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BUSINESS PROCESS SERVICES

“5 pillar solutions matrices” for **Utility Operations**

Sustaining in new age Utility Business Process Services



The traditional 'Utility Industry' and 'Business Process Services' are facing multitudes of changes in eras. Energy and Utility Market is rapidly coming out from the traditional business processes because of change in the customer's mindset and demand.

This whitepaper shares views on how Utility Market is changing the demands, based on market trends and customer's expectations and how utility suppliers should change their Business Strategies & Focus Areas to sustain in the competitive market. Moreover, it comes down to how utility service providers should reposition themselves with emerging technology practices to provide most relevant services to their customers.

It is time for utility service providers to gear-up with emerging technologies and adopt industry best practices from advanced business processes like Telecom and banking, etc.

If we compare today's Utility Business Process with Telecom as an industry, we can find that:

- Telcos are moving from 4G to 5G LTE, Utilities still operate with older technologies
- Utilities compete with a public network's bandwidth, thereby compromising availability and reliability
- Ageing infrastructure of Utilities is lacking efficient support for the last mile connectivity

Hence, Utility suppliers and service providers need to adapt new business strategies and bring digital disruption in their day-to-day businesses to make them more relevant for their customers.

Ways to sustain in the competitive market for utility suppliers:

- Adapt Digital Practices from other market leading industries to bring down operational costs as much as possible
- Find a right fit partner to inject best practices from other industry and bring best in class operational excellence in their day-to-day operations
- Create ability to scale up and down without service interruption to adapt to the market needs
- Inoculate advance data driven analytics insights to understand customer's sentiments and improve customer experience

Utility service providers must transpire their traditional business process operations to bring more value adds on the table for their customers/utility suppliers. This is a time when a service provider must focus on '5 pillar solutions matrices', thus creating an impactful 'Intelligent Business Process Operation'.

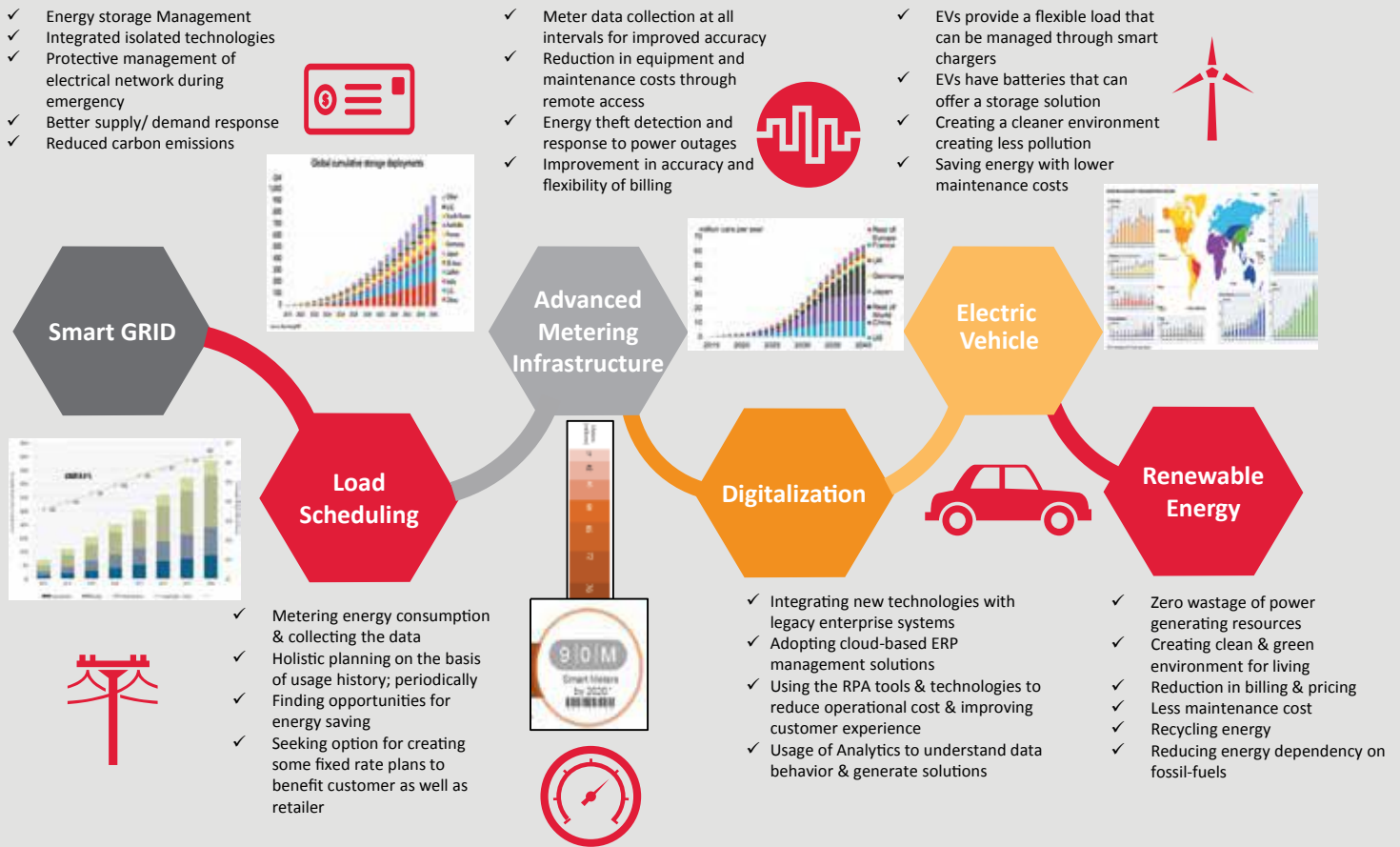
Trends and Challenges in Utility Industry:

