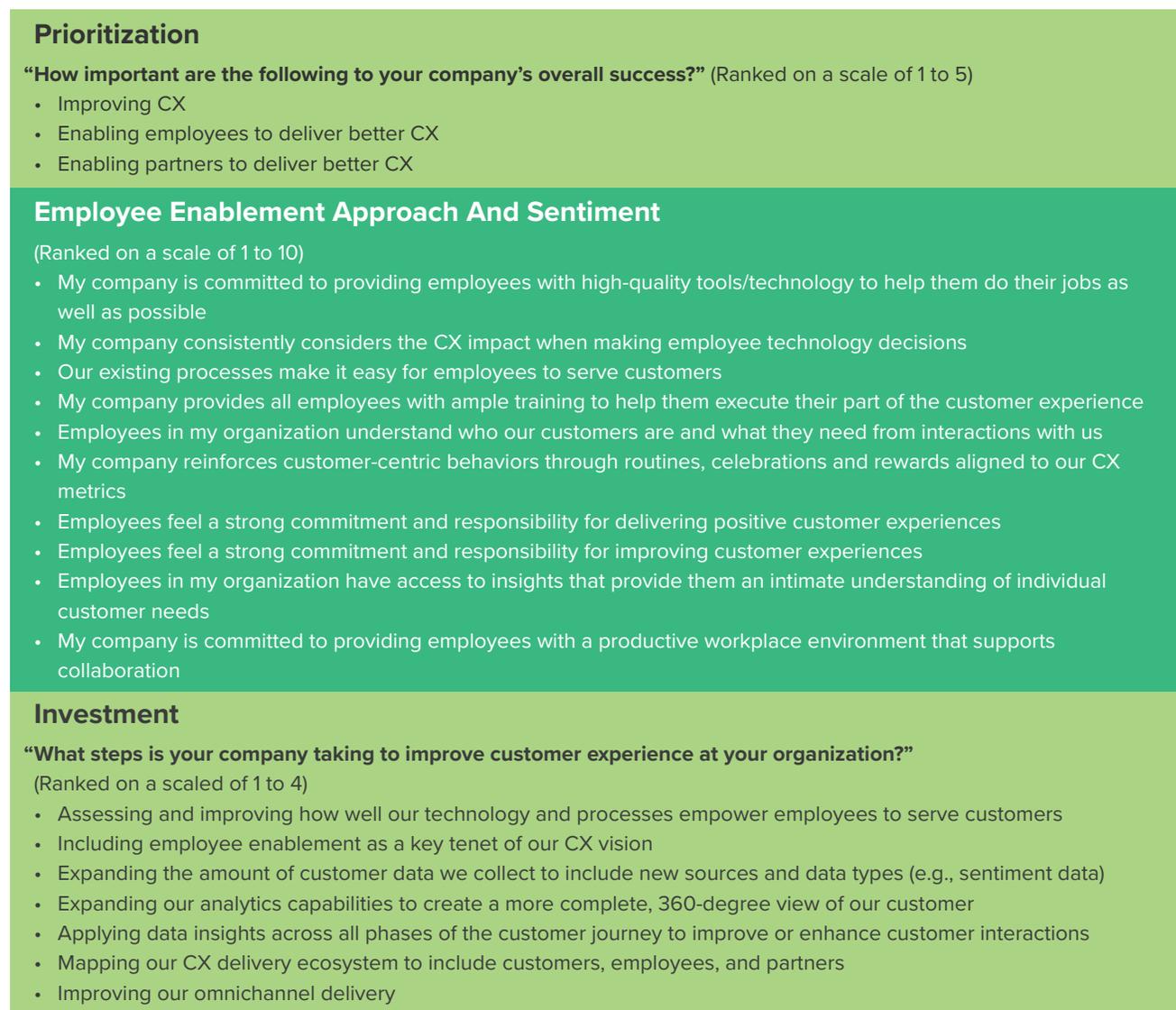


Leaders: You deserve kudos for setting a baseline, but don't celebrate too soon: Great customer experiences are exceedingly rare, even among companies that have lined up a cohesive ecosystem. Push yourself to develop a roadmap for changes before they happen, anticipating shifts in customer demands and in the employee jobs and tasks needed to fulfill them. Artificial intelligence, data, analytics, and related tools must play a part here. And reinforce a self-regulating culture that adapts and pivots along with changes in market conditions, thereby becoming a truly adaptive workforce.

