Elevating Energy Retailers of the Future

SAP Cloud for Utilities
Executive Summary

If the pace of change has accelerated in all industries, few have undergone such a major transformation as the utilities industry.
Today, utilities face an inflection point shaped by powerful forces, with low (and volatile) energy prices, sluggish demand, rapid deployment of renewables, and unprecedented pressure from regulators to drive hard for the energy transition and the net zero future.

And on top of these challenges, utilities face another hurdle: the barrage of new entrants into the market. On one hand, oil companies have invested heavily in the energy retail business and now represent a growing part of the retail market, especially in Western Europe. On the other hand, numerous niche players have entered the market with lean, innovative and price-competitive offers.

But a shift is in the air. COVID-19 has underscored the need for the energy transition in the context of the wider environmental imperative, and a new groundswell of support is rising for the energy transition and utilities’ pivotal role in that new future.

Recent research shows that 60% of consumers have become more aware of climate change and its environmental impacts since the start of the pandemic, with more than half of consumers likely to invest more in energy efficiency today than before. Meanwhile, 55% of respondents report greater interest in Time of Use or Flexible Tariffs and Demand Response processes.

If utilities can capitalize on this consumer tailwind, and the momentum of the EU and USA green agendas, they can grasp the opportunity of the energy services market and stake their claim to new sources of value.

Technology is emerging as a critical enabler to do just that. And while mature technology is available to help large utilities transform and adapt their business processes, few have so far capitalized on its potential at scale.

Building the foundation of the future means transforming the traditional capabilities used to run the commodity business to digital, intelligent, and automated capabilities to optimize core functions and to support new business models.

Nevertheless, planning and funding this transformation in a context where IT budgets are under pressure and legacy systems absorb considerable resources is not an easy task, but it can be done.

SAP and Accenture are supporting utility companies to secure their future by optimizing total cost of ownership (TCO) and fostering agile innovation. And a key enabler of this strategy is SAP Cloud for Utilities: an industry-specific cloud business suite that provides all key capabilities for the utility business of the future. This modular solution’s architecture consists of three major layers—the Intelligent Front-Office is seamlessly integrated into an Efficient Utilities Backoffice, complemented by a modern and open Business Technology Platform which provides all technical capabilities required to run a multi-cloud environment.

1. Delivering new energy experiences for future growth, Accenture
Together, we are meeting our utilities clients wherever they’re starting from in terms of current state and strategic priorities. And we’re building out their transformation path accordingly, starting with improved customer engagement, efficient business operations or business diversification and innovation.

We’re in it for the long haul. Let’s get started.
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Forces shaping the ecosystem

Today, energy companies face an inflection point driven by several powerful forces.

Demand growth is sluggish as increases from the electrification of transport and heating are offset by customer adoption of energy-efficiency measures and small-scale distributed energy resources (DERs) like solar, smart heat pumps and battery storage. Renewables are being deployed at a rapid pace, increasingly competing with, and even beating traditional generation sources on price. And COVID-19 has laid bare the need for energy companies to accelerate this transition.
Industrial-scale businesses are making climate commitments, pressuring utilities to “green” their energy mix and driving growth in unsubsidized renewable energy with an explosion in the power purchase agreement (PPA) market.

These customer sentiments are evolving alongside ambitious government-led sustainability targets and regulation. The European Union, for instance, is doubling down on a green and digital recovery from the pandemic with significant stimulus and funds to accelerate the energy transition.

And technology is emerging as an invaluable enabler, with digital interactions, digital customer journeys, digital advertising, on-line sales and services, personalization, and artificial intelligence (AI) driven customer operations driving significant customer engagement improvements and cost reductions.

The financial industry too is increasingly investing in sustainable business; with lower but volatile oil prices, investors see innovative, green-focused utilities and electricity as safe havens and, more importantly, as the energy businesses of the future. Competition in the space is also heating up with new entrants—auto manufacturers, technology companies, oil and gas majors, startups, and prosumers—all looking for a piece of new downstream energy value. (Figure 1)

These shifting tensions are ratcheting up pressure on energy companies to not only bolster slower-growing margins of their core commodity businesses, but also to derive value and faster growth from new business models. Amidst this, COVID-19 has raised the stakes and speed for change. Over the short term, the pandemic impacted customer-scale solutions such as DERs, with most installations of domestic solar panels or electric vehicle (EV) charge points temporarily halted during lockdowns. It has given us a preview of the energy transition in the next 10 years.

