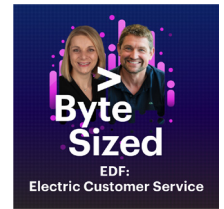


# Byte Sized Episode 4

## AUDIO TRANSCRIPT



**Episode Title:** EDF: Electric Customer Service

**Host:** Emma Kendrew, Technology Lead, Accenture Technology UKIA

**Speakers:** Richard Hughes, Director of Retail, EDF

### Rich Hughes Bio:

Rich Hughes is the Retail Director at EDF in the UK, overseeing gas and electricity supply to around 3.5 million homes and small businesses. His remit includes smart meter installation and maintenance, as well as driving customer experience and innovation.

Under Rich's leadership, the business recently completed a major operating model transformation and migration to the Kraken IT platform, resulting in a Trustpilot score increase from 4.2 to 4.7 and a significant uplift in employee engagement. EDF now offers a range of market-leading, innovative tariffs as part of its push to modernise and decarbonise retail energy.

With over 20 years of experience in the energy sector across the UK and internationally, Rich began his career as a strategy consultant in automotive and financial services. He is married with five children and, outside of work, is a keen kitesurfer and paraglider.

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**Intro:** Big ideas in small bytes. This is Byte Sized, brought to you by Accenture.

**Emma:** Hello and welcome to Bite Sized. EDF is a household name supplying millions of customers with electricity and gas. They are at the forefront of helping Britain to achieve net zero. They are tackling climate change by leading the transition to a cleaner, low-emissions electric future.

Energy companies have not always been famed for the quality of their customer service. I am delighted today to be joined by Richard Hughes, Director of Retail at EDF, where they have recently completed a transformation

of their technology platform and operating model, migrated almost six million customer accounts and improved their customer service rating to 'excellent.'

Today, we are going to delve into EDF's transformation journey and how they've put the customer at the heart of their business to deliver excellent customer service, while also driving the shifts that are needed on the journey toward net zero. I'm going to start please, by asking you to set the scene for us a little bit. We heard from the UN Climate Change Chief at Davos this year that the world is undergoing an energy transition that is unstoppable.

At the heart of your strategy is affordable, clean energy. Can you tell us a bit more about the current backdrop for energy and utility companies, and the need and the urgency to transform?

**Richard:** I think it is quite a tough moment, isn't it? You said there it is unstoppable, and you also said it needs to be affordable. That is the moment that we are in now, where we know we have to change these things. It is going to come. The question is, how soon and how do we pay for it? How do we make sure that people see and feel the benefits of it now? Because a lot of what we are trying to prevent is disasters in the future.

**Emma:** Okay. So, we do not have to have a trade-off. We can drive both. And that is also at the heart of your philosophy, your commitment. You have got a clear commitment to deliver excellent customer service, improve the employee experience, create quality jobs around the UK and drive innovative net zero products and services. There are four big ambitions there. As we know, it can be hard to keep those ambitions in harmony, particularly when you are driving a big business transformation. Can you tell us a bit about how you started and how you squared that circle to keep those four objectives aligned rather than in tension?

**Richard:** We have had several tries at this and we've got bits of those four things right along the way, but never all four of them. I think there's probably a couple of bits that I would say, helped us unlock that. The first one is recognising that as much as we would really like to be talking about net zero products and shifting load, and all that kind of stuff right now. If I can't get someone's direct debit right, then I can't talk about that. Who is going to buy a heat pump from me, if I can't get their smart meter working? You have to earn the right to get to that point. I think that was one of our big realisations, that customer service is not just the hygiene factor.

It's essential to unlock those technologies and that change for us, and I think it is for the UK in general.

**Emma:** Hard-earned but easily lost, I suppose, is customer loyalty and customer trust.

**Richard:** And maybe we didn't have it in the first place. Not wholeheartedly, as you said, in the industry. It's not like we haven't been trying to deliver a good service either.