Appendix A: Methodology

In this study, Forrester conducted an online survey of 111 CX strategy leaders at global energy and utilities companies. Survey participants included 50% IT decision-makers and 50% business decision-makers, all with a CX strategy remit. The study began in November 2020 and was completed in January 2021. To evaluate the progress companies have made in improving ecosystem enablement, in pursuit of delivering better CX, we have created a maturity model based on the criteria presented below in Figure 5.

Figure 5

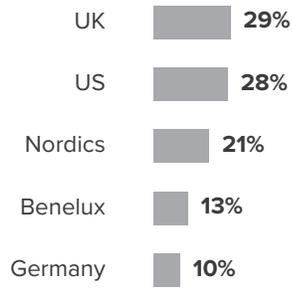


Base: 111 CX decision-makers at enterprise organizations across the globe

Source: A commissioned study conducted by Forrester Consulting on behalf of Cognizant, April 2021

Appendix B: Demographics

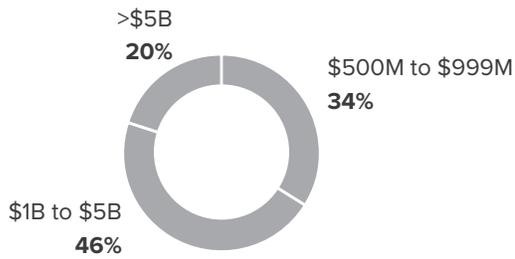
GEOGRAPHY



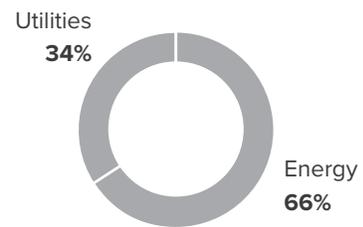
NUMBER OF EMPLOYEES



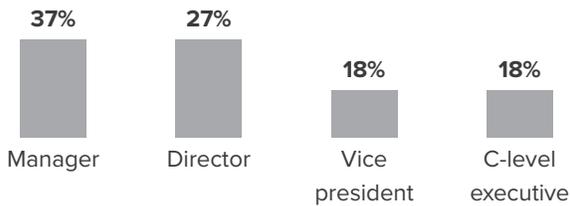
ANNUAL REVENUE (USD)



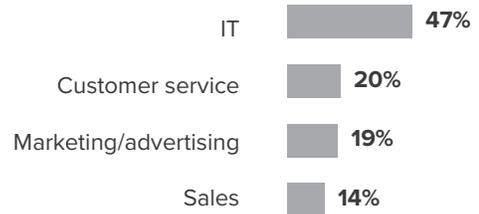
COMPANY TYPE



RESPONDENT LEVEL



RESPONDENT DEPARTMENT



Base: 111 CX decision-makers at enterprise organizations across the globe
 Source: A commissioned study conducted by Forrester Consulting on behalf of Cognizant, April 2021

Appendix C: Supplemental Material

RELATED FORRESTER RESEARCH

“How Customer Experience Drives Business Growth, 2020,” Forrester Research, Inc., December 3, 2020.

“Five Steps To Enable Customer Experience Delivery,” Forrester Research, Inc., February 5, 2021.

“Build An Insights-Driven Business,” Forrester Research, Inc., December 9, 2020.

Appendix D: Endnotes

¹ Source: “The ROI Of CX Transformation,” Forrester Research, Inc., January 22, 2021.

² Source: “Build An Insights-Driven Business,” Forrester Research, Inc., December 9, 2020.

³ Source: “The US Utilities Customer Experience Index, 2020,” Forrester Research, Inc., September 28, 2020.

To read the full results of this study, please refer to the Thought Leadership Paper commissioned by Cognizant titled “Activate A Holistic Customer Experience Ecosystem To Become A Market Leader”

Project Director:

Mandy Polacek,
Market Impact Consultant

Contributing Research:

Forrester’s Employee Experience
And Customer Experience Groups

ABOUT FORRESTER CONSULTING

Forrester Consulting provides independent and objective research-based consulting to help leaders succeed in their organizations. Ranging in scope from a short strategy session to custom projects, Forrester’s Consulting services connect you directly with research analysts who apply expert insight to your specific business challenges. For more information, visit forrester.com/consulting.

© 2020, Forrester Research, Inc. All rights reserved. Unauthorized reproduction is strictly prohibited. Information is based on best available resources. Opinions reflect judgment at the time and are subject to change. Forrester®, Technographics®, Forrester Wave, RoleView, TechRadar, and Total Economic Impact are trademarks of Forrester Research, Inc. All other trademarks are the property of their respective companies. For additional information, go to forrester.com. [E-49404]