

What utilities should do next

The pursuit of operational excellence continues to be a good place to drive value, as are new products and services, as well as introducing new ways to engage with customers, which all build toward good customer experiences. Ensuring customers value these new products and services is important, though, so it's imperative to plan based on real customer insights, and to revisit the plan continually with refreshed information:

Know the customers (research, segmentation, personas)

The logical place to start is by listening to customers and gleaning key insights from their data; perform deep ethnographic research and strive to really understand what they value. Ensure there is a repository for that information (e.g., customer relationship management program) and that the data it stores can evolve over time in an organized way. Tracking this data will give the organization a chance to make sense of where trends, such as distributed energy adoption, are accelerating. This is where customer segmentation and personas can be employed, to help delineate the demographics and build narratives around the customer groups to understand where behaviours are shifting, how fast, and why.

Know the customers' journeys (moments that matter)

Customer journeys enable an important understanding of the key touchpoints and milestones each utility has with its customers. For each customer segment, identifying the two or three critical points that can make or break the experience in the end-to-end journey is critical. The playbook to improve the understanding of these "moments that matter" is straightforward enough, and because it has been used by adjacent industries, such as telecommunications, it doesn't need to be built from scratch—it just needs to be tailored. As utilities improve their performance in these moments that matter, the information and trends will become clearer and result in better data-driven decision-making to improve customer experience.

Craft customer strategies

Using the base set of knowledge of their customers, companies can craft customer strategies that integrate (or drive) broader corporate strategy. Such strategies for the utilities sector should look to set the service expectations for the different segments and plot near-term and long-term actions to enhance customer satisfaction. Much like corporate strategy, this can no longer be done in five-year intervals; it should be evolved and refreshed on an annual basis.

Drive and embed customer insights

With a foundation of customer information and understanding in place and an initial strategy in play, utilities can monitor and derive insights from the analysis of the data collected. With time, these insights will increasingly make their way into what the business is doing for marketing, for operations, even for stakeholder management. At first, business leaders will review the insights to make decisions, but in the future these decisions will become more automated. Everything the utility does can and should be improved through better information about what customers are experiencing and how their services are performing.

Consider new products and services

Armed with credible insights, utility companies will be able to adjust corporate strategy and introduce or adjust products and services to meet the changing needs of their customers. This is a key point for utilities: it's where their understanding of their customers will have an important influence on the strategies and operational business models they employ to remain ahead of potential industry disruption.

Connect customer information to operations and value creation

With grid modernization and the growing adoption of new technologies, such as electric vehicles (both fleet and consumer), renewables, and self-generation and storage options, utilities will increasingly have the ability to deploy long- and short-term planning and load balancing in ways that better serve their customers.

To ensure a reliable electricity supply, for instance, they can employ load management strategies that balance the supply of available electricity on the grid with customer demand. Another example is that instead of increasing the supply of electricity to meet peak usage demands, they can take steps to lower demand at peak times.

This idea can be expanded further; depending on the context, control of the grid also provides new possibilities to increase revenue. For example, if utilities could control load while balancing or peaking supply, they would have additional opportunities for arbitrage when exporting power (i.e., dynamically control domestic power demand and supply to maximize export at peak times). This is not new thinking, but the temporal aspect and potential for value creation has evolved.



Summary

In other industries, disruption has driven customer demand for new options. In response, these industries have successfully transformed by putting customers at the centre of their operation and finding ways to learn and serve them differently, often developing unique and/or personalized experiences that reflect the core needs of each customer segment.

This has enabled their continued relevance with their customers and minimized the risks of disruption, all the while delivering growth.

Customers in the power and utilities sector are not unique in this respect. Therefore, as seen in other industries, the race to satisfy the customer is on.

The path toward a connected series

This article is part of a series that explores the issues facing stakeholders in the energy ecosystem, the options available to them, and case examples of what others both in and out of the sector are doing. Topics for ***Bright ideas: New perspectives on the future of Canada's power sector*** include: assessing strategic risk and making smart choices; energy transition through innovation and digital transformation; the impact of the evolving customer lens; energy transition and operational implications; and the cyber risk implications of energy transition.

We hope that you will join us in the conversation.

Contact

Andrea Bastin

Partner, Consulting
Deloitte Canada
anbastin@deloitte.ca

Acknowledgement

Rob Saunders

Senior Manager, Consulting
Deloitte Canada

1. Deloitte, "Exploring the utility customer of the future: Learn about the changing utility customer experience", <https://www2.deloitte.com/us/en/pages/energy-and-resources/articles/utility-customer-experience-insights.html> accessed February 11, 2021.
2. JD Power, "Business Customer Overall Satisfaction with Electric Utilities Climbs", 13 November 2019, <https://www.jdpower.com/business/press-releases/2019-electric-utility-business-customer-satisfaction-study> accessed February 1, 2021.

Bright ideas: New perspectives on the future of Canada's power sector

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