

Securing the future of your utility through CRM & billing platforms

Customer satisfaction is arguably the most significant factor contributing toward the economic performance of a company or utility. Important implications include the capability to increase customer loyalty and usage behaviour, reduce customer complaints as well as the probability of customer defection. Hence, even though almost cliché now, customer satisfaction remains a cornerstone for financial success and market research has shown that the correct implementation of a Customer Relationship Management (CRM) approach can most certainly have an enormous benefit in this regard.

In addition to customer satisfaction, the utility industry faces a number of challenges in terms of government regulations, revenue assurance, operational efficiencies and pressures of transformation into a smart utility. Addressing the billing and CRM needs of an organisation is undoubtedly an effective means to deal with these issues and serve as a one-stop solution to complete meter-to-cash requirements.

Utility considerations

In recent years, the utility industry has gone through a considerable amount of consolidation, re-structuring and de-regulation. The effects of these changes on the industry have impacted the level and quality of customer service both positively and negatively. Customer

service ratings have a very strong influence on the overall performance of utility companies and can seriously impact market growth.

Key points worth considering include:

- Electricity prices are rising; hence, customers are demanding more information and control over power usage, and if dissatisfied, are switching to other service providers.
- A study has found that though outages have had a negative impact on customer satisfaction, detailed and accurate communication helps to mitigate the decline in satisfaction.
- To retain customers, utilities must improve customer service levels; this means carrying out an analysis of the current scenario and drawing up contingency plans for any unforeseen situation.
- Studies have shown that utility companies are experiencing a spike in call volumes due to the deployment of smart meters and these will also give rise to large volumes of customer data that utilities can derive business value from.
- It is essential that providers retain existing customers to maintain healthy growth; thus more attention to customer service strategies is vital.

Billing and CRM key points

A utility billing and CRM solution should include the following modules:

- **Meter data management:** this module will collect and validate meter data records from utility meters; batch and real time collection should also be possible and furthermore, it will be useful if the module can reformat the collected data to formats required by downstream systems.
- **Customer care:** this module provides a 360° view of the consumer and connection data and thereby allows faster and more efficient customer care; equipped with campaign management capability, this module can also notify consumers of new offers and updates.
- **Workflow management:** this module should work seamlessly with customer care to ensure that business processes are modelled accurately and can be used to define and schedule business processes, staff allocation, escalation process definition etc.
- **Rating:** is a module where usage plans can be configured to include dynamic pricing and exception definition for high end customers can greatly enhance customer satisfaction.



- **Consolidated billing:** this module provides for end-to-end bill processing – both in batch or single – by configuring billing schedules and automatic processing; review and approval of bills can be performed before posting the details to ledger and statement generation is also an additional feature that can be supported.
- **Payments and collections:** provides support for multiple payment options e.g. credit card, ACH, check, cash deposits, mobile app based payments etc.; provision can also be made to ensure that bad debt follow up and resolution is possible.

Technology

CRM is a strategy rather than a technology; however, CRM software is an integral component of any CRM system and, considering the myriad of solutions available in the market place today, deserves serious deliberation before a decision is made.

CRM software consolidates customer information and documents into a single CRM database; this facilitates both access and management of data. Other functions include recording customer interactions (via e-mail, telephone, social media etc.) and automating workflow processes such as tasks, calendars

and alerts. These functions enable managers to track performance and productivity based on information logged within the system.

Common features of CRM software include:

- Marketing automation can automate repetitive tasks to enhance marketing efforts to customers at different points in the lifecycle. For example, as sales prospects come into the system, the system might automatically send them marketing materials, typically via email or social media, with the goal of turning a sales lead into a full-fledged customer.
- Sales force automation (or sales force management) is intended to prevent duplication between the sales force and customers. A CRM system can help achieve this by automatically tracking all mutual contact and follow-ups.
- Contact centre automation is designed to reduce the more tedious aspects of a contact centre agent's job and may for instance incorporate pre-recorded audio that assists in customer problem-solving and information dissemination. In addition, software tools that integrate with the agent's desktop tools can handle customer requests in order to cut down the time of calls and simplify customer service processes.
- Geolocation technology, or location-based services, includes technology that can create geographic marketing campaigns based upon a customer's physical locations, sometimes integrating with popular location-based GPS apps. Geolocation technology can also be used as a networking or contact

management tool in order to find sales prospects based on location.

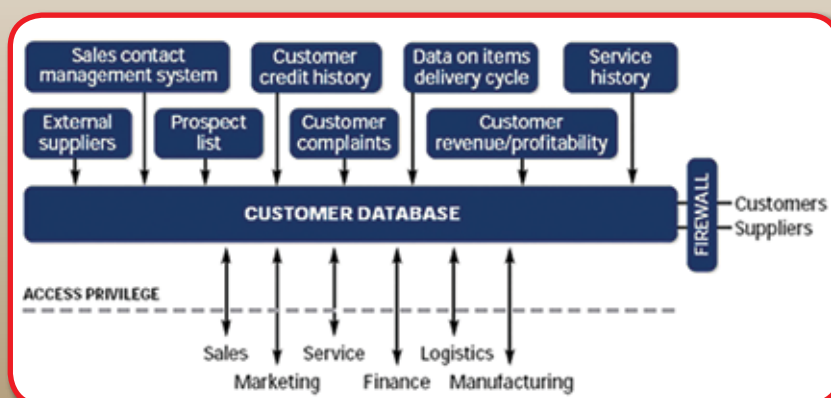
A utility CRM & billing solution

Utility companies worldwide (including those operating in emerging markets) are increasingly facing regulatory, competitive, investment, supply, environmental and price pressures. To effectively manage these challenges, decision making, customer focus and enterprise performance must continually be improved. A good CRM system, by creating greater visibility across business processes, customer demands and field operations, can provide the required flexibility to react rapidly to changing situations.