The thing for us in unlocking that was to recognise that to be customer first, you have to be people first. Put your people first because they are the front line. Whether they're speaking on the phone, emailing a customer, or whether they're designing a web journey or a product, or working in marketing or HR. Supporting those people who are doing that. I think that has been the thing that's been the biggest breakthrough for us. We had a group of people who wanted to do the right thing. But as is often the case in large corporations, you inadvertently prevent people from doing the right thing with policies and so on. That's been the big shift for us, is trying to turn the organisation upside down. The people who are dealing with customers are the most important people, and they need to be free and empowered. And given the tools to help that customer solve that problem.

**Emma:** Right. So that principle is at the heart of the transformation journey that you've just embarked on. Can you tell us a bit more about how you put that into practice? How did you put your people at the heart of designing and delivering the technology platform that you've put in place?

**Richard:** The technology platform is Kraken. We did a really careful due diligence. What's interesting about it, it isn't just a technology platform. It does come with a way of working.

What we've done is, we've embraced that but also brought our own skills to bear on that operating model.

We're not a startup. We don't need loads of beanbags and things. I couldn't get up from a beanbag if I sat down on it. We have people who've worked in this business for 40 years. They know an incredible amount. If you can give them an operating model, a platform, and if you can take away stupid rules that prevent them from doing their job well. That's all they want to do. They're not in this industry, and people don't stay in this industry, for 40 years unless they want to do good, to help customers, to impact climate change.

What we've found is that if you do that, if you let people be free, then they will they'll do the right thing. They'll help the customer.

**Emma:** How have you seen the teams respond to that on the ground?

**Richard:** Really well, we've seen big step-ups in our engagement. You can feel it around the office. We can see it in our statistics. We measure it all the time. You can feel it in the atmosphere, in the way people are talking to each other, in how they dress. You can see it and you can feel it.

**Emma:** Maybe a different level of pride—in the work that people are doing and the impact that they're having?

**Richard:** It's about being yourself. People are more comfortable bringing their true selves to work. Being their true selves, not having to feel like they've got to pretend to be something corporate that they're not. The customers we're dealing with are residential customers, they are not big corporations. They are you or me on the phone trying to deal with a query about a bill. And they want to speak to someone in Oxford or Exeter or Hove who understands completely and is there to help them out.

**Emma:** It's interesting, Richard. You mentioned about beanbags and creating a different kind of cultural work experience for people.

We've talked on the podcast about how with the rise of digital, lots of companies have tried to become more tech centric. Perhaps trying to emulate or imitate what some of the technology companies do and how they operate. Whereas, in some of the conversations I'm having with businesses, there's more of a focus now on being really brilliant at our core purpose and being as authentic as we can in terms of our own brand, to attract and retain the right talent. Does that resonate with you from an EDF perspective?

**Richard:** Definitely. I think that's part of why I think people have bought into the operating model change. For people who've been here a longer time, in some ways, it feels like going backwards, not forwards. The idea is that you have a team of people who own a group of customers, 12 to 15 people mostly sat around a table. We used to be the regional electricity boards. We would have small local regions where you would have a little office or department whose job it was to look after the local community. For many of our people who have worked here a long time, this is sort of 'back to the future.' This is technology enabling the very old-fashioned idea of a small team owning a specific group of customers and caring about them.

**Emma:** People interaction powered by best-in-class technology. But as you say, going back to very traditional principles of brilliant customer service, excellent customer service.

**Richard:** For many of our people, this is technology that they don't even notice it. Technology should not be a thing. It should just work. And then you should just be able to do the important bit, which is speaking to a customer and solving the problem.

**Emma:** I know you pride yourself on providing brilliant jobs across the UK. How do you go about making sure that you deliver consistency to the customer base across different regions?

**Richard:** The way customers are allocated are not regional, they're distributed by types of customer. The problem with small call centres is they're not very efficient. What the technology allows is overflow. It means that you get the best of both worlds. You get that kind of thing, but that you don't get that long wait on the phone. Most of the time you're dealing with that same group of 12 people. Sometimes, you've got a 1 in 12 chance when you call, that you'll end up speaking to the same person. People are shocked when we're a thousand person plus organisation, but when you call, you literally get to speak to the same person you spoke to last time.

