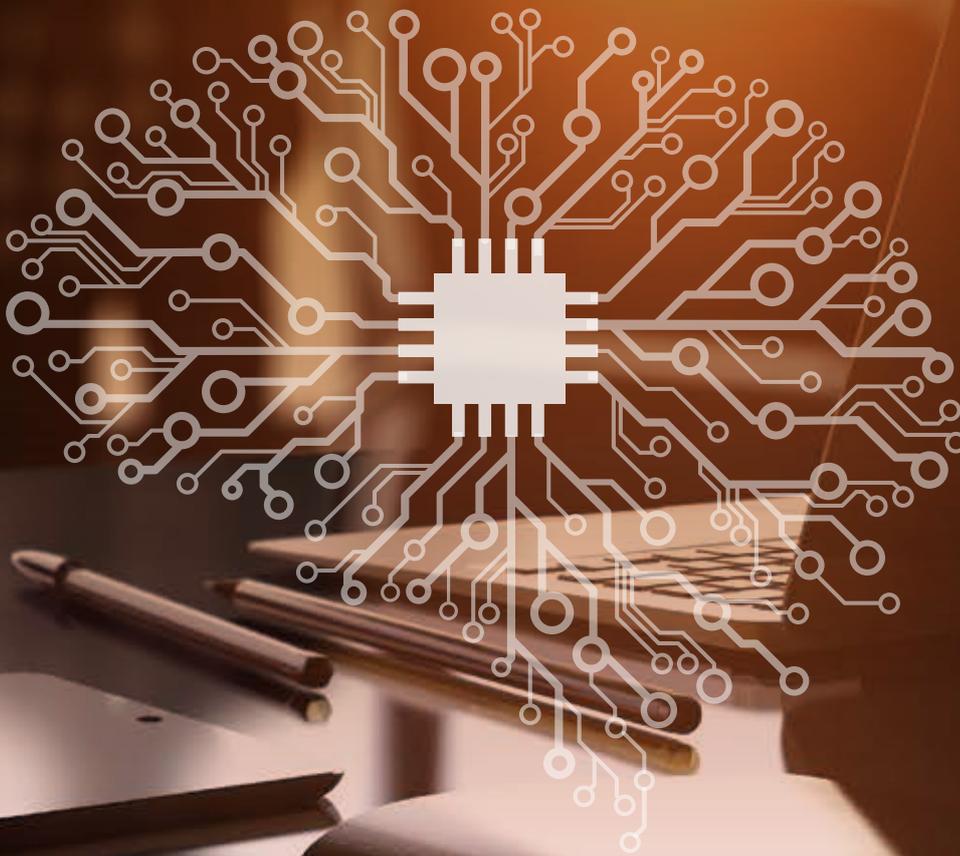


The Power to
Transmute Back-Office
with **Intelligent BPEM**



Abstract

The traditional power and utility sector, globally, is being forced to gear up and put all their stakes in a fast - paced lane, having to play with multitude of new entrants. The step towards this fundamental change has already been taken and the future looks to be promising as power and utilities keep the core of this transition as “**Customer Experience**”, overlaid by rapid end-to-end business process automation and accelerated digital innovation combined with artificial intelligence(AI) or machine learning(ML), advanced analytics. This will steer future growth as companies make inroads into the digital customer journey bringing about operational efficiencies, faster turnaround times, reduced cost and amplified productivity in the back-office functions, expanding roll over benefits to front-end workforce.



Key takeaways

Power and utility companies are moving fast forward with their business transformation strategy at length and space. In this compendium, organizations are encouraged to leverage broader ecosystem, array of platforms, and cutting-edge technologies. Whilst, the key to success would largely depend on how they intend to use up-to-date and innovative products/services at their disposal and interact with its residential, business, industrial, and connected home customers. The envisaged vision is “**exploring digital**”, “**doing digital**”, and “**being digital**”, which entails:

- Customer significance and right – first – time experience
- Introducing “platform led back office - CX” underpinning digital foundation
- Automated, agile operation model eradicating failure demand, improving process efficiency, and effectiveness as well as data timeliness and accuracy
- Personalized interaction model supported by an advanced series of AI enabled robots and expert agents

In turn, the customer operations can shift their effort away from being a reactive trouble-shooter to become the proactive marketable spearhead, but the tacky question is how can they approach it and avoid pitfalls?

