NEW ENERGY
CONSUMER
NEW PATHS TO OPERATING AGILITY
VOLATILE MARKETS, CHANGING REGULATORY FRAMEWORKS AND GREATER CONSUMER ENGAGEMENT ARE SHAPING AN INCREASINGLY COMPLEX ENERGY ECOSYSTEM.

The terrain is challenging. But it’s also full of opportunities for growth through new markets, new ventures and new value creation. These shifts are nothing new—Accenture has said all this before. But what has changed now is that the utilities industry is reaching a point of no return.

Long-standing business models are being actively disrupted. Solar, storage, microgrids and other distributed energy resources (DERs) are combining with the rapidly falling costs of disruptive technology, the proliferation of automation and artificial intelligence, and the increased adoption of energy-efficiency products and services. At the same time, consumer expectations are now liquid, flowing from one experience to the next and challenging energy providers to keep pace with standards set in other industries. In this era of the digitalization of everything, and of hyper-relevant personalization, a relentless obsession with customers is no longer an option. It’s a must.

In the face of these game-changing shifts, successful energy providers are pivoting to a new decentralized, decarbonized and digital world. They are developing future-forward strategies and building new capabilities that enable them to seize opportunities and scale quickly. In the previous report, New Energy Consumer: Thriving in the Energy Ecosystem, Accenture identified four consumer trends: instant everything, hyper relevant, meaningful experiences and collective consumption. Through our research program, we have continued to track these trends under the ongoing influence of disruptive digital technologies and the market realities of the new energy ecosystem. To offer a forward-looking view of the implications for customer operating models, the trends focus on the latest customer attitudes and behaviors. Our “May the bots be with you” report captures, for example, the way robotic process automation and artificial intelligence are facilitating new consumer insights, customer engagement personalization and are taking “instant everything” to a new level (see Figure 1).
When it comes to digital, there is a wide spectrum of possible engagements, with digital active users at one end and the unengaged status quo at the other. To date, most energy providers have led with a technology approach to digital, leading to disappointed customers and providers. It’s time to rethink that approach.

Providers are no longer on their own in the quest to keep pace with consumers’ “instant everything” expectations. Artificial intelligence is quickly changing the customer service paradigm. Now is the time to make investments and use bots to delight customers—and deliver against key goals.

Energy providers are on the edge of a major shift from commodity provider to orchestrator of an innovative, fluid ecosystem. The winners will form diverse partnerships, collaborations and alliances to spur innovation, drive product and service development, accelerate culture change and capture new opportunities.

Transient consumers are nothing new. But their dynamics are accelerating due to market shifts, disruptive technologies and regulatory changes. More than ever, providers need deeper insights so they can understand, act on—and profit from—individual consumer preferences and behaviors. Switchers matter.
The spectrum of customer plays for energy providers also continues to be a relevant consideration (see Figure 2). Accenture believes that, regardless of which play or combination of plays an energy provider chooses, it must keep a close eye on changing customer expectations, and strive to become a lean digital customer experience leader.

**FIGURE 2. CUSTOMER PLAYS AND THE NEW DIGITAL OPERATING MODEL.**

The first step for energy providers: Decide where and how to differentiate in a disruptive energy marketplace by choosing a strategic direction and customer play(s). Then ask: What does it take to operationalize the strategy—and how can we get there? These questions are at the heart of our latest report. We show that the answers lie in building a customer-centric operating model that is agile, adaptive, digital and flexible. Energy providers must start by strengthening the core: Creating a culture that empowers people to move forward with pace and adapt to drive ongoing change and innovation. Without this strong core, digital initiatives will inevitably be short-lived.

Source: Accenture analysis.
NOW IS THE TIME TO TAKE ACTION:

- Implement a new, more integrated approach to transformation strategy, planning and execution—one that can address new digital business models and new technologies, as well as market demands that further increase organizational complexity.

- Embrace continuous innovation—shift from decades of long planning cycles, rigid processes and certainty to a willingness to move quickly, “fail fast, win big” and iterate with agility.

- Create an agile culture aligned to digital strategy—promoting a people-first approach, speed and experimentation, and introducing new styles of digital leadership to innovate and navigate an organization through infinite disruption.

- Invest in the workforce of the future, including new talent strategies and technologies to support the digitally-enabled workforce.

- Implement the New IT, characterized by agility and scalability through open, cloud-based and multi-speed technology architecture and agile ways of working.

- Leverage new partnership approaches to support operations and acquire new capabilities fast.

- Build new ways of measuring progress and tracking the return on digital investments, with forward-looking metrics for customer affinity and digital transformation key performance indicators (KPIs) to steer the transition.

Our latest New Energy Consumer findings suggest a stronger consumer push toward advanced digital capabilities, next-generation services, and intelligent and integrated energy offers. Our 2017 research program, The New Energy Consumer: New Paths to Operating Agility, explores the latest consumer trends driving digital transformation.

To thrive in the rapidly evolving energy ecosystem, providers must move boldly and decisively: build a digital operating model, drive fundamental culture change and advance next-generation customer capabilities.
DIGITAL TRANSFORMATION DOES NOT DRIVE ITSELF

Digital transformation is about more than technology. It requires cultural change—shifting workers, contractors and partners to focus on customer-centricity, speed and and a new human-machine relationship. At the same time, it demands a new leadership approach for navigating an organization through infinite disruption and continuous innovation and reinvention.
Many energy providers have been working hard to embrace digital. Yet Accenture’s 2017 New Energy Consumer research shows that a third of consumers still struggle with their digital experiences. This finding suggests providers are not yet achieving desired returns on their digital investments. In some cases, digital might even be causing a disjointed customer experience.