**Emma:** It reframes in many ways the customer relationship, because the relationship for many customers has started to feel quite anonymous. You speak to an organisation. You don't necessarily speak to an individual. But this is going 'back to the future,' as you say, toward something that is much more about a longstanding and enduring relationship.

**Richard:** Exactly. Coming back to a point about consistency, there is a minimum level of consistency in standards, but we encourage difference. We encourage people to bring their personality to the interaction. We actually don't encourage consistency. I don't want scripts. I don't want a really anodyne conversation. We encourage people to bring themselves. A human being talking to a human being, is a much different relationship. Like you say, it doesn't feel like you're just dealing with some faceless, personality less corporation.

**Emma:** Right? It's something that in many ways is traditional, but is novel at the same time, which I think is fascinating.

**Richard:** It's really hard to do at scale. Yes, that's the difference. You get lots of companies starting up and they can have this great thing when they're small.

But, how do you do it when you've got 5 million customers? How do you still feel like you're dealing with one person? Well, it's because you are.

**Emma:** What has been the secret to your success then in driving that scale? Because as you say, it's over 5 million customers.

**Richard:** I think that is where the technology and the operating model really matter. For us, having a group of colleagues who are really committed. It's that combination of great people enabled by technology that you don't even really notice.

**Emma:** And embarking on a technology transformation in parallel with the operating model, not trying to do them in series or one without the other.

I'd like to go on to talk a little bit more about the energy transition, Richard. As we transition to more renewable energies, we are increasingly reliant on the weather, which is already a great British obsession. It is going to become even more important to us in this country. That clearly changes how we need to think about power and the demand on the Grid. I know you need to be more innovative with your customers. Trying to shift demand away from peak times and empower customers to make informed energy decisions. Again, it's another very significant challenge that you've got. Can you tell us a bit more about what it means and how you are approaching it?

**Richard:** It's a big change from where we produced power stations to match what a customer was going to use. When the kettle goes on, at the same time, in households around the country. It's a big shift to going the other way and saying, here's when the power is being produced. What can you use now when it's readily available. I think we recognise that is a big shift. Which is why I come back to the point about service and trust.

You've got to trust someone quite a lot. If you've got to get to work tomorrow in your car and you're going to say, okay EDF, just make sure my car is charged. Make sure it's at the cheapest price, the lowest carbon time. That is quite a lot of trust. I think this is why you have to start with service.

The next bit is, at the moment we see lots of very exciting and innovative tariffs out there, but they are often for energy enthusiasts. I would say that as a self-proclaimed energy geek, but that's not what most people really want. Most people just want to come home, plug their car in, turn the kettle on, put the washing machine on. This again, is where technology becomes really important.

And why the technology platform and that integration is also really important. Start with the trust, but then if you can do things for a customer, if they can trust you and you can make it easy like with electric vehicles. You can come home, plug in. Then we tell how much your car needs to charge, how many hours it's going to take, and we can pick the lowest price and lowest carbon time to do it. I think this is how we break down some of the barriers to net zero. It has to actually be better for people, cheaper and more convenient.

**Emma:** And feel easier to your point and more convenient. There is a big mindset shift there, from how we've been very used to having energy on tap. You mentioned the kettles around the country all going on at the end of Coronation Street or whatever it is. The Grid has been designed to cater to that kind of demand. Whereas now we either need to shift our mindset as customers, that we need to time our energy demand or you as the energy providers, can help us.

By making it so that we don't even need to think about it because you're doing it for us. Clearly, we need to trust that it will work. How are you going about making sure that my first experience as a customer is one that delights me?

And makes it more convenient and something that I can trust going forward?

**Richard:** Making sure the service is right in the first place. Because you can't have any of this without that foundation. Then we're working into parallel avenues. We recognise that in any market, early adopters help shape it. They help give confidence.

