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High performance. Delivered.

Achieving high performance with
Accenture's bill and correspondence
optimization solutions for utilities

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When bills are confusing, customers pick up the phone—and drive up costs

At first glance, the design and formatting of customer invoices and other correspondence may not appear to be of strategic importance. But industry research shows that bills and letters have huge implications for retail utilities' cost to serve and customer satisfaction. On average, 75 percent of customer calls to utilities involve basic and often avoidable questions about invoices and letters (see Figure 1).

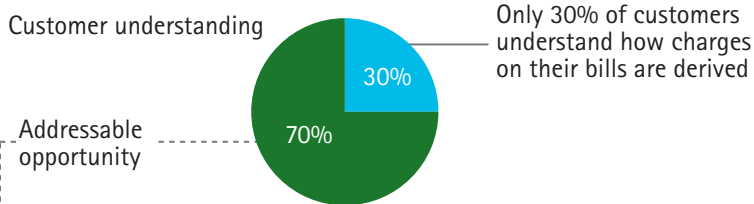
Today, most retail utilities have room for improvement. In Accenture's Global Customer Satisfaction Survey, customers indicated that clarity of messaging and the ability to quickly understand information from their service providers is important. And yet, in the same research, customers told us that service providers are not satisfying those requirements.

Optimizing bills and correspondence represents a significant opportunity for companies. By improving the navigational effectiveness and usability of correspondence, utilities can cut call volume in half. Doing so reduces inbound call costs, average handle time and outbound communications costs. And that translates to reduced cost to serve, as well as improved customer satisfaction (see Figure 2). Indeed, high-performance businesses, including utilities, have already recognized that their bills and other correspondence are a strategic lever for making a positive impact on the bottom line.

Figure 1. The overlooked opportunity: Improving customer understanding.

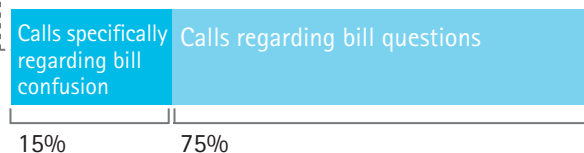
The majority of customers are confused by their utility bill, and as a result, generate additional and more lengthy calls to contact centers.

Customer call breakdown



The opportunity to optimize bills and correspondence is identified by a lack in customer understanding and qualified by high call volume regarding bill questions

Call volume breakdown



Source: "Survey: Utility Bills Confuse, Frustrate Customers," Gas Daily, April 23, 2007, via Factiva, ©McGraw-Hill Inc.; "Tailor the bill for a custom(er) fit," Electric Light & Power, November 1, 2007, via Factiva, ©2007 Gale Group Inc.; "Inventing the Modern Utility," Public Utilities Fortnightly, May 1, 2006, via Factiva, © 2006 Bell & Howell Information and Learning Company.

Did you know?

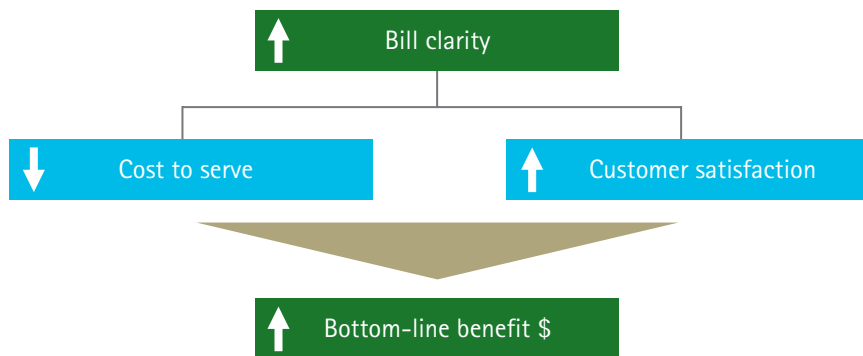
Accenture analysis has found that billing and correspondence accounts for 19 to 22 percent of a utility's customer care budget.

Fifteen percent of calls originate as a result of customer confusion related to bill interpretation.¹

Nearly 75 percent of calls to utilities are regarding basic questions about the bill.²

Figure 2. Focus on maximizing benefits.

Improving bill clarity creates the opportunity for increased customer satisfaction and decreased customer contacts, both of which have direct impact to the bottom line.



Accenture's bill and correspondence optimization solutions help retail utilities realize the full strategic potential of their monthly invoices and other correspondence.

Accenture's approach to bill and correspondence optimization

Whether your utility is just starting to rethink its bill or has already made significant strides in improving clarity, Accenture can help. Through our bill and correspondence optimization solutions, we work with you to identify strengths and weaknesses of your current approach. Just as important, we guide you in implementing rapid improvements as well as long-term enhancements that support advanced and dynamic billing.

