

Exceeding Expectations on a Midmarket Budget

Moving their CIS to the cloud allows
midsized utilities to deliver a great
customer experience

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Introduction

Business problems are universal, and utility companies of all sizes deal with the same issues and challenges. Each of them wants to reduce call volumes. They all want to increase the collection of delinquent debt. They must ensure regulatory compliance, and, maybe most importantly, they all want to improve the customer experience.

That's because utility customers have changed. They aren't just dutifully paying their paper bill each month like they had in years past. Today, utility customers are asking more questions of their utility provider and demanding that they be able to interact with them in ways they never have before.

Thanks to our Internet culture, consumers now expect ultra-simple processes in purchasing and customer service. Customers aren't

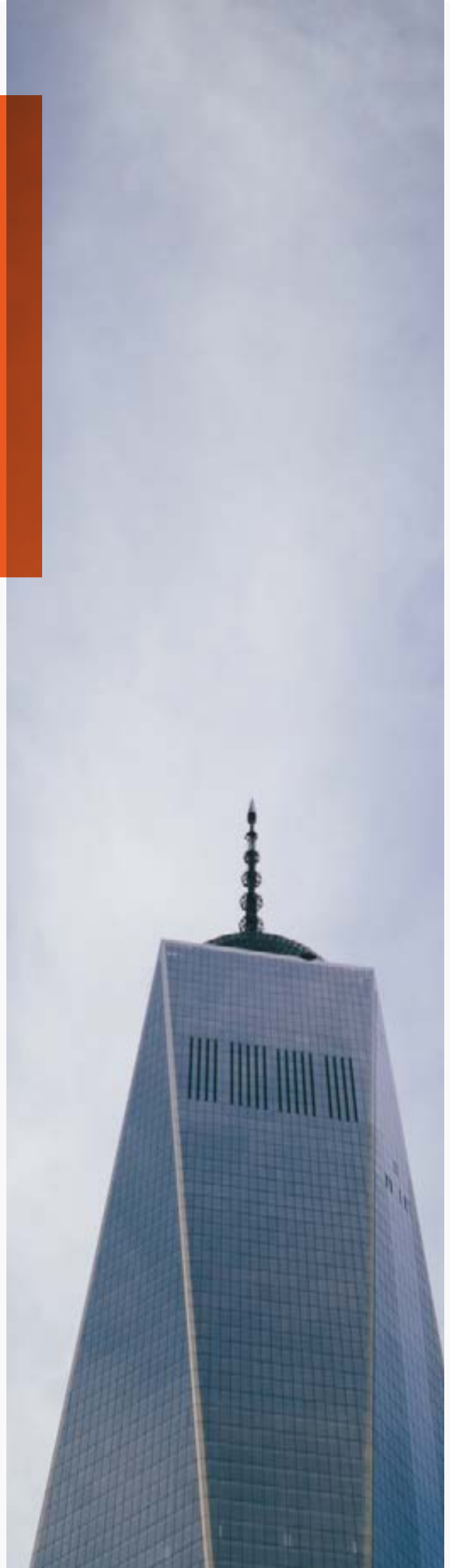
benchmarking their experience with their gas provider against their experience with their water provider. Instead, they are using online retailers that build their brands on customer service and availability as their measuring stick. They are using their bank's phone app to make a deposit by simply taking a picture of a check. Or they are using a mobile phone carrier that allows them to check on data or minute usage in the middle of the month.

Customers have come to expect that kind of service from every entity they do business with. That includes utility companies, but utility companies have been slow to react to this increasing demand for self-service.

For example, a 2014 Booz Allen report titled “Digital Migration for Electric Utilities” found that **only 26 percent of utility companies had developed a mobile application**, and we are quickly getting to the point that having an app is table stakes for almost any business.

So how do utility companies meet this growing demand for a better customer experience? With better technology. The age of many utilities’ CISs can be measured in decades. They are built using programming languages that have long since died, making it difficult or impossible to repair or upgrade. And they aren’t able to provide the ability to interact with customers across multiple channels like so many are starting to demand. So even if the CIS is still able to perform its core duties, utilities should be considering an upgrade just so they can serve their customers in the way that they want to be served.

For midmarket utilities, though, that’s easier said than done. While it’s never an easy process, a CIS upgrade is something that large utilities can tackle more readily. They set aside the budget and put together a team that will be in charge of replacing the CIS. But for utilities that are midsized or smaller, that can be much more difficult. There isn’t money in a budget to allocate to a new or augmented CIS. And even if there were, there isn’t the staff to spare for development and implementation, a process that usually takes nearly two years. What that means is that while the problems that utilities face aren’t unique, the solutions to those problems, at least for the midmarket utility, have to be.



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It's Time to Turn to the Cloud

So, if it is, in the end, a resource problem — too few people and too little money — then any solution is going to have to address both of those issues and level the playing field. Luckily, for midmarket utilities, there's one that does: a cloud-based solution with proven processes built in.

Moving its CIS to the cloud allows a midsized utility company to have a modern, Tier 1-level CIS for **a fraction of the cost.**

Utilizing cloud technology and hosting the CIS on remote servers that are already up and running provides three distinct advantages to the midmarket utility company.

➤ Faster time to benefit:

In a typical on-premise CIS implementation, one of the first tasks is to design, specify, procure and install the software and hardware needed for the project development environment. Even though a complete new CIS platform is still 24 months away from launch.

Of course a data center will also be needed, and add another for business continuity and disaster recovery.

The benefit of a fully hosted, cloud-based CIS is that the backbone for the new system is already running. The data centers are in place, and there is no hardware or software to be procured and installed. The deployment can hit the ground running on day one.