What’s at the root of digital disappointment? Accenture believes much of it stems from a technology-first approach to digital transformation. When digitizing core customer-facing touchpoints (such as move in/move out processes) providers have often focused on automation. Working diligently to replicate traditional business processes on new digital interaction platforms, they’ve placed little to no emphasis on shaping customer experience and simplifying processes to minimize customer effort and dissatisfiers. When adopting robotic process automation in customer operations, for example, some providers seem to spend more time selecting and purchasing technology than determining which processes would benefit from digital solutions, and why.

Energy providers’ long-time commitment to continuous process development and compliance with industry and regulatory standards is another root cause. Operational excellence and Lean Six Sigma approaches have become the industry norm. While important, these are often insufficient to keep a provider competitive and relevant amid growing asymmetric competition in the dynamic energy marketplace. Accenture’s New Energy Consumer research suggests that delivering a personalized, seamless customer experience may be an equally important use of resources (see Figure 3). Energy consumers in deregulated markets indicate they would even switch providers to receive that kind of experience.

**FIGURE 3. PERSONALIZATION GAP.**

WHAT WOULD MAKE YOU WILLING TO BUY ADDITIONAL PRODUCTS AND SERVICES FROM YOUR ENERGY PROVIDER? BASED ON YOUR EXPERIENCE OVER THE PAST 12 MONTHS, HOW WOULD YOU RATE YOUR ENERGY PROVIDER’S PERFORMANCE ON PROVIDING YOU EACH OF THE FOLLOWING?

<table>
<thead>
<tr>
<th>Product and Services</th>
<th>Very Important + Somewhat Important</th>
<th>Current Energy Provider Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Products and services that are personalized to my needs and preferences</td>
<td>82%</td>
<td>Excellent + Good (74%)</td>
</tr>
<tr>
<td>Products and services that enable me to manage my energy consumption using digital tools e.g., mobile applications, smart thermostats, etc.</td>
<td>81%</td>
<td>79%</td>
</tr>
<tr>
<td>A seamless customer experience (consistent, effortless, and intuitive)</td>
<td>79%</td>
<td>78%</td>
</tr>
<tr>
<td>Products and services that enable me to generate my own electricity e.g., solar panels, home-energy storage</td>
<td>72%</td>
<td>71%</td>
</tr>
<tr>
<td>Products and services for my connected home that embed the latest technology</td>
<td>66%</td>
<td>59%</td>
</tr>
<tr>
<td>Products and services that enable me to collaborate with other consumers e.g., community solar program</td>
<td>61%</td>
<td>58%</td>
</tr>
</tbody>
</table>

Base: All respondents.

PUTTING PEOPLE AT THE CORE

To succeed in the digital age, energy providers need to become “experience architects.” Through human-centered service design, providers can solve problems more effectively both today and in the future. Energy providers can apply a design-led approach across the board—from strategy to delivery and from marketing, sales, customer service and other core business functions to enterprise functions such as HR, IT and finance. Leading energy providers are implementing design-led approaches that place people—customers, workers and partners—at the core. For example, a leading European utility is reinventing its customer operations with a people-first approach, identifying new ways to engage customers and enhance market leadership. Their goal: to increase customer satisfaction, agility, operational efficiency and optimize cost to serve by delivering a seamless omnichannel customer journey—all while engaging workers as full actors at each step.

A people-first approach to digital transformation requires an energy provider to apply the principles of design thinking every day (see sidebar: principles of design thinking). It’s about delivering more relevant solutions to energy consumers. And improving the manner and speed with which energy providers can reinvent processes to meet changing needs. It encourages rapid experimentation, prototyping and constant reinvention. And it connects important elements of design—elegance, sensitivity, continuous and rapid iteration, and an appreciation for how people engage with the world—within the context of a business. That context enables leaders to quickly understand the feasibility and implications of their decisions.

PRINCIPLES OF DESIGN THINKING

Design thinking refers to the adoption of human-centered design methods to solve problems, frame opportunities and achieve innovation. 1

HUMAN-CENTERED
Start with empathy and work to understand people through direct observation and research.

CREATIVE AND PLAYFUL
Reframe the problem and view it from different perspectives, considering many solutions.

ITERATIVE
Refine the problem definition and potential solutions based on feedback and testing. Learn from early failures.

PROTOTYPE-DRIVEN
Rely on tangible representations of potential solutions to get early user feedback.

COLLABORATIVE
Involve all disciplines throughout the process—and employ co-creation methods as appropriate during the process.

Design-led approaches must be rooted in an industry context. Electricity and gas have traditionally been low-engagement products—necessities invisible to many consumers. So, when building meaningful energy consumer relationships beyond the energy bill, energy providers may find inspiration in cross-industry examples. But deep industry expertise will remain essential in addressing unique energy consumer needs, such as preventing “bill shock” through proactive alerts, offering proactive property move support and personalized recommendations for energy savings plans. Energy providers can tap into the power of diversity by blending industry specialists with the new skills and perspectives of designers, data scientists, digital technologists and scrum masters. Working together, these teams can create and implement sustainable innovations—whether incremental or breakthrough—that delight consumers. In short, energy providers must pivot from simply viable products to lovable products and services for the new energy consumer.

Digital leaders are obsessed with minimum viable products (MVPs). That is, using technology to rapidly build and deliver something with just enough features to satisfy early adopters. At their core, MVPs represent a technology-driven approach. They ask “what is it possible to build?” and “how fast can we build it?”