Above all, however, it has shown that support for the energy transition and the appreciation of its benefits are greater than ever. Pandemic or not, the energy transition is here—and now is the time for energy companies to capitalize. Moving from commodities (electricity and gas) into the world of connected energy products and services creates a unique opportunity to distinctively reshape and repurpose an energy company’s brand and customer experience, facilitating a shift from traditional utility toward becoming an innovative digital energy service provider.

SAP Cloud for Utilities
Four strategic plays for utilities

We see four strategic plays for energy companies to execute on the emerging opportunities, depending on their individual context.

1. **Energy Value Provider**
   
   Commodity focus, with value-added perks to improve retention.

2. **Energy & Home Services Provider**
   
   Adding “status quo” services in tandem with commodity.

3. **Connected Energy Services Provider**
   
   Offering future-forward energy products and services.

4. **Beyond Energy**
   
   Pivoting to address emerging needs in the new power ecosystem.
**Energy value provider**

**Commodity focus, with value-added perks to improve retention**

- Focuses on increasing customer lifetime value by offering extra services to drive perceived value and customer “stickiness” without the intent to generate additional profit.
- Services create reasons for personalized, relevant customer engagement—examples include handyperson, locksmith, connection with local tradespeople and video streaming services.
- These acts of helpfulness can evoke brand affinity, which can help drive loyalty and customer recommendations.

**Energy + home services provider**

**Adding “status-quo” services in tandem with commodity**

- In addition to commodity sales, this play includes offering closely related “status-quo” home services to customers—with the intent to generate additional profit.
- These services include boiler maintenance, insulation, and smart home and/or thermostat installations.
- To make it work, a qualified field force and digital enablement for sales, installation, and maintenance are key.

**Connected energy service provider**

**Offering future-forward products and services**

- Provides products and services for emerging opportunity areas like energy management, distributed energy resources, electric vehicles, and flexibility, with the intent to tap into new and fast-growing profit pools.
- A key challenge is gaining customer trust, helping them feel fully comfortable with the process and the value they will gain.
For connected energy services providers that are offering future-forward products and services the outlook into the future is positive. Providing products and services for emerging opportunity areas like energy management, distributed energy resources, EVs and flexibility, with the intent to tap into new and fast-growing profit pools.

Beyond energy

Pivoting into manufacturing, technology services related to the energy transition, and addressing other emerging needs in the new power ecosystem

- This play can take many forms in the value chain, as it refers to taking on new positions in the value chain in pursuit of revenue growth and/or more complete value propositions for customers. One example is leveraging existing capabilities to expand into other centrally billable commodities such as broadband or telecom services.

- Dramatic pivots into non-adjacent markets can also be considered, such as transportation, parking services with inductive charging, fleet management, or micro-mobility.
How to prepare for future growth

To make the transition real, utilities need to execute at scale with digital customer experience at the core.
For energy companies that choose to go beyond traditional commodity models, the key challenge will be to successfully transition from optimizing a high-volume, low-margin business to building a low-volume, high-margin business. Energy companies will have the opportunity to foster “evolution” as they leverage and build on existing capabilities to play to their competitive advantages, while staging a “revolution” to rapidly develop or otherwise access new capabilities that will enable successful execution.

There are several aspects that should be considered to help enable successful execution at scale, but here we are focusing on three technology related aspects:

- **Build a strong technology stack with intelligent platforms at the core.**
- **Double-down on digital customer operations with AI-powered engagement.**
- **Prioritize data as fundamental.**

### Build a strong technology stack with intelligent platforms at the core

A strong technology stack and intelligent platforms can facilitate execution across business models. In digital energy infrastructure, it can be helpful to consider three layers of architecture: front end (relating to customer interactions), back end (focused on customer management, market messaging, billing, payments), and operational technology interaction (connected real-time device management).

The front end is all about customer engagement, channels (from telephone to mobile apps to chatbots), customer journey management, the digital experience, and the advanced customer analytics programs critical to operate many business models. The heart of the back end are the systems of records, customer relationship management (CRM), billing, metering and enterprise resource planning—the heavy lifting and transactional machines of the energy company.

Here, evolving business models require evolving business logic and support by more flexible backend systems.