A 2012 story on wired.com, written by Edwin Schouten of IBM, describes another cloud-speed difference:

“Getting the computer resources you need when you need them tends to shorten IT projects, resulting in fewer FTE to deliver the project and a quicker and more predictive time-to-market. Being able to deliver results faster, cheaper and with more quality might just give your business a competitive edge and make her more nimble on her feet. I have seen a data analytics project being reduced from four months to just three weeks, reducing the project’s time-to-market and overall cost significantly.”

➤ Results from the IDG Enterprise Cloud Computing Study 2014 support the speed and efficiency theories. Its top two reasons for businesses making the switch to the cloud:

- **The quickness in getting it rolling (39 percent)**
- **The lower costs involved (39 percent)**

A utility’s CFO might rightly argue the costs associated with the hardware, software, and employees can be amortized over five to seven years. But often the hardware and software powering the new CIS will be out of date by the time the new CIS launches or shortly after, and that means upgrades and expenses that probably weren’t budgeted for. With a fully hosted and managed solution a utility doesn’t have to worry about hardware and software becoming obsolete.

But perhaps the biggest benefit of moving to a hosted CIS solution is that it comes with proven customer experience processes built in. Adopting those processes, which should be flexible enough to adapt to the variables unique to each utility, can cut the time needed to launch a new CIS in half from 18 to 24 months to just 9.

➤ The financial model is more aligned with the business model.

No company has a goal of offering its customers lower quality service, but, in the past, budget limitations sometimes forced midmarket utilities to do just that. Of course, they would have loved to buy a Tier 1 CIS, but the reality was there was no way they could afford that level of software. So, instead, they accepted that they would have to buy a Tier 2 or Tier 3 system that they knew didn't provide the kind of service that they ultimately wanted.

Moving a CIS to the cloud, though, eliminates those upfront expenses associated with replacing one traditional CIS with another. Instead, installing a cloud system requires a smaller investment at the start of the process, and then becomes a manageable recurring expense going forward.

The cloud can also make the total cost of ownership extremely predictable. Those unexpected hardware expenses that were mentioned earlier are eliminated. So are many of the delays that can cause a project to fall off schedule and, eventually, lead to extra costs.

➤ Cloud allows for a flexible platform that can be updated as the utility's needs change.

Not only can a cloud platform be ready to use quickly, but it is also easy to expand. That makes updates much more manageable than in traditional platforms, and it's the key to the cloud's flexibility.

When utilities start using a cloud-based CIS, they have available to them all of the advanced features that come with that system. Now, there are likely elements and features that certain companies may not need right from the start, but they will have the option of easily adding those in the future. So as the utility grows and the needs of the company or the customer change, the utility can add features and capabilities without having to talk about expensive upgrades.

The cloud allows you to have all the bells and whistles — or at least the ones a utility wants and needs — right from the start. As new bells and whistles are developed or a utility's needs change, it's a straightforward process to add them to the utility's account through the cloud. In a traditional system, changes would have to be implemented in additional configurations or new hardware.

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Life After Launch

A modern CIS will allow customers to interact with their utility in the method they want, and that's great. As has been stated, customer experience is a top priority. Utilities have a vested interest in keeping customers happy and keeping complaints to the regulators low.

But a modern CIS can also do more, like provide visibility into those customer interactions.

Clearly, the way we communicate has changed. Fewer conversations take place over the phone anymore. Instead, our interactions are happening over email, through text messages, and on social media. Still, most utilities interact with their customers the same way they did decades ago. The utility sends a bill through the mail.

The customer sends back a check as payment. If there's a problem then the customer picks up the phone. Compared to other types of companies most people do business with, it's an antiquated system. But for a utility with an outdated CIS, it's all it can do, even though customers are asking for more.

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Enhanced Visibility

A modern CIS not only allows customers to interact with their utility in the method they prefer, but it gives utility companies visibility into those customer interactions.

It lets the utility see where the customer wants to connect and then meets them at that point, which is the key to keeping customers happy. Customers trying to make a payment or check a balance likely won't stick around if the processes are long and drawn out, or if they can never get an actual human to speak to or chat with online to resolve an issue.

A modern CIS that's been augmented with the right features can track mentions on social media. It can follow callers through the contact center in real time so they don't feel like they are having to provide the same information each time their call is passed to another agent. It can make it easy to let customers opt into electronic billing, a simple way to boost customer satisfaction. In fact, the 2014 Booz Allen "Digital Migration" report found that utility customers who received e-bills are 64 percent less likely to call customer service, which can lead to savings for the utility.

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Improved Interaction Through Analytics

While customers may be asking to interact with a utility in a variety of ways, how does a utility know which channels are most preferred by its customers? Data. A modern CIS can track interactions and provide the insight needed to customize a CIS so a utility's preferred channels are optimized and the company is providing a tailored experience that its customers prefer.

It's all done through analytics, taking advantage of **the oceans of data** that the utility company is already collecting.

For too long, that data has gone untapped resulting in a customer experience that has felt disjointed. That's because utilities have evaluated their inbound interaction channels without considering the cross-channel and multichannel customer experience. As a result, interaction channels such as IVR, Web and contact centers have been optimized and tuned independently.

Putting that data to use, though, can allow the utility company to fine tune its channels and have them functioning as one unit.

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Choosing the Cloud

There is good business in offering a better customer experience. But for midmarket utilities, that good business can come with a steep cost unless those companies are ready to explore other options – options like a new cloud-based CIS with proven customer experience processes built in that can give midmarket utilities the benefits of both a hosted and managed system. It's the way that these businesses can build the self-service experience that their customers will love but also cut costs.

The business world is quickly moving to the cloud, and midsized utility companies would be smart to make the trip as well.

The efficiencies involved are too great to ignore – the more reasonable cost structure, the speed of installation, the ease of expansion and the enhanced customer service.

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your utility's customer
experience visit us at

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