Empowering Energy Retail to lead the change
As we accelerate toward net zero, utilities that manage the “twin transformation”—weaving digital and sustainability into their DNA—will be at the forefront of the industry transition. These companies will be in the best position to deliver 360° value to their customers, employees and shareholders as they evolve to become **Utilities+**: the connected, collaborative core taking charge of the energy transition.
Utilities have led the transition so far, but now it has to scale and accelerate. Utilities are uniquely positioned to take charge and play a more central role on the path to net zero, but it will require more capabilities, a broader, more diverse set of partners, and entry into new sectors like transport and the industrial sector—an evolution that we express using the concept of Utilities+.

To access new value pools, satisfy stakeholders and help governments fulfill their net zero promises, Utilities+ will expand their focus to provide new sources, solutions and services: becoming “something else” as they do different things with different partners.

By forming partnerships to build the capabilities they need to reinvent their businesses, Utilities+ will be able to take a collaborative, central role—bringing their best to serve the future market as a new breed of energy service providers.

So, what exactly does it take to prepare for this new position?

We have developed a framework that outlines key questions for today’s energy retail C-suite to answer as they evolve into sustainable service providers.
The retail revolution

The retail space is embracing change. Diminishing commodity returns, advancing technology, and a flood of new market formulas mean there is abundant opportunity for retailers to reinvent themselves as utilities+ energy service providers.

Organizations will evaluate all their physical assets and refocus on points of delight in the last few steps before purchase.

Accenture Fjord Trends 2021

So, should retail CEOs go beyond the bill and expand their platform to provide energy services? Or focus on selling their unique expertise and provide a platform for others to create new value propositions? And how best do they make it seamless for customers to access these new offerings?
Taking charge: Empowering Energy Retail to lead the change

**Pick your battles**
What will offer more sustained value: strengthening your core business, or expanding into new products and services?

**Assess architecture**
Will it be more cost effective and practical: to retrofit your existing technology, or start from scratch?

**Tread lightly**
Have you got a plan to use digital channels to drive not only back-office efficiency, but also to enrich your customers’ experience?

**Low-carbon strategy**
Purpose and Vision
New business models
Products + Partnership

**Human-centered business**
Innovation Culture
Flexible Leadership
New workforce (Distributed, reskilling, training, D&I)

**360° value**
Financial performance
Environmental impact
Community upliftment + job creation

**Act like a start-up**
Do you have the processes, people and platforms in place to compete with agile tech start-ups for investors’ attention?

**Time to team up?**
Have you considered creating partnerships and forming alliances to help strengthen your position?

**Mandatory makeover**
Can you deliver on the promises your brand is making to employees, customers and external stakeholders?

**Tread lightly**
Have you got a plan to use digital channels to drive not only back-office efficiency, but also to enrich your customers’ experience?

**Assess architecture**
Will it be more cost effective and practical: to retrofit your existing technology, or start from scratch?

**Pick your battles**
What will offer more sustained value: strengthening your core business, or expanding into new products and services?

**Identify capabilities**
Atrract clients
Increase efficiency

**Attract partners**
Free up funding
Create jobs
Lower emissions

**Business experience**
Customer + Employee experience
Market position
Relevance

**ESG relevance**
Grow relevance

**Energy Retail Framework**

**Sustained performance**
Ways of working
Cost transformation
Channels (Digitalization)

**360° value**
Financial performance
Environmental impact
Community upliftment + job creation

**Free up funding**
Create jobs
Lower emissions

**Identify capabilities**
Atrract clients
Increase efficiency

**Attract partners**
Free up funding
Create jobs
Lower emissions

**Business experience**
Customer + Employee experience
Market position
Relevance

**ESG relevance**
Grow relevance

**Energy Retail Framework**
Pick your battles: Expand and improve your service

While the last mile goldrush is challenging many retailers to consider moving beyond the bill, it is worth investigating the implications of trying to compete in that space to identify solutions that empower retailers to improve and extend their offering.

There is both a consumer appetite and system need for retailers to offer solutions that support EV charging, energy management and similar sustainability services—but not at the expense of the current offering, which is also constantly evolving.

The key questions quickly become: Which are the optimal growth models to pursue? What are the appropriate products and/or services to offer alongside existing ones, and how should they be bundled? The opportunity for utilities+ to offer true end-to-end bundles could represent a strong differentiating factor against other entrants competing in the energy services space.

For energy companies, the window of opportunity is open, but time is of the essence. To execute effectively, the shift from a commodity-centric business to a digital energy services company will be part “evolution” (leveraging and building on existing capabilities to play to competitive advantages), and part “revolution” (rapidly developing the new capabilities necessary for successful execution).
Act like a start-up: Empower agile innovation

With so many competitors and rules impacting the route to market, retailers require new ways of working and operating models to scale pilots and act fast. This applies equally to new energy products and services as well as new digital customer engagement tools like virtual agents and energy insights solutions.

Said simply, they need to act like start-ups.