Across these layers of architecture, business needs and corresponding IT strategies differ. For example, front-end customer systems tend to benefit from unique selling points applied consistently across geographies, while back-end systems tend to have more localizations (e.g., to accommodate market specific messaging, regulation, VAT, etc.). Across all, modern architectures are cloud-based, modular, component-based, integrated by microservices, and loosely coupled—and leading companies are increasingly moving to a meta-architecture of two or three distinct architectures linked together. Software as a Service will become the norm in the industry.
Double-down on digital customer operations with AI-powered engagement

The commodity business is one of low margins, high volume and intense competition based on price. Low cost to serve is critical. With value driven by volume and transaction accuracy at the lowest cost, advanced customer engagement is what enables enhancement in this space.

Emerging technology including process automation and machine learning could be leveraged in the back office to carry out routine transactions. In the front office, AI agents, virtual assistants and digital channels could help reduce cost to serve while improving customer satisfaction.

Here, focusing messaging and offerings to connect with specific customer segments is crucial. In the digital marketing space, personalization and smarter customer targeting go hand in hand.

Accenture analysis has shown that this approach helps business as well—with improvements of as much as 20% to 40% in cost reduction, 40% increase in digital sales, up to 25% increased customer retention (loyalty) and 50% increase in digital containment.

Prioritize data as fundamental

We’re moving into a real-time IT-led cloud data environment. The volume and range of data an energy provider has access to is growing and becoming more diverse. Management and governance of this data, as well as the innovative mechanisms to leverage it, are fundamental.

As opportunities to connect varied datasets and technology to create value increase, interoperability becomes increasingly critical—and the norm. We can consider interoperability in terms of two categories: interoperability connecting between devices in the field and interoperability in terms of communicating with and between third-party systems. Approaches such as decoupled data and application programming interface (API) integration are the keys to making these a reality.
Enabling the utility business of the future
Building the foundation of the future means transforming traditional capabilities that are used to run the commodity business, to digital, intelligent, and automated capabilities to optimize the core business and to support new business models. New business models can be a challenge for utilities, but with the right platform in place it can be a smooth transition.

Transitioning from traditional commodity to connected energy requires the back office and the front office to transform, while adding new innovative concepts of a digital cloud platform along the way. Back office transformation requires a transition from the classical meter to cash process to a lead to cash process supporting commodity and non-commodity processes. The front office needs to shift from classical marketing, sales and service capabilities to intelligent marketing, digital sales and automated self service capabilities. Equally important is, that deregulation processes for the market communication become part of the cloud software, so that updates of regulatory changes are provided automatically, and utilities don’t have to waste any time and effort in implementing non-differentiating regulatory changes anymore.

Your customers expect you to offer them products and services that are tailored to their current situation and needs, and very similar to that your transformation path is an individual one. Good news is, that the transition to this new utility cloud model can happen at your own speed based on your business priorities.
Intelligent Marketing
Enables new business models supporting commodity, non-commodity and bundles of products and services

Digital Sales
Provide a storefront/web shop with central product catalogue where customers can buy commodity, non-commodity and bundles

Automated Service
Increase customer experience through streamlined end to end customer service and self-service processes, supported by bots and digital assistants

Order to Cash
Optimize non differentiating (back office) processes through simplification, standardization and automation

Deregulation processes are provided as a service

Central and streamlined data model with end-to-end best practice processes, integrated across the different building blocks

Transform existing legacy landscape into digitally decoupled platform for increased flexibility and extensibility

Central data hub and integration of external sources to enable full Customer 360 view and foundation for new business models

Provide insight into existing customer base and behavior, activity details and efficiency of process execution

Increase agent experience through consistent user experience and intelligent system (ML/AI) support

Fully cloud enabled, comes with a SaaS license model and continuous innovation

Runs on a hyper-scaler for increased scalability, and be combined with differentiating capabilities of the cloud platform
Choosing the right partner with SAP

Partnering with the right technology provider is becoming critical given the market dynamics and the pace of technology development in the utilities industry.

As outlined already, new technologies and digitalization are the main technology driver for the comprehensive transformation the energy market is undergoing right now.

SAP has been supporting the core utilities business processes across the entire industry value chain for many years, partnering with utilities across the globe in multiple regulatory frameworks and acting in all present market roles.