While doing market analysis, Key Trends have been observed by industry experts, organizations and analysts. This whitepaper provides some more details through our hands on industry experience and voice of customers from multiple utility service providers in different forums cross the globe.

The section below gives a brief on the entire value chain of the Utility Market: such as Market Trends changing customer mindset, Challenges for utility suppliers, New Challenges and their impact on Utility Service Provider landscape and Operations.

Key trends in Utility Market:

Utility Business – Current & upcoming trends



Some key challenges noted:

Evolving customer behavior and expectations based on the experience with other industries practices - Consumers are demanding more information via channels of comfort

Frequently evolving Policy and Regulation- Regulatory pressure around Customer Satisfaction, Smart deployment and Regulated Distribution Networks

Threats from new entrants from other sectors- Tech giants like Google are entering the market with niche services

Aging Workforce and Infrastructure- Investment pressure to modernize the Energy Grid, Smart Meter deployment and Infrastructure

New revenue streams, Advanced Analytics, Energy efficiency, Solar, Electric- New service lines- Connected Home services, smart home, EV charging etc.

Strong emergence of Distributed Energy Resources- Appearance of Peer to peer trading

Challenges faced by Utility suppliers/retailers

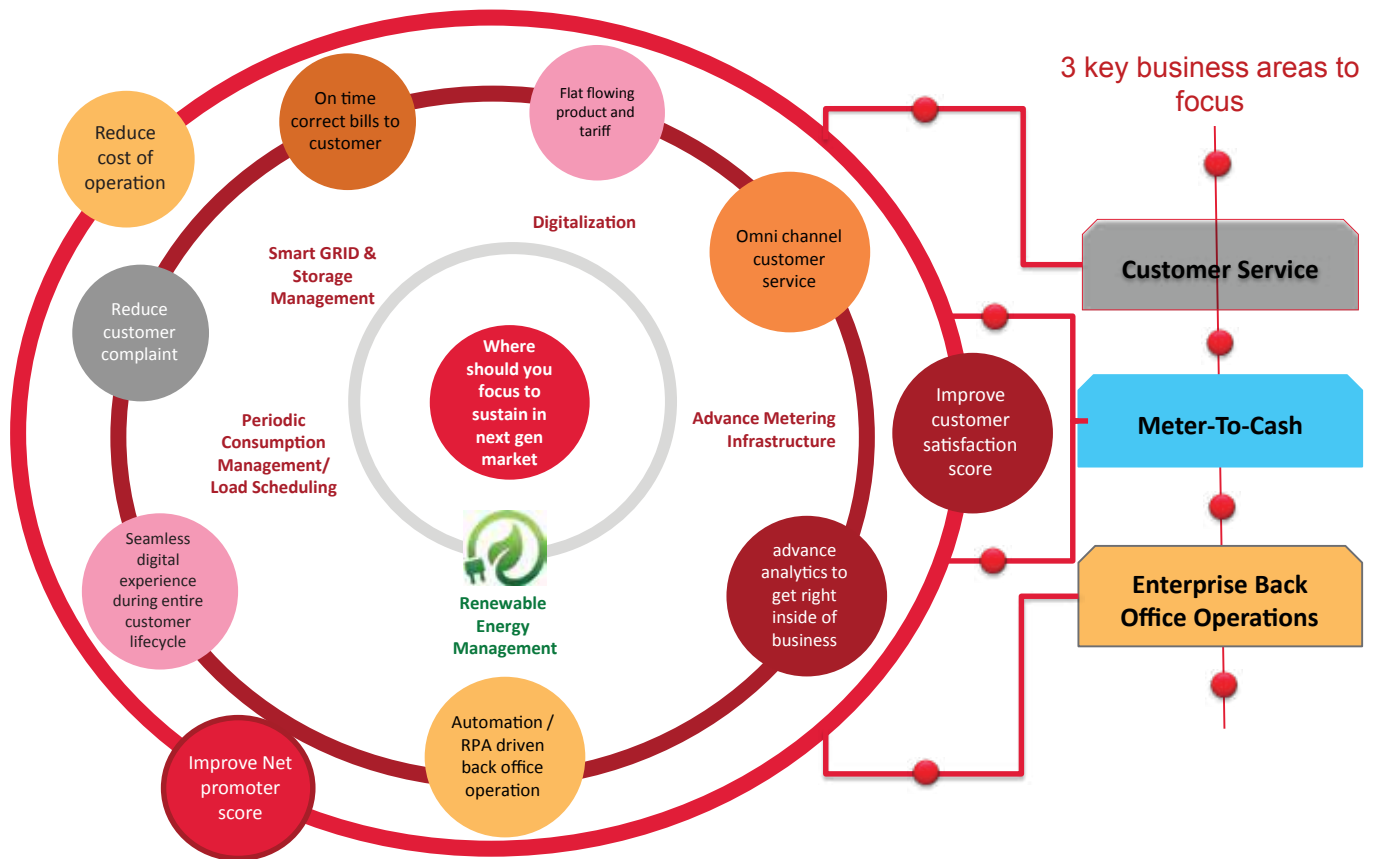
Considering the changes above, we come down to utility suppliers facing challenges such as:

- Flat flowing product and tariff, making the market more tough to compete and sustain
- Increasing government regulations to upgrade their system
- Revenue Loss due to fragmented meter data and billing process
- Rising costs due to dis-jointed demand supply and Outage process
- Legacy IT infrastructure which doesn't support modern technologies required for smart meters
- 2 way metering and distributed generation has increased the complexities in the system

Where to focus on now?

Utility suppliers are looking for solutions. However, there are couple of other factors that need focus for relevancy in the market. Following diagram is to highlight some of those key focus points:

Utility Suppliers: Key Focus Areas



How these changes are affecting business landscape for utility service providers:

Since the entire value-chain is getting affected, utility service providers are also in the loop to sustain their Business Process Service operations. Couple of challenges they face:

- Providing service at minimal cost
- Instant and seamless scale up and down
- Chasing tight KPI and SLAs to meet customer's expectations
- Operations between multiple platforms
- Inefficient forecasting and planning
- Continuous innovation and improvement in operations for efficiency
- Uplifting end customer satisfaction and net promoter score for utility suppliers

How should Utility Business Service Providers reposition themselves?

Top 5 changes needed in Utilities Operations (5 pillar solutions matrices):

1. Customer Centricity:

- Omni channel customer interaction, digital customer complaints handling
- Mobility- 'Mobile Apps', the way ahead for customer service
- Multi-Skilled, Cross trained super agents to serve Customers and move to Journey based Operating model
- Relevant and proactive communication channels and strategies for customers in relation to outages, product, tariff and energy saving tips
- Smart Field Assistant and digital network tracking mechanism

2. Data Focused:

- Insights driven for Optimum Efficiency of Assets, Operations and Customer Service
- Adoption of advanced analytics driven practices to provide better insight and forecasts to utility suppliers
- Use case and relevant solution mapping with leading industry practices and using them in utility operations
- Bringing Revenue Protection Solution, Product Engineering Services and Asset Inspection & Survey Solution

3. Adopt Digital first strategy:

- Providing Digital Customer Experience via channel of choice and shifting to digital first strategy. Go Digital with following 3 step to ensure effective and scientific implementation:

Step1: Unassisted Digital Care

- Resolution Using Virtual Agents: Customers to be provided with appropriate resolution using VA's & KB.
- Direct to Self Serve: Customers to be provided with appropriate resolution using VA's & KB..