Accenture believes MVPs are not enough to serve the new energy consumers. Providers must instead aim for minimum lovable products (MLPs). An MLP brings everything into the mix—business, technology and, most importantly, human value.2

What makes a product or service lovable? It must be something that creates human value—and delight—by combining functional value (addressing unmet or latent needs) and emotional value (tapping deeper emotions and providing an engaging experience). In other words, a lovable product brings together utility, engagement and simplicity for the energy consumer.

For more information, see Fjord Trends 2017.

To build a digital mindset, energy providers are creating “design studio” conditions. That’s where business and IT partner to develop potential concepts, and then work in multidisciplinary scrum teams to refine and test ideas with light governance. The result: nimble, cost-effective collaboration based on design-thinking principles. Leading energy providers are also breaking down traditional hierarchical structures. They’re empowering people to devise innovative solutions and create the conditions to implement them at speed and scale. For example, in just 20 weeks, an Australian energy provider launched a customer portal to empower engaging digital self-service. The key to its success was a collaborative, engaged team committed to consistently meeting and exceeding sprint goals with a digital mindset.
SPOTLIGHT ON KINGFISHER: A 90-DAY CHALLENGE

Operating more than 1,200 retail stores in Asia and Europe, Kingfisher has succeeded in nurturing a digital mindset and practicing a people-first approach. Every six months, 160 people involved in digital transformation projects gather for a two-day workshop. Working with C-suite representatives—and based on the company’s strategic vision—the team builds the roadmap for the coming three-month sprints. Participants are invited to present ideas they want to realize in line with the larger strategy. By the end of the workshop, people commit to their three-month workplans, with accountability and responsibility for the results. From there, the working teams have the autonomy to build their own project plans. Using this approach, Kingfisher launched its first MLP on the market—an integrated home improvement platform to simplify the customer journey.

DIGITAL MINDSET IN ACTION

In successfully navigating digital disruption, one of the biggest hurdles for energy providers will be transforming their cultures to become truly customer-centric. That means putting customers at the heart of all operations. In other industries, successful organizations have adopted design thinking to build customer-centric cultures and increase their capacity for innovation. Indeed, the Design Management Institute and Motiv Strategies found that design-led companies have outperformed companies in the S&P 500 by 219 percent over the past 10 years.

Leading energy providers are making design thinking integral to all aspects of their organizations and leadership approaches. They are embedding the principles of living services to create a new culture and operating model (see sidebar: becoming a “living business”). Providers can use design thinking to identify value leakage and process inefficiencies. Leveraging robotic process automation cannot only drive efficiency but also enhance employee engagement by taking away repetitive tasks and enabling workers to focus on higher-value activities. Many energy leaders are employing design thinking beyond customer experience and product and rate design. They are using design principles in areas like marketing campaigns, operational planning and talent management.

Adopting a design-led approach—from strategy to execution and across all functions—fosters a culture of constant experimentation, improvement and continuous learning. It puts customers and workers at the core. And it requires energy providers to create a workplace where people willingly embrace change. Workers should enthusiastically engage in the development process to identify trailblazing ideas and determine which have potential and which will fail. In a design-led culture, people must be empowered. Teams need to view the new as positive and rewarding rather than something to be feared. The result? A business that’s constantly ready to pivot in response to the shifting sands.


BECOMING A "LIVING BUSINESS"

Businesses are not people. But can they benefit from a focus on some very human characteristics? Accenture says yes. And we believe becoming a Living Business can bring out the very best in the people and culture that create a business.5

THESE CHARACTERISTICS ARE WHAT BRINGS A BUSINESS TO “LIFE”:

**PERSONALITY**
This expresses an organization’s purpose through its brand. Workers are both affiliated with and empowered by this personality.

**INSTINCT**
This is the way an organization reacts to change. It is how it gathers people across structures and hierarchies to make effective decisions and take new directions.

**RELATIONSHIPS**
This describes how the company likes to work. It’s how it builds a bridge to customers and puts the needs of those customers at the heart of what the business does. It’s also how it builds new collaborations and partnerships internally and externally.

**CRAFT**
This is all about valuing people’s input across the organization and focusing on ongoing workforce skill development. It’s also about embracing diversity in the truest sense to confirm the business can differentiate in a world of liquid customer expectations.

WHO SHOULD "OWN" DIGITAL TRANSFORMATION?

Without doubt, a people-led approach to digital transformation starts at the top. It needs clear, explicit and official support from the CEO. From there, the rest of the C-suite should step up and assume responsibility for executing the digital strategy and transformation. Digital transformation requires a holistic approach. That means starting with digital strategy and defining the approach for digitizing core business processes and customer interactions (Digital Customer), transforming the corporate functions for efficiency and productivity through technology (Digital Enterprise) and digitizing the workforce, enabled by a new culture and new ways of working (Digital Employee). The CCO, COO, CTO, CIO, CPO (Chief People Officer), and CDO all have important roles in setting and implementing the digital strategy. For example:

- The Chief Customer Officer takes responsibility for developing digital customer experiences and interaction channels.
- The Chief Operating Officer is responsible for developing digital processes and the digital value chain.
- The Chief Technology Officer manages the digital operational technology and innovation capabilities to develop operational technologies further.
- The Chief Information Officer confirms that IT services utilize the latest digital technologies and that IT brings value to the business with digital technologies.
- The Chief People Officer is responsible for digital talent and culture priorities.
- The Chief Digital Officer develops new digital business models and verifies that the company becomes a truly digital business.