Through an analysis of the current bill and other correspondence, we develop a roadmap for improvement—including relatively fast, low-cost ways to make a positive impact. Often, simple changes in bill presentation can make a big difference. Tapping into proven leading practices, we also help in developing and implementing new bill and correspondence standards and deploying a bill explainer. This online

tool makes it easier for customers to understand charges and for employees to answer billing questions when they arise.

With effective standards and tools in place, your organization is positioned to perform advanced and dynamic billing, using the bill as a true marketing tool. In fact, we can help implement billing and correspondence catered to individual customers—up-selling and cross-selling services and reinforcing important messages about energy-efficiency and other programs.

Ultimately, Accenture's bill and correspondence optimization solutions help your retail utility realize the full strategic potential of your invoices and other correspondence—using every touch point as an opportunity to reduce costs, improve customer satisfaction and enhance brand perception.



Evaluating and recommending changes to a midsize utility's bill

A midsize retail utility, with \$3.2 billion in sales and more than 1.75 million customers, had not updated its bill design and format in more than a decade. The existing design was constrained by regulatory interpretations and limitations imposed by its customer information system and third-party bill production vendor. This utility

turned to Accenture for help in evaluating the current bill and making recommendations for improvement. Our high-level recommendations regarding bill design, layout and content are estimated to decrease call volume and average handle time 5 to 10 percent—yielding savings of \$960,000 to \$1.92 million.

Implementing a bill explainer to aid comprehension and reduce call volume

For a large retail utility, one of the highest-volume call types is related to questions about bill amounts. In most cases, these questions arise because customers simply do not understand how to read the bill. As a result, agents must spend significant time explaining the bill layout and content to customers. To help aid understanding and decrease the volume of bill-related calls, Accenture developed and implemented a bill explainer for agents. This interactive,

intranet-based tool makes it easier for agents to quickly understand and explain the various parts of the bill to customers. Using a "John Doe" version of the bill, agents can hover over each section to view a pop-up screen containing a detailed explanation. Combined with an online image of a customer's actual bill, the bill explainer is a powerful way to see what the customer is seeing—and address questions more effectively.

We know what it takes to optimize bills and correspondence.

What can you expect when you team with Accenture?

You work with professionals who understand the unique challenges of the utilities industry. We see the world as you do and can help your company differentiate itself to achieve high performance. Our understanding of key business issues and trends, and applicable technologies and business solutions enables us to deliver innovative yet practical solutions tailored to each client. We bring a breadth of skills, capabilities and assets to help utilities address our clients' business challenges, including:

Utilities industry experience

Accenture's utilities industry group has more than 30 years experience working with electric, gas and water utilities worldwide. Our group includes 7,500 utility industry people working with approximately 275 clients in 40 countries. We serve 74 percent of the utilities on the 2009 Global *Fortune* 500 list using our deep, global industry knowledge, people and assets to help clients develop the strategies and adopt solutions to improve performance in the dynamic utility market.

Client-ready utilities assets

Accenture has developed many utilities assets, including the High Performance Utility Model, based upon our extensive consulting,

systems integration and outsourcing experience. This model helps utilities assess their performance against industry leaders, jump-start business improvement projects and accelerate program delivery.

Accenture Utilities BPO Services

Accenture not only has leading consulting capabilities, but we also have a deep operational understanding based on our business process outsourcing (BPO) services for utilities. Accenture Utilities BPO Services provides solutions to 14 clients and 15 million customers in North America, Europe and Asia Pacific.

Accenture Customer Satisfaction Survey

In surveying more than 4,000 consumers in nine countries, we gained deep insight into the critical importance of delivering a customer-centric service experience in the current global economy. How well companies understand and meet the distinct preferences and expectations of the customers they serve—from how long they are willing to wait for service to the way they are treated by customer service representatives—continues to exert a powerful influence over customers' willingness to remain customers versus their propensity to leave.

Contact us

Accenture's approach to optimizing bills and other cross-channel correspondence is holistic and designed to help retail utilities navigate through today's challenging environment. We work with companies to chart a successful course to improve the way they communicate with customers—and to build the high-performance businesses that can compete and win in a changing environment. We would like to hear about your needs and discuss how we can work together to help your organization advance toward high performance.

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Endnotes

1. "Tailor the Bill for a Custom(er) Fit," *Electric Light & Power*, November 1, 2007, via Factiva, © 2007 Gale Group Inc.
2. "Inventing the Modern Utility," *Public Utilities Fortnightly*, May 1, 2006, via Factiva, © 2006 Bell & Howell Information and Learning Company.

About Accenture

Accenture is a global management consulting, technology services and outsourcing company.

Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world's most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. With more than 176,000 people serving clients in more than 120 countries, the company generated net revenues of US\$21.58 billion for the fiscal year ended Aug. 31, 2009. Its home page is www.accenture.com.

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