Introduction

The easy sailing in the low volatile market has become competitive and complicated with rising costs, growing concern for a decarbonized future, regulatory changes, and of course, infusing cutting edge technology with ailing infrastructure - multipronged challenges faced by utilities:

- Utility back-end systems are mostly legacy built, and it consumes a huge percentage of maintenance budget
- Majority of customer dissatisfaction sources are coined in the back office due to silo data sources and disjointed operations
- Huge gap in “knowing-doing” and obvious resultant issue with costs and benefits of system migration. The focal point is to control rising costs to get aligned with the advancement of smart grid and smart assets and it has become apparent utilities need help to control and reduce costs to serve as they aspire to be digital - savvy

- A significant volume of contact centers is a cascading impact of execution issues at the back office and stopping the errors is essential in reducing inbound traffic and improving the customer experience and net promoter score (NPS)

As future unfolds, there is uncertainty along with opportunity, power and utility companies seeking their journey for “digital lights out utility” more aggressively. Part of its widely recognized strategy is transforming back-office operations which is central to improved services. In fact, it acts as a catalyst to transform from mere transaction processing functions to generating more value to impact customer lifetime value.

From Consumers to Prosumers

To be a leader in the power and utility space one must develop a compelling offer beyond just being a commodity service provider. Thanks to digitisation and everything – the market is now being defined by prosumers who expect a superlative “**anywhere-anytime**” service experience wrapped in intuitive self-service and communication. The advent of digital technologies and rising deregulation rightly put the customer in driving seat and leave the companies to evaluate the ways and means to defend their market and shareholders’ interest. Today, the power and utility providers find themselves in a sticky situation where the market demands newer products and services, constant pressure to change but on the hind side they are still grappling with legacy business processes and technologies that impede transformation.

A smart, intelligent, and platform-led back office is needed to serve the purpose which can set the foundation for transformation journey and protect revenue, wallet share in this competitive age. To deliver on this strategy, we believe that managing exceptions continues to be critical in utility business process operation. Imagine handling a massive workload with speed and near 99.99% billing accuracy while driving exceptional CX and still keeping the cost low. However, reality seems to be far-fetched unless the mammoth challenges are addressed in a structured way:

Challenges faced in exception management:

1. Workload:

Prioritizing and balancing exception volumes

2. Issues with Order:

Manual resolution approaches that are expensive and difficult to scale

3. Lack of Visibility:

Largely undocumented knowledge about systems and processes

4. Non-standard Resolutions:

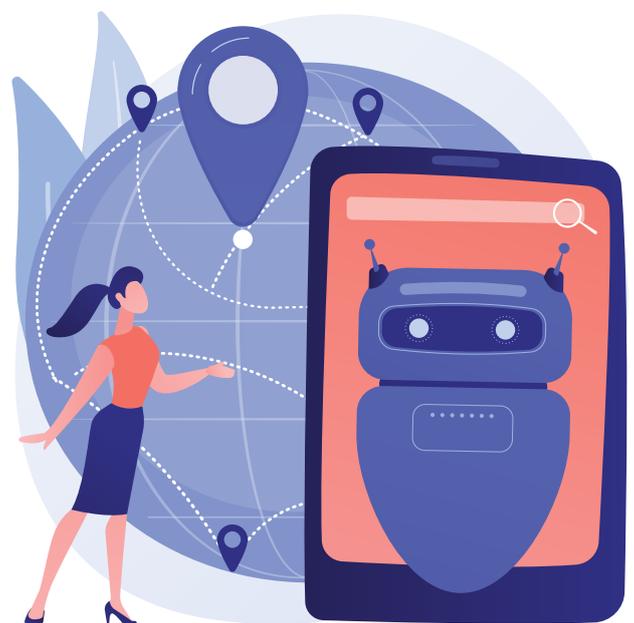
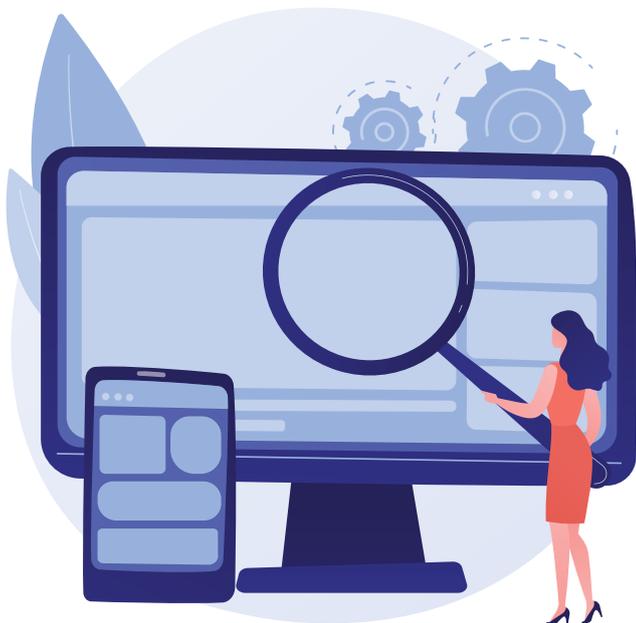
Lack of systematic method for capturing resolution knowledge