Specific accountabilities need to be clear, as responsibilities depend on each energy provider and its digital maturity and current capabilities. CEOs can either extend the role of an in-place C-suite executive to spearhead the digital transformation. Or they can establish a new role, Chief Digital Officer (CDO), whose primary focus is leading the organization’s digital priorities. The path an organization takes very much depends on the size of the energy provider, its digital maturity, its level of ambition and the personal capabilities of its existing leadership team. No matter what, the leader of digital transformation should report directly to the CEO, as that person will play an important role in this fundamental, enterprise-wide transformation.
Guiding an organization through digital transformation requires new leadership styles. New business leaders exhibit some or all of the following characteristics:

**Adventurer**
This type of leader exploits digital despite uncertainty. They start outside, using customer-centricity as a compass, and define a digital vision of what’s possible that inspires others to move forward and take calculated risks.

**Ambassador**
These leaders employ an ambassador’s art of persuasion, anchored in a loyalty to the enterprise’s ultimate purpose, to bring others along on the journey.

**Clarifier**
As industry disruption increases, it becomes ever more critical that digital leaders clarify what matters most. That includes both digital threats and opportunities.

**Educator**
As an educator, a digital leader encourages the new mindsets and skills needed to lead in this persistently uncertain, high-velocity and innovation-driven era.

**Attractor**
This entails radiating a compelling digital business purpose that enables others to contribute to something bigger than themselves. Attractors create, or reset, an optimal work environment and use it to attract and unleash the power of top talent.

**Cartographer**
This trait is as much about visualizing new paths of opportunity as it is about showing the business where and how to outmaneuver the competition and master the natural contours of the digital terrain.

To lead through digital transformation, forward-thinking energy providers are building balanced, cohesive teams that offer these behavioral traits. These organizations understand that leadership’s first imperative is nurturing appropriate behaviors. That can, in turn, enable the autonomy necessary to build a new culture and mindset.

---

Many energy providers have started implementing digital initiatives in different parts of the organization—often with limited coordination and reuse of leading practices. These kinds of initiatives tend to get stuck in pilot phase, making it impossible to have a direct impact on the business or its profitability. Accenture has observed that a scattered approach to transformation often minimizes return on digital investments. To facilitate a people-led approach and accelerate cultural transformation, Accenture recommends setting up a digital hub outside of existing operations. This independent team becomes the focal point for leading the digital transformation and managing change. It helps drive and scale digital across local business units by blending business, technical and digital skills into creative, fast and agile solutions that create new customer experiences, new digital operations and new business models.

**DIGITAL COCKPIT**

This part of the hub monitors, controls and steers digital transformation initiatives and value cases across business units. The digital cockpit identifies and contributes thought leadership. It also drives leading practices, methods and tooling to spread innovation throughout the organization. It verifies that the business uses budget and scarce digital skills in alignment with the business strategy. And, when pursuing a digitalization roadmap, the digital cockpit distinguishes between business and growth initiatives and the enabling capabilities required to realize business outcomes. Strategy and road-mapping, governance and control, digital value tracking and digital portfolio management: these are the core competencies of the digital cockpit.

**DIGITAL STUDIO**

This part of the hub applies design-thinking principles to conduct fast, cheap and iterative experiments. In a digital studio, failure is treated as an opportunity to learn and improve. Core competences include market and customer research, ideation, customer journey development, service design, rapid prototyping and incubation to bring an experience to life and test it with the market. Typical roles within the studio include product owner, scrum master, researcher, business analyst, user experience designer, data scientist, architect, builder, tester, together with an API team and local subject-matter experts.

**PARTNER ECOSYSTEM**

The digital hub works to position the business within a broader ecosystem. It engages a network of partners that deliver services and technology to develop, build, test and host solutions. A strong ecosystem helps confirm flexibility—enabling an energy provider to acquire specialized capabilities quickly.
DIGITAL HUBS: GUIDING PRINCIPLES

1. START FRESH

Aim for a flat structure staffed with new, digitally-savvy talent. While the hub should be independent from operations—creating space for people to work in a completely new way—teams should collaborate closely. Between 60 and 70 percent of the people in the hub should be new hires, working with opinion leaders and business representatives from local organizations.7

2. FOSTER INSPIRATION

The physical location and space for the digital hub is crucial to driving cultural change, promoting innovation and new behaviors. It is fundamental to running the hub like a startup. Aim to emulate a creative studio environment and establish a sense of belonging and pride for the team. The hub should be attractive, not only to new talent but also to existing customers and workers. Make it a place people want to visit—bringing together elements of business and leisure (“bleisure”) so workers go home fully revitalized. In most cases, that means locating the studio in city centers or other vibrant parts of a city that attract large numbers of creative people.

3. DON’T SKIMP ON SIZE

Hundreds of potential ideas—and countless hours of research—will precede any successful new product or service. To establish a pipeline of top-line ideas, concepts and prototypes, a critical mass of people in the hub will be needed. That increases the likelihood of creating the products and services that consumers will love—and that generate sustainable business profit.

4. BUILD FOR AGILITY

Everything about the hub should be primed for agile ways of thinking, designing and delivering. Embrace the need to fail fast and cheap, and iterate based on those experiences. Empower the team with the latest technology and prototyping tools to enable those experiments. And confirm 30 percent “spare” capacity to handle any spikes in demand—whether due to a heavy backlog or extra innovation sprints.8

5. MAKE IT A “BRIDGE”

A digital hub helps reduce siloes and build bridges—fostering close collaboration among business, IT and ecosystem partners and enabling multiple partners and stakeholders to work together. A digital hub can collaborate with partners in an as-a-service model to acquire specialized capabilities quickly and facilitate the scaled acceleration of digital lighthouse initiatives across different markets.

6. PUT PROCEDURES ASIDE

Yes, the hub needs to operate with clear agreements on funding principles and budget ownership. But to rotate to the new, it’s important to move away from typical approval processes and allow shortcuts. In other words, make it easy to buy from startups and test their products—without following usual corporate procurement policies.