We've got innovation pilots, and we're rolling out a bunch of innovative but fairly techy products. The other thing that we're trying to do in parallel is create really simple versions of these things. That's what I would call no-regret tariffs. You've got a standard variable price at the moment and most people are on that. We've got a range of tariffs, whether it's for your heat pump or what have you, where we offer a discount off the standard variable rate for a certain period of time. Or if you've got one of those applications, you can't lose. It's just a win win. If you're currently on standard variable and you're charging your electric vehicle and you're a bit nervous about it. You just cannot lose during this time. It's cheaper. It doesn't matter how big your home consumption is, you don't have to do some complicated mathematical equation of my home versus my car versus my mileage. It's just 'I cannot lose.' And then once you're up and running, then you can take more confident steps. We're trying to work at the problem from two directions, from that tech innovation pull and helping people take gentle, no-regret baby steps to help them build confidence.

**Emma:** I just want to pick up on what you mentioned about energy enthusiasts. With the rise of smart household technology to manage your energy, are you seeing more energy enthusiasts among your customer base? Are you seeing any kind of trends?

**Richard:** We definitely do. It's partly through energy enthusiasm, just the pure unbridled enthusiasm for the topic. And also money.

We have a thing called Sunday Saver at the moment where, if you shift your usage from peak hours in the week, you can save up to 16 hours at the weekend.

We see people who really need to save money, and they really want to save money. They will work hard and put the time in to work out how they can shift their energy usage to save those extra few pounds. The other one is they recognise it's how you do the right thing, how you can help the environment and the planet.

**Emma:** Let's talk then about transformation. Clearly, it's been a very successful transformation. Not only did you successfully migrate all your almost 6 million customer accounts, but Trustpilot scores jumped, and you were rated best Energy company in Officevibe's global Employee Experience Leader awards. Congratulations. Like you said, you kept those ambitions in harmony at once. What would be your key piece of advice for a company in any industry, whether it's the energy industry or anything else, who are embarking on a customer transformation?

**Richard:** I think the single most important lesson for me was that we actually did make it better for our colleagues. I think people say culture change takes a long time, and transformations are difficult and so on. And there's no doubt this transformation has been difficult as well. There have been hard yards put in. But it actually created a better job, a better working environment. People are able to have autonomy about what type of work they do during the day. They can choose whether they're doing emails, handling a complaint or doing calls.

You have autonomy and agency. There are opportunities to progress, to earn more money, to develop your career. The work environment is better. You can be yourself. So, it's actually better. It's much easier to get people on the bus when the bus is going somewhere that most of them actually want to go.

That's my one piece of advice, if you want people to buy into it, then make it actually better.

**Emma:** Make it actually better, and make it clear what the destination is going to be.

**Richard:** Exactly. Maybe not everyone wants to go there, but as long as it's better for most people, then we have found that most people get on the bus very quickly and very willingly. And start driving if you're not careful.

**Emma:** Brilliant. Richard, the last time we spoke, we talked about the importance of the weather for renewable energy. And you talked to me about Dunkelflaute. Can you remind me?

**Richard:** I think that's how you pronounce it. I pronounce it 'Dunkelflaute.' I think what it means and what I've heard is the doldrums. It's where not only is the wind not blowing, but it's a bit cloudy and grey as well. If you think about it from a renewable's perspective, that means the wind turbines aren't working and the solar panels aren't working. No energy from renewables. That's obviously a big challenge. And that's where we need things like batteries and interconnectors. I was looking at an interesting chart the other day that showed it's pretty much always windy somewhere in Europe. It is really important that we are connected to other countries.

**Emma:** Beyond the confines of one country when we're thinking about renewables. But how do you think about the weather, more globally? Finally, I want to ask you the question that we ask all of our guests here on Bite Sized.

Can you tell us what is it that you're reading or listening to at the moment that's giving you inspiration or pause for thought?

**Richard:** I'm reading a book called Prisoners of Geography that was recommended to me by a friend. It's fascinating.



It's about how geography influences culture and politics, the nature of the physical environment that your country is in. I just moved off Russia on to China, it is fascinating. I recommend it.

**Emma:** Absolutely fascinating, and it's a favourite recommendation here at Bite Sized. I think having talked about the weather today, its impact on our energy transition, it's very appropriate. It has been a fascinating discussion on the energy transition, on how to drive a successful transformation and how you are putting the personal back into customer service.

**Emma:** Thank you for joining us. Thank you to our listeners. This has been Bite Sized.

## Outro

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