5. Intensive Manual Steps:

Exception based processing instead of end to end account/installation management

6. Undocumented Knowledge Pool:

Lacks visibility within exception processing coupled with multiple handoffs



The NXT solution for Exception Management

Tech Mahindra's smart and intelligent exceptions management offering powered by **best of breed automation and analytics platform** - safeguards effectiveness of the billing/revenue management function. It sets the foot at the door for an unmatched opportunity to alter many traditional, somewhat dated utility business processes in ways that only a few years ago would have been unlikely.

Our **intelligent business process exception management (BPEM) services** for utilities leverage the power of a digital platform called **BDEx** (from Basis Technology) on utility SAP for proactive management and resolution of business process **exceptions** in the utility back office.

It helps address non-standardized - data exchange - processes and deliver proactive, efficient resolution, and rectify standard errors (business process exceptions) generated during

- ERP implementations (SAP ISU/S4 HANA/CIS Billing Systems)
- System changes or upgrades
- Migrations challenged with absence of appropriate business data governance/framework
- System inefficiency driven volume increases, resulting in inefficient, and high cost meter to cash back office operations

The errors are mostly related to:

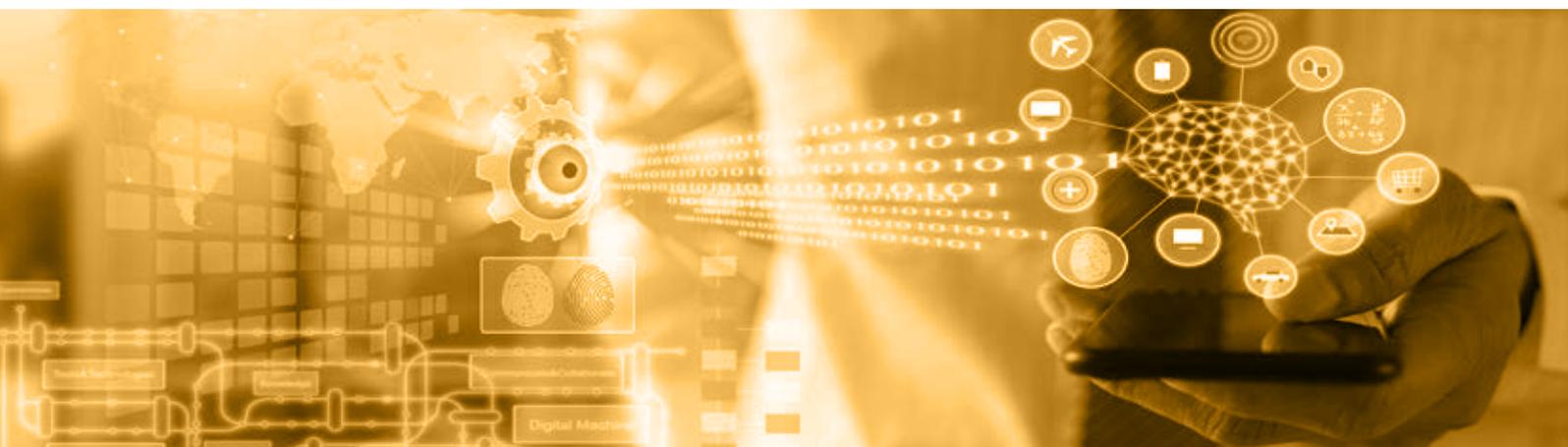
- SAP implementation/upgrade
- Bill and read error (out sorts, blocks, implausible reads, etc.)
- Replication errors
- Wrongful disconnection
- Manual work, Multiple systems, and silo processes
- Failure demands
- Ticket hops, Handoffs

The power of the intellectual enterprise lies in the convergence of knowledge, insight, process, and action. TechM and its partner (Basis Technology) can streamline foundational business processes and leverage an unbeatable value proposition with a smart and intelligent exception management offering powered by the **BDEx** platform; best-of-breed SAP-approved platform. Its customer-centric hub and smart one office capability leverages process mining, simplification, and advanced analytics and reduces the size of the M2C Back-office exception volume significantly and also identifies automation opportunities from broken processes to quickly align them for digital journeys. It underpins and allows the modern utility to simultaneously have an external and internal perspective of the customer.