To support the new strategic priorities of the utilities industry and at the same time leveraging latest technologies and prevailing digitalization, the concept of the Intelligent Enterprise has been introduced by SAP.

Enabling the Intelligent Enterprise became the central element of the SAP strategy and is strongly driving the solution development roadmap. SAP is in a unique position to offer a comprehensive framework that is covering all crucial dimensions of a modern utility company:

- Efficient, automated **end-to-end business processes** for all utilities market roles and divisions.
- **An intelligent suite for utilities in the cloud**, providing modern customer experience capabilities, utilities core processes with integration and embedded intelligence.
- The Intelligent Suite is complemented by **expert Industry cloud solutions**, that will address vertical needs with next-generation industry best practices.
- **A business technology platform** providing latest innovative technologies, extensibility, data management and process orchestration capabilities in a multi-cloud environment.

SAP Cloud for Utilities
Utilities will be focusing on expanding on their traditional capabilities, leveraging data and information to optimize and innovate.

They will do this alongside their regulatory frameworks and with a strong focus on operational excellence, customer engagement and the development of new business models that requires them to establish the underlying business capabilities whenever they are required.

For winning utilities, it will therefore be crucial to establish a flexible, efficient, and agile IT architecture that is supporting them to realize their business priorities in a stepwise transformation approach and at their own individual speed.

Hence, to enable this transformation, and here the call for action is particularly urgent for energy retail-focused companies, SAP has joined forces with Accenture and launched the SAP Cloud for Utilities program, the main objective being to provide state-of-the-art utilities business capabilities through a modular, service-oriented cloud architecture.
Figure 3: SAP Intelligent Enterprise Framework for Utilities

Business Process
- Product Definition
- Marketing
- Selling
- Fulfillment
- Billing & Rev. Mgmt.
- Customer Service
- Market Comms.

Applications
- SAP Customer Experience
- SAP S/4HANA for Utilities Cloud

Intelligent Suite
- Cloud for Energy
- Subscription Billing
- Market Communication
- Utilities Domain Model
- SAP Solutions
- Partner Solutions

Experience Management

Technology
- Business Technology Platform

Infrastructure
- SAP Data Center
- OR
- Hyperscaler
About SAP Cloud for Utilities

The previous chapters outlined what key drivers are changing the utilities industry significantly and are impacting the business model of incumbent utilities ultimately.

If utilities want to participate in and benefit from the profound changes of the market, they need to be able to adopt quickly and establish new capabilities according to customer and market needs, and at the same time address the cost pressure in the existing business, driving operational excellence through modern technologies and simplified, standardized end-to-end business processes.

The answer SAP and Accenture are providing is SAP Cloud for Utilities as the new industry cloud business suite that is providing all key capabilities for the utility business of the future in a modular, decoupled architecture layout that consists of three major layers—the Intelligent Front-Office which is seamlessly integrated into an Efficient Utilities Backoffice, complemented by a modern, open Business Technology Platform which provides all technical capabilities required to run a multi-cloud environment.
Figure 4: SAP Cloud for Utilities is the most comprehensive Utilities Business Suite

Systems of Engagement

- SAP Customer Data Cloud
- SAP Marketing Cloud
- SAP Commerce Cloud
- SAP Sales and Service Cloud
- SAP Self Service Accelerator for Utilities

Intelligent Front Office

Digital Platform - C4U Foundation

- Master Data
- Process Orchestration
- Exception Management
- Integration (Apis & Microservices)
- Real Time Analytics

Business Technology Platform

Systems Of Records

- SAP S/4HANA Utilities
- SAP S/4HANA Cloud
- SAP Cloud For Energy
- SAP Subscription Billing
- SAP Analytics Cloud
- SAP Qualtrics

Efficient Back Office

Platforms

- Sap Cloud Platform
- Hyper-scalers
The Intelligent Front Office

Managing the complete customer lifecycle
Better understand your customers

Today, particularly in energy retail, it is eminent that utilities understand the preferences and needs of their customer base.

SAP Cloud for Utilities is supporting utilities in analyzing customer and market needs and consequently building personalized customer journeys and recommendations; offering products and services to customers that really matter to them. Intelligent technologies play an important role as they help to automate customer interaction through service bots or use Machine Learning to determine the best sending time for customer conversations.