---

7 Accenture analysis based on leading practices.
8 Ibid.
ENGIE’S DIGITAL TRANSFORMATION: FROM TOP TO BOTTOM

ENGIE (previously GDF Suez) is a global energy player with the ambition to be the leader of energy transition by concentrating its activities in low-carbon energy production, including natural gas and renewable energy, infrastructure and global solutions for its customers. Facing significant market transformation, ENGIE sought to review its retail operations and transform the digital experience for its business and residential customers. Its transformation includes reimagining the delivery of traditional commodity services, such as selling gas and electricity. It also includes designing new services to disrupt the market, challenge competitors and new entrants and, ultimately, position ENGIE to move into new markets and regions. Among the possibilities: servicing the new era of electric and self-driving vehicles, connecting the coming wave of home solutions in ways that delight customers, and helping customers in their energy transition projects. “As part of our ambitious three-year transformation plan to become a forerunner of the future energy world, we are making a big investment to digitize our company, redefine the customer experience and set new rules of engagement in the industry,” said Isabelle Kocher, Chief Executive Officer of ENGIE.
PUTTING DIGITAL TO WORK: RETHINK THE FOUNDATION

Traditional waterfall-based approaches to developing people, processes and technology have been well-suited to the conservative, cautious utility culture. In today’s energy ecosystem, those approaches are a liability—hindering a provider’s ability to deliver constant agility, immediate scalability, short-cycle flexibility and speed at the pace of change.

To evolve and thrive in the new energy ecosystem, energy providers need to rethink the people, process and technology blocks that form their foundation. That includes investing in the workforce of the future; enabling IT agility and scalability through open, cloud-based and multi-speed technology architecture; and leveraging partners to support non-core operations and acquire new capabilities—fast.
TALENT TRANSFORMED: SHAPE THE DIGITAL WORKFORCE

Digital is here to stay. Energy providers must begin to transition their workforce—incorporating new technologies and understanding new talent strategies as part of the shift to the new digital operating model.

LET'S GET DIGITAL

Our latest research found only 27 percent of energy consumers are active digital users. And a third of energy consumers are still struggling with their experiences on their energy provider’s digital channels. In other words, many customer interactions with energy providers still take place through traditional channels. Consequently, many energy providers still have “old-school” customer operations—along with a commoditized approach to workforce management that is reactive and focused on economies of scale. Even so, 88 percent of energy consumers say they are ready to use a digital agent (a computer program that simulates human conversation using artificial intelligence via phone or chat to resolve simple queries) if their energy provider offered one. Getting there will require a tectonic shift in how providers approach workforce management and incorporate new technology.

Over the next five years, most utilities’ customer operations activity will be undertaken by a combination of robots and humans working in close collaboration. Cloud-based bots will perform most transactional tasks, while human experts focus on new ways of delivering value to energy consumers—shifting from simple, short interactions to value-added advisory services. Under this new digital customer operations model, Accenture expects up to half of calls to be deflected to digital assistants and up to 80 percent of queries to be resolved by virtual assistants. That will support up to 25 percent optimization of average handling time and up to 60 percent staffing optimization benefits. These significant operational shifts will drive new talent needs—demanding more business and process experts alongside tech-savvy, outcome-oriented management. Accenture believes this move from a commodity-based workforce to one that leverages automation to achieve operational efficiencies will free up resources for value-added activities.

12 Accenture analysis based on leading practices.
What will emerge is a new organizational pyramid with up to 40 percent fewer full-time employees (FTEs) due to a blended workforce combined with new sourcing approaches. Accenture is already observing leading energy providers implement robotic process automation at scale in their back offices. These providers are realizing headcount savings of 25 to 40 percent while reaching meter-to-cash process efficiencies of one FTE per 90,000 contracts.\(^\text{13}\)

In the 2017 Accenture Technology Vision survey, more than three-quarters of IT and business executives agreed their organizations are under extreme competitive pressure to extend innovation into their workforces and corporate structures. Moreover, 85 percent indicate they plan to increase their organization’s use of independent freelance workers over the next year. And 73 percent report that corporate bureaucracies are stifling productivity and innovation.\(^\text{14}\)

Blurring lines between employees and contractors are fundamentally changing the ways people will deliver their jobs in the future. An increasing number of tasks will be crowdsourced. Driven by a surge in on-demand labor platforms and online work management solutions, legacy models and hierarchies are being dissolved and replaced with talent marketplaces. Call it the liquid workforce—with talent marketplaces augmenting and accelerating the inherent strengths of the digital workforce pyramid (see Figure 4 for an example in an energy provider’s customer operations).

Meanwhile, leading energy providers are embracing talent marketplaces to accelerate their digital operating model transformations.

---

**FIGURE 4. TRANSFORMING TO A DIGITAL WORKFORCE IN AN ENERGY PROVIDER’S CUSTOMER OPERATIONS.**

![Figure 4 Diagram]

Source: Accenture analysis.

\(^{13}\) Accenture analysis based on leading practices.

JUMPSTART DIGITAL
TALENT PLANNING

Energy providers will need to fundamentally rethink human capital and career management processes. Most will face some major shifts—from position-based to role-based career paths and from static to active career management. These changes necessitate frequent career discussions for all employees, along with a change in employer brand promise from lifelong employment to lifelong learning. Leading energy providers are already taking steps to shape a digital workforce of the future through new human resource practices that make regular employee career discussions a requirement, not a “nice to have.” These industry leaders are rethinking HR policies and procedures as well as enabling the liquid workforce—through new global talent sourcing and role design, career management and incentive mechanisms.