Step2: Assisted Digital Care

- Deflect to Low Cost Service Channel: If the queries can be serviced using low cost channels like Back office, then direct them to using web forms
- Deflect to Chat Channels: If the queues can be serviced using CHAT, then direct them to mobile chat.

Step3: Voice Support

- Voice Agent as the Last Resort: If the customer prefers to talk, then use click-to-call feature
- Contextual Conversation: All the activities and information is passed to the agent resulting in AHT savings of at least 30 secs
- Dramatically reduce FTEs through end to end automation and inscribed Analytics
- Improve Business Outcomes – CSAT, OPEX, Bad Debt percentage etc.
- Leverage Block chain to disrupt existing business models around Energy Trading, Reconciliation and Settlements
- Use intelligent digital RPA consulting and Robotics arms to reduce human effort and cost - both

4. Execution Methodology:

- Utilities Customer Relationship Management (CRM) and billing automation solution
- Advance Metering and Meter Data Management
- Measure & Track outcomes, based on Volume, Speed & Cost and time
- Power Network Management System, Revenue Protection and Energy Auditing
- Universal Interface- Unified view, aid the agent with all relevant information in one view
- Digital disruption led by Analytics and big data - Smart MIS, connected home services and Predictive Asset Maintenance to drive costs down

5. Unified Platform Solutions:

- Remove multi-platform delivery method and implement end-to-end process journey enabled by an integrated platform
- Supervisory Control and Data Acquisition - Distribution Management System (SCADA-DMS) or Energy Management System (EMS) and Outage Management Systems (OMS)
- IT BPS synergy force to manage end-to-end Business Process Services and drive continuous improvement culture across IT and BPS side of business
- Enable cloud-based contact center technology platforms
- Utilities-in-a-Box Package for Electricity Utility Powered by SAP S/4 HANA

How will it benefit Utility Suppliers and Service Providers?

Utility Supplier and Service Providers must consider above-mentioned key components of the “5 pillar solution matrices” to implement a smart and effective business process operation. The “5 pillar solution matrices” will help the service providers to reposition themselves in market and will provide following benefits to suppliers and service providers:

- Accurate customer Profiling and Targeting
- Net Promoter Score analytics
- Automated Back Office Operations with optimum cost
- Probability of getting payment and increase in cash flow
- Smart Dialer Implementation and management to reduce effort and cost of outbound calls
- Automated Reconciliation
- Live Tracking for energy network
- Automated Routing and Dispatch with the help of GPS
- Consumption Analytics and forecasting
- Utility Energy Application and Unified Dashboard
- Demand Response Analytics
- Predictive Maintenance
- Conversational AI Chat bots
- Demand Response Analytics

Finally, these will convert into three major business outcomes that every Utility Supplier hopes for:

- Happy customers
- Low cost operations
- Effective service delivery

Conclusion:

Looking at the above trend in Utility Market and Business Process Services, it is clearly predictable that in next one or two years, energy retail sector will absorb significant growth on sections such as:

- AI/NLP/Cognitive Intelligence driven bots (Chat bots, Email bots, Support bots)
- Automation use cases for Meter to Cash transaction process management
- Block chain POC for Intercompany Reconciliation process
- Suite of services for Smart Meter Operations and Connected Homes
- Demand Side Management
- IOUs and Regulated Distribution companies the US, Mid-tier energy and gas companies in the UK, Deregulated Water Utilities in the UK
- Digital Platforms/Tools enabled services like Multi-channel Customer Management
- Alexa based Virtual Assistant
- Chabot's and Digital FAQs
- Comprehensive solutions covering the entire gamut within Utilities Value Chain – For e.g. Debt Analytics, Sales Analytics, Acquisition Analytics, Propensity to Pay Analytics, Default Scoring and Fraud etc.

Hence, Utility Suppliers and Service Providers need to adapt above-mentioned solutions to become much more relevant in the market and continue their mutual growth

About the Author:



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A Utility domain expert and Digital Transformation consultant with 12+ years of experience in designing solutions and transformation road maps, while implementing large-scale transformation practices across geographies. He has proven record of accomplishment on delivery of significant business outcomes to the Utility Service providers throughout the end-to-end utility business lifecycle. As part of multiple IT, BPS and consulting organizations like TCS, WNS, EY and TechM, he has worked for all the big six of UK Utilities and multiple utility players across US, Australia and has always been a choice of customers.

To know about TechM and their utility business process services please visit:
<https://bps.techmahindra.com/utilities.aspx>

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