Converging operational customer information with experience data and social media listening to build a real-time 360° view of the customer that forms the foundation for dynamic customer profiling and segmentation. Leveraging comprehensive information from different sources are state-of-the-art customer experience (CX) capabilities SAP Cloud for Utilities provides. On this data foundation customer-specific experiences can be built and individual offerings for commodity, non-commodity and bundled products improving customer “stickiness” and achieving a high sales win rate.

Value Delivered:

• Even a moderate improvement in customer experience can generate significant business value coming from five sources: retaining sales, creating additional sales, positioning new products, being recommended—word of mouth, forgiven mistakes.

Increasing customer satisfaction by listening to customer needs and build specific customer engagement journeys including automated engagement activities. translating into higher customer loyalty.

By using SAP Commerce Cloud and SAP Service Cloud, Mercury NZ was able to sustainably improve the customer experience and also reduced employee turnover in the customer contact center by 25%. A key aspect here was the successful 30% increase in customer self-service in eCommerce.

Source: SAP Customer Reference Report
Quickly respond to customer needs

In an agile and competitive market environment, utilities need to be able to test and position new product ideas fast and flexibly, addressing their customers consumption behavior and upcoming market trends.

The ability to create new products and bundles within minutes and offer them to the market through a proven omnichannel commerce solution that will boost digital sales is a key differentiator that SAP Cloud for Utilities is providing. The commerce platform in SAP Cloud for Utilities is providing a centralized Product Management App, in which all energy and non-energy products can be defined and bundled in a flexible way. Distribution of product and pricing-related data to the back-office solutions is covered through standardized integration flows.

Additionally, individual customer recommendations and guided selling processes will address customer preferences and further contribute to higher visibility of new product offerings and lead to higher sales revenue. Also, valuable insights into your customers interests, buying behavior and usage can be derived from the SAP Cloud for Utilities commerce platform.

**Value Delivered:**

- Shorter time to market and profit thanks to knowing what customers really want and being able to prepare, calculate and launch these products in an agile manner.

- Increase in margin per client by up to 18% thanks to a Voice of Customer program versus the average 2.9% (according to SAP Performance Benchmarking).

- Identify untapped revenue opportunities and address them with valuable customer offerings.

- Reducing customer churn by attracting and retaining loyal customers by way of bonuses, promotions, attractive offerings.

“Our customers want more information about their electric service, and this platform is significantly improving the experience we want to create for them. The response to outage and restoration notifications has been overwhelmingly positive, and this latest enhancement of billing and payment information, plus a text-to-pay option, provides even more peace of mind and more convenient options to fit everyone’s preference.”

Terena Boyer – Director Utility Customer Operations, Oklahoma Gas & Electric
Manage customer data and ensure compliance

Trusted customer relationships can only be established on transparency and control over customer data and consent by providing customers access to all captured consent data and give control on usage of their data through SAP Cloud for Utilities, ensuring General Data Protection Regulation (GDPR) rights of individuals.

Beyond that, SAP Cloud for Utilities can help to tackle one of the biggest challenges in a digital age, building one single source of truth for customer data across multiple SAP and non-SAP solutions by transforming siloed customer and identity data into a unified customer profile.

Value Delivered:
- Improved customer satisfaction thanks to more exact targeted campaigns.
- Reduced operating cost due to integration of several legacy systems and reduced number of customer calls.
The Efficient Back Office

Efficiently deliver whatever your customer demand
Maximum flexibility in fulfillment

With many utilities companies embarking on a journey to become a multi-service energy provider, new capabilities to enable the fulfillment of all types of customer orders are required.

The efficient fulfillment of energy contracts requires a highly standardized and automated meter-to-cash process and is a classical, well-known business for utilities. SAP Cloud for Utilities is providing capabilities to establish differentiating, non-commodity products, and best practices to run and scale the order-to-cash processes for these kinds of products.

No matter if the customer orders a physical product, a subscription-based service, a maintenance or installation service or a combination of all these different product types with or without an energy contract, SAP Cloud for Utilities provides an integrated order-to-cash process for all product types, including integration into revenue management and customer service processes.

Additionally, as not all offered products might get delivered by the utility company itself, the fulfillment through a third party service provider and related commercial settlement is supported by the solution as well.

**Value Delivered:**

- Identify the best supplier and minimize safe stock with just-in-time material availability—25%-30% reduction in inventory levels (according to SAP Performance Benchmarking).

