

High performance. Delivered.

Achieving high performance
with Accenture's customer energy
management solutions for utilities

• Consulting • Technology • Outsourcing

Customers are the key to reducing demand and increasing efficiency

Every utility is under enormous pressure to manage energy consumption. Capacity and capital constraints have made energy management a financial necessity. Meanwhile, customers and regulators are calling on utilities to take the lead in addressing climate change (see Figure 1).

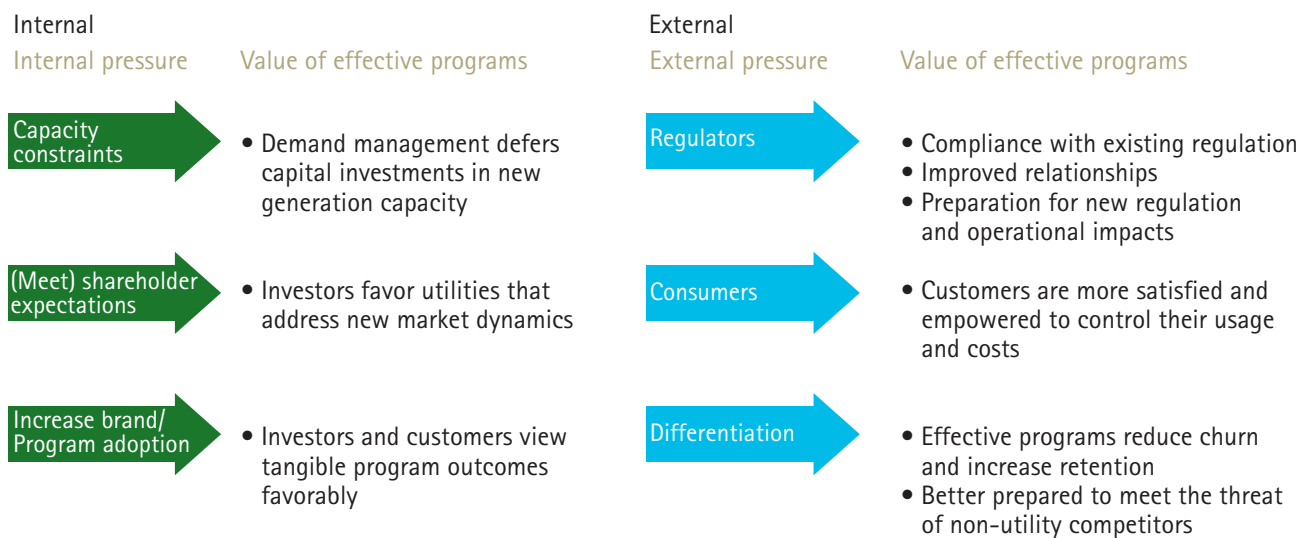
While some of the solutions to those challenges lie inside your utility's operations, one of the most important variables—your customers—falls outside your direct control. And yet, there are proven ways of making customers more aware of their energy impact—and influencing their behavior to reduce demand and increase efficiency. Although many utilities have implemented

mass-market energy management initiatives, customer segmentation and adoption remain significant barriers. These barriers remain regardless of the sophistication of a utility's advanced metering infrastructure (AMI) capabilities.

High-performance businesses, including utilities, recognize that effective energy management is not only about social commitment; it is also critical to financial performance. Implemented strategically, customer energy management serves as a critical enabler of customer retention, market differentiation and competitive advantage—differentiators that ultimately lead to high performance. Customers are highly likely to switch to utilities that

provide products and services that target effective energy management and optimization (see Figure 2). Effective energy management also empowers a utility to defer capital investment, avoid penalties and harness new revenue opportunities. Just as important, high-performance businesses know that simply creating energy management programs is not enough. They also proactively analyze, inform and motivate consumers—driving program adoption and producing bottom-line results.

Figure 1. Energy management is more than a social commitment, it is about the bottom line.



Did you know?