To nurture a people-centric culture, energy providers need to hire new digital talent and create teams that blend those new hires with internal experts. They also need to reskill people for new roles, leveraging digital technologies to increase time to proficiency. Their challenge: to compete with higher-margin companies and industries for the same digital talent.

To overcome this obstacle, energy providers need to rethink their employer brand promise, reinvent their employee experience and tap into new sources of talent, such as contractors. It is crucial to build symmetry between the employee experience and the customer experience, as employees become ambassadors of change and of the brand. Only an engaged, motivated workforce can deliver outstanding customer experiences. To attract and retain that kind of workforce, energy providers need to take a design-thinking approach to create tailored, people-centric employee journeys, incorporating both cultural and physical experiences.
TOOLS OF THE (DIGITAL) TRADE

To develop a digital workforce and attract new talent, energy providers need to rethink collaboration and work management tools and upgrade them where needed. New digital collaboration platforms and the online management of work will help build the workforce of the future. These approaches will offer employees greater flexibility as to where, when and how they perform their work. They will also break down organizational silos, supporting customer-centricity goals.

A digital workforce needs access to collaboration tools, wearables and social media channels to facilitate cross-functional teamwork. An example: collaboration between the front and back offices on billing web care through co-browsing, with more than one agent simultaneously navigating the energy provider’s web portal with a customer. Collaborative platforms should also facilitate conferencing between remote locations via chat, voice or video. Immersive reality opens new opportunities for training and customer support (for example, remote product installation support), which in turn will appeal to and attract millennials. Tools for the online management of work, such as real-time dashboards, should enable employees to make insight-driven decisions quickly.

These capabilities can help avoid situations where, for instance, a field technician is late to an appointment. If customer care has no visibility of the issue, the representative will be caught by surprise when the customer calls upset about the no-show technician. Embedding operational analytics and real-time performance monitoring tools into day-to-day customer operations will help energy providers continuously improve both customer experiences and operational effectiveness.

FINDING PIECES OF THE PUZZLE

While it is obvious that the digital workforce of the future will make extensive use of technology to perform old and new tasks, many enterprises have yet to balance the use of digital technology with a range of emerging workforce complexities. To plan for the future, energy providers need to be ready to understand and act quickly on the combined answers to these questions:

- Who delivers the job (examples: self-serve, crowd serve, bots, artificially intelligent assistants, people)? For instance, artificial intelligence can augment existing jobs and free up people to do more judgment-based, creative tasks.

- How will people deliver the job (examples: full time, part time, partner, network, crowd sourced, private, public)? What tools will they use (examples: analytics, mobile, bots, speech recognition, next best action)?

Building the digital workforce of the future is a daunting task. Energy providers can start today by embracing digital technologies to reshape how work gets done, establishing a new employee value proposition and challenging traditional people management methods.
DIGITAL DECONSTRUCTED: GET AGILE AT SCALE

Delivering a customer-centric operating model requires energy providers to rethink their approach to IT. The challenge: to implement decoupled multi-speed IT architecture and cloud-based solutions and adopt design-led approaches to deployment and integration. As its name suggests, multi-speed IT architecture makes it possible to run at more than one pace: accelerating design and deployment of new customer-oriented concepts, products and services while maintaining a reliable cadence with core operations.

MOVING TO MULTI-SPEED

Delivering customer-oriented concepts requires fast, iterative development of prototypes and projects. At the same time, core systems that support meter-to-cash operations must remain stable and highly available. Multi-speed architecture decouples critical core systems from supporting systems, business applications and channels. It also enables easy collaboration with partners, and supports a highly integrated open ecosystem model that facilitates new business models.

Beyond its ability to deliver content, products and services faster across multiple customer channels, a multi-speed approach supports a people-centric approach to transformation. For example, employee engagement rises because experimentation is encouraged, helping identify optimal user experiences for customers and employees. In addition, multi-speed IT supports insight-driven operations. It can accelerate the collection of data both internally and throughout a provider’s ecosystem—making it possible to create a central data platform and develop new analytics capabilities.
A key enabler of multi-speed operations is the use of cloud-based solutions and API-enabled architecture. These investments enable an energy provider to benefit from greater flexibility and scalability. They also offer greater access to broad-based IoT capabilities. To take one example, connected home devices for demand response can easily communicate through APIs without disrupting core systems. Further, given the rise of IoT devices and integration, energy providers can easily give partners access to business functions and data, or even expand access to a community of developers through public APIs.

Across multiple industries, highly performing digital organizations are evolving away from traditional landscapes supported by a few monolithic systems. To support their digital transformations, they are decoupling back-end and front-end systems using web services. Accenture believes that multifaceted, API-enabled architecture is critical to leveraging the value of a broader ecosystem beyond traditional organizational and IT boundaries—and to establishing a customer-centric operating model (see Figure 5).
Multi-speed IT architecture is characterized by:

- **APIs and micro-services**, making it easy to plug and play desired functionalities across customer touchpoints and connect with ecosystems.

API exposure enables easy collaboration with external parties and supports a highly integrated, open ecosystem that facilitates new business models. In addition, it allows for a broader scope of analytics and the atomization of interfaces so third parties can easily interact with systems without significant IT changes. An API exposure module also enables energy providers to prototype apps and insights quickly and inexpensively. Those looking to develop value through connected home services and distributed energy resources need to recognize the current vendor ecosystem is becoming increasingly unbundled, complex and disruptive. Energy providers aiming to serve as a market enabler will need extensive API exposure to facilitate transactions, transfer value and coordinate customer offers.

- **Full decoupling of core back-end systems from business applications and touchpoints.**

This decoupling enables a lean system of record that focuses on core capabilities, reliability and control. It also verifies critical back-end systems are shielded from front-end and external applications—for instance, by using APIs to expose billing information in front-end channels.