- Real time access to business networks of suppliers, partners, assets knowledge which shortens fulfilment time, improves accuracy, and lowers cost.

“With SAP S/4HANA, we have faster, more efficient, and integrated business processes, giving us data right across the business to help us make more informed, data driven decisions.”

Etienne Van Bossche, Head of Strategy, Société wallonne des eaux (SWDE)
Efficiency and scalability in meter-to-cash

By using SAP S/4HANA® and SAP HANA® Enterprise Cloud, ENEL has succeeded in implementing an end-to-end and much more efficient billing process. The result:

- **50% time reduction in billing**
- **Improved cash flow, as invoices can be paid in the billing month.**
- **Faster invoice processing and subsequently an effective management dashboard with real-time KPI's.**
- **Reduced number of exceptions as problems are identified more quickly.**
- **Higher accuracy in technical and commercial operations with consequently more efficient accounting.**

Increased competition, high customer expectations, and the energy transition in full swing are putting significant pressure from different directions on energy retail organizations.

SAP Cloud for Utilities allows a shift of resources from current business operations into new and promising business opportunities, particularly high volume back-office processes which can run highly automated, making use of latest intelligent technologies, e.g. by automating repetitive manual tasks using machine learning or consuming standardized regulatory processes like market communication as a service.

Intelligent technologies provided by SAP Cloud for Utilities contribute to an even higher efficiency and scalability in the meter-to-cash process with process-embedded machine learning for metering, billing and invoicing, exceptional user experience through SAP Fiori, embedded analytics, and a continuously growing number of available API's.

**Value Delivered:**

- Lower cost of meter-to-cash thanks to simplified business processes and embedded advanced technologies—machine learning (ML) and artificial intelligence (AI).
- Increased collections effectiveness and reduced DSO (Days Sales Outstanding)—40%—50% reduced accounts receivables management cost.
- Reduction of cost-to-serve with a flexible and simple meter-to-cash process.
- Supported process for billing consumption data for all different business processes.
- Integration of processes to shorten the bill-to-pay cycle.

SAP Cloud for Utilities

Efficiency and scalability in meter-to-cash

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- **Higher accuracy in technical and commercial operations with consequently more efficient accounting.**
Business Insights embedded

In many companies, each new planning cycle opens profound insights into the existing deficits in reporting, definition of key performance indicators (KPIs) and monitoring.

The cumbersome connection of different components in the application landscape has led to the necessary data being distributed and its collection and consolidation generating high effort. As a result, many companies are literally “flying blind”.

SAP water utility customer FARYS achieved up to ten times faster reporting by using SAP S/4HANA, the SAP Business Transformation Platform and the SAP Analytics Cloud. These new analytics tools offer a high degree of flexibility in merging data from different cloud and on-premise sources and enable real-time analytics.

Value Delivered:

- Increased customer satisfaction through employee empowerment to drive change.
- Increased customer satisfaction then revenue and profitability thanks to being able to combine operational and experience data, analyze them in real time and take appropriate actions.
Business Technology Platform

The digital platform
Fully connected business processes

Running business processes in a modular multi-cloud environment brings significant advantages in flexibility, cost efficiency and speed, but can also come with some serious challenges in process execution and integration across multiple cloud solutions.

In the context of SAP Cloud for Utilities the SAP Business Technology Platform (SAP BTP) serves as a centralized integration layer to enable seamlessly integrated end-to-end utilities business processes.

For example, the order fulfillment process must cope with the delivery of different types of products or product bundles. To achieve a maximum level of automation and process quality, the Business Process Management service on SAP BTP is providing process integration content and business logic to fully orchestrate the fulfillment process from order creation until cash collection for all product types across a variety of involved SAP Cloud for Utilities solutions.

Furthermore, customers have the freedom to define, run and monitor their custom-specific business processes to ensure competitive differentiation whenever it is required.

Value Delivered:

- Shorter time to introduce innovative services and products using data coming from various sources and supported by advanced technologies (ML, AI, IoT, etc.).
- Real time access to data and execution capabilities resulting in lower operational risk, improved business process execution—lower operations cost.

SAP Cloud for Utilities
Manage, distribute, and analyze data across clouds

A superb data quality and consistency across multiple cloud solutions is the foundation for digitalized and automated business processes and a key theme in decentralized cloud architectures.