In an Accenture survey, 86 percent of consumers indicated that they are "extremely concerned" or "concerned" about climate change.¹

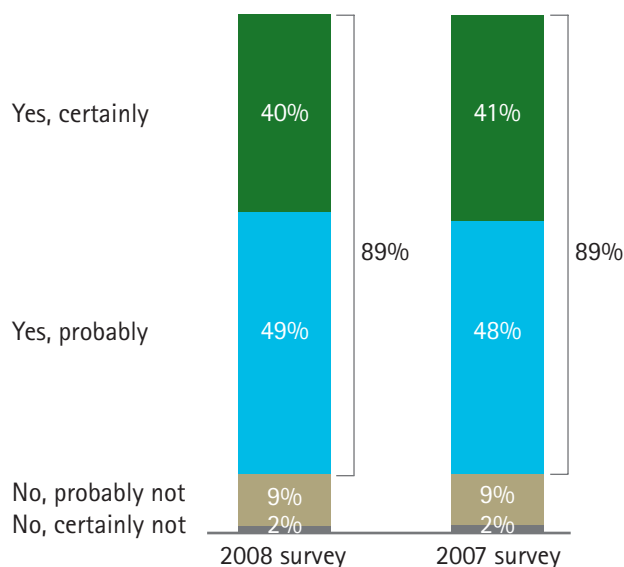
Eighty-three percent of respondents said they believe climate change "certainly" or "probably" will directly affect their lives.²

When asked what has prevented them from using energy management services offered by energy providers, consumers pointed to:

- Complexity of programs (47 percent).
- Lack of information (45 percent).
- Lack of choice (43 percent).
- Lack of available programs (39 percent).³

Figure 2. Intentions of end consumers over time indicate durable opportunities for energy providers.

"If an energy provider was proposing products/services that help reduce the level of carbon emission, would you be willing to switch to this provider if this was an option?"



Base: All respondents
Source: Accenture End-Consumer Observatory on Climate Change, 2008.

One-size-fits-all approaches to energy management programs are likely to result in higher costs, not better performance.

Accenture's approach to customer energy management

With Accenture's customer energy management solutions, you can take measured steps to understand your market and your diverse customer base, so you can deliver targeted programs that achieve sustainable results. You can get started now—whether you have already implemented smart metering capabilities or are just beginning to tackle AMI.

Combining Accenture capabilities in retail utility energy-efficiency, demand-management and conservation-related strategies, these solutions include:

- "Green" voice-of-the-customer analysis and recommendations for increasing adoption and reducing marketing and campaign costs associated with energy management programs.
- Customer data management to help define, govern, integrate and deliver accurate data from a variety of sources—helping ensure that targeting is effective and cost-efficient.

- Development of insight-based customer propositions that encourage energy conservation and increase customer loyalty.
- Campaign management—using direct-marketing strategies to drive top-line revenue growth through customer acquisition, growth of wallet share and customer retention.
- Program implementation and management for continuous improvement of energy management program development, deployment and adoption.

One-size-fits-all approaches to energy management programs are likely to result in higher costs, not better performance. By working with Accenture, your utility can more effectively understand and communicate with customers—increasing the success of your energy management programs and, ultimately, enhancing your financial results.



End-consumer observatory on climate change

In surveying 10,733 individuals in 22 countries, we gained a better understanding of end-consumer perception of energy providers, attitudes toward climate change and personal actions to contribute to a low-carbon future. We found that general concern on climate change is durable, but there is a gap between intentions and actions. We also found that consumers need more from their energy providers in order to take actions. In Accenture's view, the move toward the low-carbon economy is an engine that can drive the elements of high performance—such as market focus and position, distinctive capabilities and performance anatomy—to create business opportunities and lasting value for stakeholders and society at large.

Large utility implements targeted approach

A large utility with more than 9 million customers and revenues of \$11 billion was facing aggressive demand-management and energy-efficiency targets. Compounding the challenges were low levels of energy-efficiency program adoption, as well as high marketing costs. The utility engaged Accenture to help in identifying and influencing green-minded customers. Accenture's analysis, recommendations and the resulting campaign generated a 270 percent increase in adoption rate for its energy-efficiency program. It also resulted in 70 percent savings in sales and marketing costs—more than \$300 million in total.

We know what it takes to enhance customer energy management.

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.

Contact us

Accenture's approach to customer energy management is 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 inform and motivate customers about energy management—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. Accenture End-Consumer Observatory on Climate Change, 2008.
2. Ibid.
3. Ibid.

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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