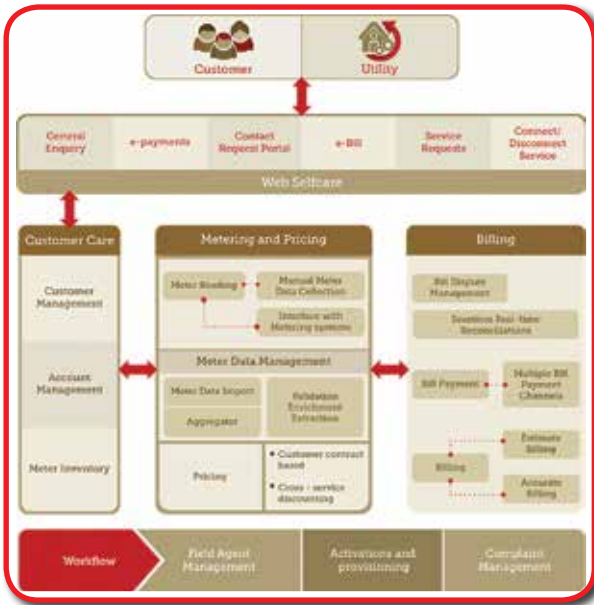
A robust and dynamic IT environment is also a critical component and the key business support systems to include are: customer relationship management, meter data management and billing.

Key features of an end-to-end utility billing and customer care system, catering for residential and commercial billing requirements of municipal and national utilities, should include the following:

- A business rule-driven solution that incorporates meter data management, consolidated billing and collections, customer management, workforce management, consumption-based charging, reporting, revenue settlement and utility analytics.
- A high-performance and scalable billing engine that has been deployed in carrier grade environments supporting a customer base of several million.
- A proven transaction processing core that has been benchmarked in excess of 1,000,000 records per minute.



▲ Figure 1: Typical CRM database interaction



▲ Figure 2: Sure utility solution architecture

- GUI-driven configuration and rule-based data processing that enables utilities to adapt business processes to changing local market rules, regulatory and environmental requirements.
- An open and scalable technology platform that allows easy integration into an existing system landscape.

An example of a complete utility solution architecture is shown in Figure 2.

CRM challenges

In spite of the many advances in CRM technology, without proper management a CRM system can easily turn into an overvalued database simply storing customer information. To facilitate user access to information, it is essential that data sets are connected, distributed and properly organised.

Quite often companies struggle to achieve a ‘single view of the customer’. This becomes an issue when data is ‘siloesd’ in separate systems frequently containing duplicate and/or outdated information. Thus the CRM system must ensure that many data sets can be seamlessly accessed and organised into a single dashboard to create one view of a customer’s account.

These problems invariably lead to a decline in customer experience

attributable to long wait times during telephone calls, improper handling of technical support cases and many other issues.

Studies have shown that customers are becoming increasingly dissatisfied with call centre experiences. Multiple channels of communication are demanded and a seamless interaction is expected. Hence, the main challenge of a CRM system is to deliver a cross channel customer experience that is

consistent and reliable.

Social media has been touted as a more efficient channel which customers can use in place of enduring the more traditional method of waiting in a phone queue or awaiting an email response. However, in instances where high-touch customer service (for high-value customers and complex problems) is required, social platforms can struggle to replace human interaction and thus can negatively impact customer satisfaction.

The future of CRM

Mobile CRM, social media integration, enterprise application integration and business analytics are certainly the major trends in the future for CRM. Mobile devices are quickly outpacing computers as the main device of choice and the fact is that most business professionals do a big portion of their daily work on smartphones, tablets, and mobile devices. The ability to access CRM data and functionality on a mobile device empowers the entire organisation with CRM no matter where they are in the world.

Integration between CRM and other business enterprise applications is also an important trend as organisations seek to unify systems into one cohesive system. Back-office Enterprise Resource Planning (ERP) solutions manage a wealth of customer information that can be synchronised with front office CRM

to deliver total customer relationship visibility across the organisation. Analytics solutions that help analyse performance and help anticipate what’s next are imperative for strategic decision making. When analytics, reports and dashboards are part of CRM solution then the data can become tangible, provide true insight, and guide decision making at every level.

Conclusion

Billing and customer information is at the heart of most businesses, but for the utility industry, changes in the market environment, the advent of distributed generation (DG), and smart grid technologies, as well as energy efficiency mandates and deregulation, have converged to place growing strains on legacy systems. Furthermore, utilities are experiencing an increasing need for effective customer engagement and the desire for integration with digital platforms, such as mobile devices, web portals, and social media.

Unfortunately, most utility bottom lines (especially within emerging markets) are severely constrained, and as a consequence risk-averseness among management is high. Also there are other IT systems, e.g. outage management or distribution system management, which offer utility management teams more rapid Returns on Investment (ROI).

CRM and billing systems are costly and invariably involve long implementation times; however, the prevailing market drivers for improved customer engagement cannot be discounted. The many issues facing utilities today; including increased competition (due to deregulation), time-of-use pricing, demand response, ever increasing operational costs, market pressures etc. make it imperative to ensure that existing customers are retained and that the customer base is grown as much as is possible to ensure sustainability of the utility going forward.

Thus in the longer term, the basic philosophy behind CRM – that the utility’s relationship with its customers is a major asset – holds true and could prove to be financially detrimental if not embraced unreservedly. **ESI**

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