- **The ability to enable omnichannel customer interactions, facilitating a seamless customer experience across all channels.**

This requires decoupling back-end services from the app layer through the API manager—while verifying that access is controlled and a multitude of different applications across different channels can be created on the same data. Meanwhile, content to be displayed across different channels is centralized in a content management system, which can be tailored to specific channels. The same touchpoint features leverage the same APIs to complete the same tasks on different channels. Apps are thus built for touchpoints and can encompass multiple channels. Responsive design for web and hybrid apps helps provide a consistent, cross-platform experience on a single code base. Energy providers can build a user interface in modern web patterns using enhanced responsive design techniques, fluid components and progressive enhancements. They can easily integrate emerging user interfaces such as voice and motion in customer journeys.

- **Cloud adoption and software/infrastructure-as-a-service models to gain agility and reduce hardware costs.**

Cloud technologies enable innovation at pace, with on-demand compute and storage capabilities that can greatly increase speed to market and enable new digital capabilities. Cloud and SaaS/IaaS also drive a shift from capital to operating expense and reduce hardware costs.

**FIGURE 6. IMPLEMENTING A DECOUPLED ARCHITECTURE.**

**RECOGNIZE MULTIPLE SPEEDS**  
Facilitate multispeed IT (velocity) through differentiation in the way solutions are delivered, maintained and supported.

**DECOUPLE YOUR CAPABILITIES**  
IT components should be loosely coupled. Aim to deliver the same functionality by a single IT component and avoid duplication of your capabilities.

**BE SCALABLE**  
IT components should scale in a flexible, dynamic way independent from each other.

**SINGLE SOURCE OF THE TRUTH**  
Data should have a “single source of the truth” and can be exposed to other applications via services or APIs. Data duplication should be avoided at all costs.

**STICK TO THE STANDARD**  
Use standard (best-in-class) software components over customizing or developing from scratch.

**BUILD FOR MULTIPLE CHANNELS**  
Enable all front-end solutions to be used “any place,” “any device,” “any time,” by re-using components and using APIs.

**ADOPT CLOUD COMPUTING**  
Where available, use SaaS solutions. Use IaaS solutions if applications require customization.

**ENSURE BUSINESS CONTINUITY**  
Consider a central hosting solution if applications are classified as having a major risk to business continuity.

Source: Accenture analysis.
SPOTLIGHT ON NEXT-GENERATION DIGITAL PLATFORMS

In Europe, new entrants and incumbents are seeking next-generation digital platforms that accelerate customer engagement, value creation and facilitate robust sales and marketing capabilities. The ability to offer differentiated customer service and sales support with speed and agility is critical for sustainable growth. As a result, an increasing number of retailers are turning to an integrated Salesforce service, sales and marketing cloud solution as a scalable platform.

For example, a leading energy provider is stepping up its innovation activities, focusing its strategy on the implementation of digital capabilities through the development of new products and services, energy efficiency and e-mobility. This company selected Salesforce as the platform to digitize its service workforce and equip them with mobile selling capabilities, while also addressing the lack of visibility across contractors fulfilling non-commodity services, such as maintenance of home energy appliances. The rapid implementation included:

- Optimizing and automating process and subprocess performance.
- A cloud-based platform consistent with the latest industry trends.
- Delivering a customer-focused approach, including providing a personalized, relevant and engaging experience.

An end-to-end, customer oriented, 100 percent mobile digital solution that combines multiple capabilities and eliminates manual paperwork.

The adoption of leading platforms helps energy providers to advance digital sales operations, facilitates new customer service business model based on digital experiences and simplifies core business processes.

RUNNING AT MULTI-SPEED

Multi-speed, API- and cloud-enabled architectures give energy providers the blueprint for change. Yet only agile delivery methods for IT will empower a truly people-centric approach (see Figure 6). Agile delivery not only helps break down silos between business and IT but also introduces a user-led approach to application development. To deliver agility at scale, energy providers must change their traditional IT culture and approach, using design thinking to lead application development. Agile delivery approaches (also known as DevOps) are focused on driving lean, creative, iterative and automated delivery processes. The goal: to quickly produce high-quality features for the customer, thereby reducing cycle time and making feedback cycles more efficient. By transforming to agile and DevOps enterprise-wide, a major Dutch telco shortened its time to market from six months to just four weeks.

The secret to agile is that accountability is split evenly between business and IT. It bids farewell to the days of throwing business issues and requirements “over the fence” to IT. It demands ongoing cross-functional engagement and collaboration, with business and IT partnering throughout design and delivery sprints, focusing on rapid innovation and bringing a customer-centric mindset into the application development process. To develop scale and agility in the new energy ecosystem, energy providers are using centers of excellence and design labs as a platform for living innovation. For example, a large utility set out to rewire its whole business for living innovation. It developed design labs in various operating jurisdictions, with agile development supported in nearshore centers. The goal is to create scalable capabilities for design and agile development for digital solutions in the energy provider’s core markets.

Developing the appropriate technological and information architecture and adopting agile ways of working with close collaboration between business and IT are key to energy providers’ capacity to bring forward new digital products and services at speed and at scale.
Across industries, as more companies join the platform revolution, the way leaders choose to build their portfolio of digital partners is more important than ever. To provide increasingly innovative services and better outcomes for both their business and their customers, enterprises are integrating mission-critical activities with various digital platforms. As a result, core functions—from marketing and sales to customer service—now reach far beyond the walls of a single organization. These functions don’t just include a complex network of digital partners, they heavily rely on them—pointing to the need for utilities to embrace a more holistic partnering strategy. The goal: to balance tactical decision making with investments in the digital ecosystems that will enable long-term growth.