Our solution SAP Cloud for Utilities Foundation acts as the data integration layer and makes sure that data objects like business partners, contracts, products and prices, meter readings or customer orders are centrally distributed in the landscape and quality-checked to ensure stable end-to-end processes.

SAP Cloud for Utilities Foundation forms the basis for a unified utilities data model and represents the connective link between the different cloud solutions in a modular architecture.

Value Delivered:
- Real time access to accurate and validated data from internal and external sources allows for higher quality of services and products.
- Decreasing time needed to deliver new products and services thanks to end-to-end scenarios.
Deploy new business services whenever required

In the previous chapters we emphasized the need for business innovation to cope with growing competition in most of the markets.

When realizing new business ideas or extending the product portfolio with new offerings, the integration of new API-based cloud services becomes an innovation booster. SAP Business Technology Platform is an open technology platform and provides more than 170 prebuild open connectors to speed up and simplify the creation of new customer offering. With that, the integration of IoT smart home services or the connection to an EV charging operator solution can be deployed in a short time frame and the timeframe from product ideation to market launch is reduced significantly.

Furthermore, the extension of standard SAP cloud solutions can be realized with SAP Business Technology Platform to meet utilities individual functional requirements through cloud and mobile application development capabilities, business process management, and intelligent business services.

Additionally, through its extensive ecosystem, SAP offers a wide variety of more than 1,800 partner-built apps available in the SAP Store which are complementing the SAP standard solution portfolio.

Value Delivered:

- Revenue and profitability growth coming from ability to develop new services and products in a very short time.
- Increased customer satisfaction score (CSAT) and net promoter score (NPS) thanks to quick response to customer needs with the introduction of innovative services.
SAP Cloud for Utilities is the strategic platform for competitive multi service energy providers.

- A complete industry solution suite enabling all main industry transformation scenarios.
- Contains the most comprehensive, best in class business capabilities allowing decommissioning of legacy systems.
- Provides an end-to-end fulfillment for all product types.
- Ensures high scalability for volume processes, particularly in meter-to-cash.
- Contains business processes that have latest innovations like machine learning and real-time analytics build-in.
- Out-of-the-box data and process integration to SAP solutions.
- Allows a seamless pricing model conversion from capex to opex model.

With SAP Cloud for Utilities, customers have the choice how they want to consume the utilities business suite.

There is the right solution offering for each customer. Beyond that, SAP Cloud for Utilities is supporting various transformation scenarios that customers can choose from depending on how their business priorities are set, how much change they are willing to undergo and in which pace the transformation shall happen.
Transforming towards SAP Cloud for Utilities

The SAP Cloud for Utilities suite consists of a variety of individual modular cloud solutions supporting the complete lead-to-cash process for multiservice utilities from an end-to-end perspective.

The modular and open architecture of the individual suite components allows the flexible combination of business capabilities tailored to the unique requirements of every customer. This means, utilities can either use the suite holistically to manage their complete offer-to-cash process for energy and non-commodity services or they can use only parts of the suite to complement already existing products from SAP or third-party vendors with new innovations.
The functional richness of the different SAP cloud components allows tailored solution combinations for any kind of utility and addresses the functional needs of energy and water retailers.

Based on the challenges and priorities utilities are exposed to, we can clearly identify certain transformation patterns that can be applied to a large group of our utilities customers. Three main investment priorities are the main motivator for utilities to embark on a transformation journey as shown in the following graphic.

**Figure 5**

Transformation can start everywhere and follows your business priorities

Three transformation pattern to cover typical journeys

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<th>Driving Business Model Innovation</th>
<th>Customer Engagement Transformation</th>
<th>Intelligent Backoffice Transformation</th>
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<td>Why</td>
<td>Analyze and respond to market demand quickly and offer new products &amp; bundles. <strong>Drive Energy Service Provider Transformation.</strong></td>
<td>Understand customer preferences, boost satisfaction and increase front-office efficiency. <strong>Improve customer relationship.</strong></td>
<td>Standardization, scalability and optimization of volume business processes to <strong>improve operational efficiency.</strong></td>
</tr>
<tr>
<td>What</td>
<td>Establish an agile &amp; flexible fulfillment platform with modern CX layer to enable new customer-driven product offerings.</td>
<td>Intelligent, omnichannel CX layer enabling 360° view, profiling and individual customer journeys.</td>
<td>Efficient utilities back-office transformation focusing on meter-to-cash &amp; fulfillment process.</td>
</tr>
<tr>
<td>Business Driver</td>
<td>• Time to market for new products</td>
<td>• Customer Satisfaction</td>
<td>• Cost-to-Serve</td>
</tr>
<tr>
<td></td>
<td>• Revenue &amp; profitability growth</td>
<td>• Customer Loyalty</td>
<td>• Operational Excellence</td>
</tr>
</tbody>
</table>