Agile organizations have 16% long-term EBITDA growth compared with 6% for non-agile ones.¹

Accenture Move Fast to Thrive report

The UK’s Octopus energy is a case study in rapid innovation. Established in August 2015 they had over 1.5 million residential and commercial clients by mid-2020—despite owning no generation assets. Instead, their operations are largely funded by the sale of licensing for their proprietary Consumer Management System (CMS), Kraken, which runs on Amazon’s cloud system. Through innovative tariff offers, home charging and extensive renewable investment, they are quickly becoming a global player.
Tread lightly: Optimizing costs to fund innovation

Although the long-term focus for utilities hoping to take charge in the era of electricity goes beyond financial gain alone, retailers have to keep a close eye on their finances.

Marketing, reliable service and exceptional business experience can help win market share, extreme cost-cutting measures are often needed.

Intelligent pricing can yield 10-20% sales increase!

Accenture New Energy Consumer report

Whether in the shape of ongoing digital transformation and automation favoured by Engie, or Shell’s ambition to cut spending on oil and gas production by 40% to increase their focus on renewables, financing reinvention is a challenge that must be overcome.
Taking charge to deliver on the promise of net zero is impossible for any organization operating alone.

Shifting the default setting from competition to collaboration can have a dramatic impact on businesses, particularly in the retail space where a network of new infrastructure and offerings is needed.

Whether it’s strategic deals like that between National Grid and PPL, or ongoing partnerships like those between BP and Volkswagen, working together to access digital capabilities and expertise is the way to get ahead in the era of electricity.
Assess your architecture: Choose tech that lets you deliver at speed

Technology can be an accelerant or an anchor, particularly in established organizations where solutions have been built for immediate, not sustained, speed.

77% of executives state that their technology architecture is becoming very critical or critical to the overall success of their organization.9

Accenture Technology Trends 2021

Rather than continuing to retrofit older systems, retailers can finally shift from traditional contact center and customer service operations to more cost-efficient, self-serve digital platforms: a pressing need, particularly in a post-pandemic world.

Accenture research showed that 93% of companies were satisfied with the outcomes delivered by their cloud initiatives.10

Accenture Future Ready Enterprise Systems report

Many retailers may benefit from a fresh assessment of their architecture, and even the choice to start from scratch rather than trying to retrofit the old to work with the new.

Now is the time for energy retailers to radically shift their service culture to a sustainable and digital-first mindset. Whether this is through the introduction of better self-service digital tools, video consultations as a pre-cursor to truck-rolls or creating new conversational interfaces—consumers and businesses are ready to embrace change.
Mandatory makeover: Consider your position and market relevance

Even though they power our homes and businesses, most retailers are little more than a name on a bill in the minds of their customers.

To truly take charge and lead in the era of electricity, retailers will have to redouble their focus on maintaining market relevance to win market share and tempt the right talent.

Enel’s innovation sub-brand, Enel X, has made the organization attractive to the next generation workforce, who cite the opportunity to make a difference and work in an environment that lets them “change the world with energy” as a key reason to join the team.¹

Many users yet to adopt digital fully are now having to. COVID-19 is the catalyst now permanently shifting the laggards online and having made the investment in effort and learned new habits and interfaces, many will not go back.”

Accenture the Human Experience: How organizations should respond to the experience implications of COVID-19

Taking charge: Empowering Energy Retail to lead the change 11
Taking charge

The retail revolution is well underway, and whoever reacts fastest wins.

Whether it’s renewed focus on renewables, bundled services or stronger partnerships with infrastructure providers, it’s clear that retail providers who balance the needs of their customers today, and their expectations for tomorrow, will thrive.
Sources

1. Fjord Trends 2021, Accenture  

2. Move fast to thrive, 2019, Accenture  

3. Octopus Energy Group boosts Kraken’s capabilities with innovative ‘EnTech’ software, March 2020, Octopus  

4. Deliver new energy experiences for future growth, October 2020, Accenture  

5. Digitalizing the energy world, engie  
   https://gems.engie.com/expertises/digital/

6. Shell to Cut Oil and Gas Production Investment 30-40%, Fight Other Fossils for Renewables Market Share, September 2020, Energy Mix  

7. PPL Corporation to sell U.K. utility business to National Grid and acquire National Grid’s Rhode Island utility, strategically repositioning PPL as a high-growth, U.S.-focused energy company, March 2021, PPL  

8. Volkswagen Group and bp to join forces to expand ultra-fast electric vehicle charging across Europe, March 2021, bp  


10. Future Systems can help you scale innovation and achieve full value, 2019, Accenture  

11. COVID-19: 5 new human truths that experiences need to address, April 2020, Accenture  

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](http://www.accenture.com).

**Wytse Kaastra**  
Managing Director, Global Energy Retail Lead  
[LinkedIn](https://www.linkedin.com)

**Mike Abts**  
Managing Director, Energy Retail Lead, North America  
[LinkedIn](https://www.linkedin.com)

**Faye Griffiths**  
Managing Director, Utilities Lead, Australia  
[LinkedIn](https://www.linkedin.com)

**Sanda Tuzlic**  
Managing Director, Utilities, Energy Transition  
[LinkedIn](https://www.linkedin.com)