The smart exception management capability enables significantly superior efficiency and optimizes utility's back office. The utility can obtain a 360-degree view of the customer in real time. For example, the ability to instantaneously correlate work orders, unpaid bills and/or reported complaints associated with the customer. Predictive analytics can process data in a real-time environment and recommend a response to a customer query or complaint even before it triggers. This advanced approach can also enable robotic process automation (RPA) to substantially reduce costs while improving customer service and greatly enhancing overall experience. It can automate the closure of inquiries or complaints while processing precise information as well as execute specific transactions such as bill payment, move - in/out, tariff change, and so on

Utilities can realize the below potential benefits while gaining dominance in the marketplace:

- Up to 30-40% annual cost savings
- Up to 13% increase in NPS
- Up to 87% reduction in handoffs
- Approximate 42% FTR improvement
- Approximate 50% productivity improvement
- Up to 40-50% reduction in metering and billing exceptions



A Differentiated Approach

Our differentiated proposition is bolstered and supplemented by the unbeatable values it brings to the platter:



(A) IMPROVE OPERATIONAL EFFICIENCIES:

- **Minimized Business Disruption:** Transformation led due diligence for eliminating operational pain points and achieve steady state from day 1 of operation
- **Zero Ripple Transition:** Tech Mahindra's proven master™ framework for seamless transition and effective change management approach to handle any risk proactively
- **Reduced Cost-To-Serve:** Better understanding of customer behaviour aligned to a digital journey, leveraging our proactive remediation and automation best practices for utilities, upholding productivity, revenue, and an increased return to shareholders
- **Predictable Result:** Faster access and analysis of centralized data that compliments insight to customer, business processes, and accurate decision-making
- **End to End Exception management:** Deliver optimal business outcomes enabling a unified view, automated system support across service landscape, RPA and analytics engine to treat and process all exceptions through meter-to-cash journey for reduced handoffs, faster closure, and right-first-time experience



(C) ROBUST GOVERNANCE MODEL

- **Proven Governance Model:** Ensure the tracking of operational performance and efficient management of agreed service levels through reporting suite
- **Customer Alignment:** Three tiered approach to handle escalation and stakeholder connect at various levels between Client, third party/partner and Tech Mahindra



(B) QUALITY OF SERVICES

- **Empowered Workforce and BPEM Operation HUB:** Robust knowledge management and retention approach coupled with best practices to translate people-driven processes to knowledge-driven process. Users stay focused on core functions, while business transactions continue to operate seamlessly
- **Incremental Process Improvement:** Unique operating model and digital transformation levers strategically aligned with business imperatives to deliver on stakeholder experience and achieve business objectives while meeting regulatory requirements.
- **Industry Leading Customer Experience and NPS:** Experience led and customer-centric approach truly driven by ever-changing customer expectation, pivotal in right and accurate action on time, maneuvering digital CX, maximizing customer lifetime value



(D) BEST PRACTICES

- **Industry Experience:** Leading service provider and decades of experience in managing market- leading ERP/legacy/decentralized systems along with associated business process services like exception handling
- **Partner Ecosystem:** Strong alliance partners across the supply chain ecosystem to deliver tangible benefits on process alignment, realignment, and Identification of improvement opportunities



(E) MARKET LEADERSHIP

- **Right Sized Outsourcing Partner:** Agile and flexible partner providing high-quality services having over 16 years of experience across the globe with shared accountability and joint engagement construct through attractive commercial models enhancing digital experiences at a reduced cost of ownership