**SAP Cloud for Utilities enables your individual transformation in a step-wise or direct fast track approach following your business priorities**
Dependent on the utilities current situation and strategic priorities, the transformation path to the target solution landscape can start with focus on improved customer engagement, efficient business operations or business diversification and innovation.

Business value realization, investment plans and digestibility of the transformation endeavor for the organization are shaping the frame for such a major initiative and various customer approaches need to be supported.

It is important to define the future role you want to play as a utility, but it is equally important to define the north star architecture that supports your goals and gives you the flexibility you need. Once this is set, the challenge is to find your right path to get there, but business value, business priorities and the readiness of technology will help defining your way forward. With SAP for Utilities the transformation path to the target can be delivered in a big bang or multi-step approach and SAP and Accenture are able to support the cloud journey through a broad portfolio of expert services. With that, utilities have multiple options and could keep their existing commodity business mainly as it is, while establishing the new business in the cloud and migrate the commodity business to the new platform later when the time is right.

On the way towards the goal, utilities will be able to reduce the cost-to-serve and the total cost of ownership, but also other factors like customer satisfaction, regulatory compliance and flexibility will increase and open up opportunities to develop even further from there.
Let’s get started together

Accenture and SAP, with a group of utilities companies, have co-developed the next generation customer platform using SAP’s latest technologies, bringing new modular capabilities focused on addressing CX new imperatives in the context of energy transition and enabling new utilities business models.

SAP Cloud for Utilities offers an integrated solution providing utilities companies the opportunity to transform the customer experience with insights and intelligence, sell, fulfill and bill bundle products with reduced time to market and lower the cost to serve to improve profitability.

Now, it is time to choose your play in the utilities market and start building the foundation of the future IT platform that supports your success. Business priorities will guide your way and SAP is providing the right software and infrastructure your needs. Together (= YOU + SAP + Accenture), we can drive your success by providing industry knowledge, technology expertise and differentiating tools and assets, making it a smooth transformation while realizing your business goals.

Transformation paths can be very different, dependent on your situation and priorities, but we will help you finding the right path, and be with you along the way making your journey a success. You will benefit from our best practice approaches, tools and lessons learned making your transformation predictable with minimized risk. We will, for example, support you during preparation with cleansing your data, start the transformation with a minimal viable product in the cloud where we will transition your business to in an iterative way, making use of our migration factory approach.
No matter how or where you want to start, let’s get in touch and plan your journey together.
About Accenture

Accenture is a global professional services company with leading capabilities in digital, cloud and security. Combining unmatched experience and specialized skills across more than 40 industries, we offer Strategy and Consulting, Interactive, Technology and Operations services—all powered by the world’s largest network of Advanced Technology and Intelligent Operations centers. Our 537,000 people deliver on the promise of technology and human ingenuity every day, serving clients in more than 120 countries. We embrace the power of change to create value and shared success for our clients, people, shareholders, partners and communities.

Visit us at www.accenture.com

About SAP

SAP’s strategy is to help every business run as an intelligent enterprise. As a market leader in enterprise application software, we help companies of all sizes and in all industries run at their best: 77% of the world’s transaction revenue touches an SAP system. Our machine learning, Internet of Things (IoT), and advanced analytics technologies help turn customers’ businesses into intelligent enterprises. SAP helps give people and organizations deep business insight and fosters collaboration that helps them stay ahead of their competition. We simplify technology for companies so they can consume our software the way they want—without disruption. Our end-to-end suite of applications and services enables business and public customers across 25 industries globally to operate profitably, adapt continuously, and make a difference. With a global network of customers, partners, employees, and thought leaders, SAP helps the world run better and improve people’s lives. For more information, visit www.sap.com.