Conclusion

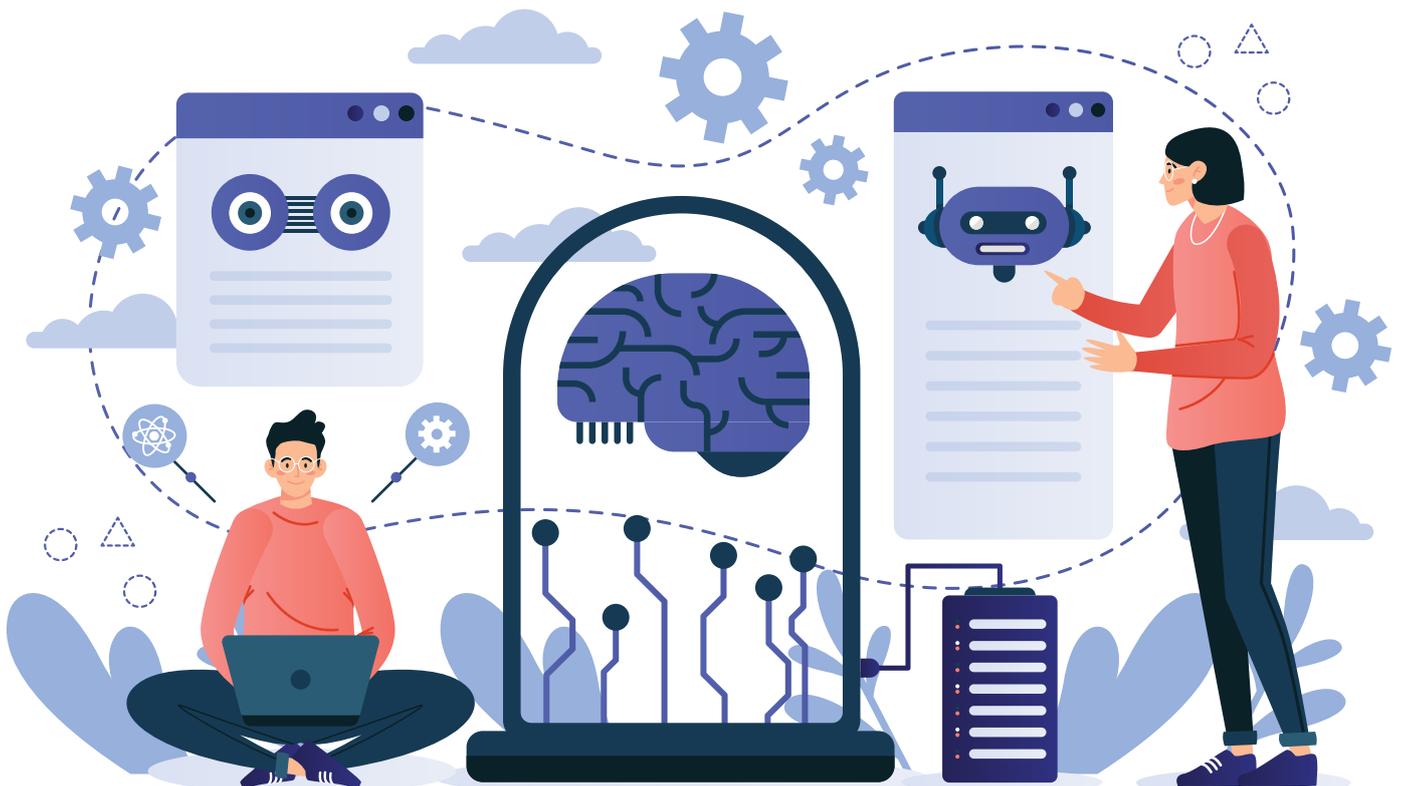
In a way, it's a ticking clock reminding on passing time – many utilities, over the period of time have possibly tried out many process excellence programs spanning multiple touchpoints. Nevertheless, more often than not, costs start sneaking back into the system. However, our BPEM offering delivers sustainable and scalable solutions in the longer run. Unlike a tactical solution, which is mostly a static enactment, it drives continuous improvement opportunities. It operates in a controlled, monitored, and measurable environment yielding higher and incremental benefits.

As such, the power and utility industry are seeing unparalleled opportunities across the value chain for innovation and growth driven by rapid technological advancement and cost declines. It leaves the door open for startups, entrepreneurs, and companies from adjacent industries to vie for the pie and disrupt the industry. It will depend on all scale organizations to take advantage of smart tools like “**smart and intelligent exceptions management**” to disrupt the industry status quo themselves, remain competitive and return to overall growth – possibly a renewed way to approach experiments or to challenge the status quo...

About the Author:

Sailesh Das, Principal Consultant - Energy & Utilities Practice, Tech Mahindra

Over 17 years of experience with ITES business in varied capacity, having rich domain expertise in energy and utilities vertical, globally. Spearhead end-to-end digital and industry leading transformation solution within the energy and utility vertical and horizontal business lines for TechM. Responsible for building newer practices and capability aligned to changing industry need. He is a certified LEAN and Six Sigma practitioner and holds PGDMM grade.



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