ENGIE is one of the leading energy providers that have announced partnerships with global leaders to boost digital transformations. ENGIE’s ecosystem is diverse and innovative.\(^1\)

1. To accelerate a move to an insight-driven culture, ENGIE uses C3 IoT’s platform, which is designed to manage data from smart objects and can deal with high-volume and high-performance requirements.

2. To increase time to market for digital channels, ENGIE has partnered with Kony, a global leader in the field of mobile apps for smartphones and tablets.

3. To secure ENGIE’s move to a new IT ecosystem, it has engaged Thales to oversee its information system 24/7 for a period of five years. Through its global partnership with Thales, ENGIE can better anticipate the evolution of cyber threats, providing the energy provider with an optimally secure environment, particularly in industrial field assets.

4. To enable a design-led approach, ENGIE engaged Fjord, Accenture’s design and innovation agency, to co-create digital services for business and residential markets. This collaboration spans reimagining the delivery of traditional commodity services as well as designing new services to disrupt the market.

Another example is a UK energy provider that was focused on growing sales of profitable non-commodity services, such as energy efficiency to business customers. This energy provider partnered with FirstFuel to leverage its analytics platform. Together they redesigned the non-commodity sales processes to drive more productive sales-lead generation and conversion outcomes that target high potential customers, and create personalized recommendations and savings estimates. Through more targeted, personalized customer interactions, the energy provider is reducing its sales cycle and increasing conversion rates while creating better customer experiences.

AS-A-SERVICE: ON THE RISE

More than a quarter (27 percent) of executives surveyed for Accenture Technology Vision 2017 report that digital ecosystems are already transforming the way their organizations deliver value.\(^{16}\) Energy providers must decide which ecosystem to join and what role to play. Tomorrow’s competitive advantage will not be determined by one company alone, but by the strength of the ecosystems chosen and a company’s plans to help those ecosystems grow.

As-a-service (aaS) models—including software-as-a-service (SaaS), platform-as-a-service (PaaS) and infrastructure-as-a-service (IaaS)—are gaining momentum with energy providers thanks to the ease of their plug-in, scalable and consumption-based business services. To take an example, Portugal’s leading integrated energy player, GALP, has entered into an outcome-based as-a-service collaboration with Accenture to deliver an end-to-end digital transformation of its customer operations and IT systems.\(^{17}\) Over the next seven years, Accenture’s commitment is to reduce cost to serve and cost to acquire for the GALP Gas & Power Retail business to best-in-class levels while assuring an outstanding customer experience. Amazon is also tapping into the as-a-service partnering trend through Amazon Connect—a self-service, cloud-based contact center service that makes it easy for any business to deliver better customer service at lower cost.\(^{18}\)

---


NEW ENERGY CONSUMER
NEW PATHS TO OPERATING AGILITY
PUTTING SKIN IN THE GAME

As the energy ecosystem takes shape and disrupts the traditional model for utilities, several large players are entering emerging segments through strategic investments, ventures and acquisitions. Energy providers in North America and Europe have invested more than $2.9 billion in 130 individual distributed energy companies since 2010. And $1 billion was invested in 2016 alone. Though most investments have resulted in minority equity stakes, 37 distributed energy companies have been acquired by energy providers. North American utilities have focused on distributed solar, while European utilities have invested more in combined heat and power. Accenture is observing a global trend toward greater innovation investments, the development of startup hubs and direct investment.

Eneco is following a similar approach with its Eneco investment fund, allocating more than €100 million for energy and sustainability-related ideas and startups. ENGIE launched in 2014 a Corporate Venture Capital investment fund, ENGIE New Ventures, with a €115 million budget, using it to acquire stakes in startups in the development phase. To date, ENGIE New Ventures has made 14 investments in startups.

ENGIE launched recently ENGIE Fab, a global platform dedicated to stimulating technological, commercial and managerial innovation in its five priority domains. In March 2017, ENGIE Fab made its first investment in EV-Box, a leader in charging solutions for electric vehicles.

Although many energy providers are investing in companies and technologies that directly or indirectly enable customers to save, modify, generate and store their own energy in new ways, most are yet to invent radically new business models. Companies such as Tesla, REstore and Sonnen are now starting to write new rules of engagement. Tesla is expanding its energy storage research into products for the home that upend traditional utility and building approaches (see Spotlight on Tesla).

REstore offers “Virtual Power Plants” to grid operators and balance-responsible parties, with higher reliability, faster delivery and cheaper cost than traditional combined-cycle gas turbine power plants, aggregated from industrial flexible power. Sonnen has created an aggregation-type energy community with centralized coordination of distributed energy resources (solar and storage).

New partnering approaches—whether through as-a-service models, partnerships and innovative alliances or joint ventures—are key enablers of flexibility and speed to market in the new energy ecosystem. To succeed at digital transformation, energy providers must apply a proactive and multifaceted strategic partnering approach.

---

SPOTLIGHT ON TESLA

The Tesla-SolarCity merger serves as a strong indication of where connected energy—the future of the new energy ecosystem—is headed. The merger essentially creates a vertically integrated energy, technology and automotive company, unlocking a variety of interconnected energy value pools and new customer offers under one leading clean-energy brand.

In addition to offering customers integrated, disruptive products, the company employs a progressive business model. Rather than manufacturing solar cells, it acquires them from different suppliers to hedge silicon supply risk. In addition, the firm is focused on innovative leasing structures, which it can now extend to additional products and services, such as the Powerwall 2 battery. Through these lease agreements, customers are charged a monthly fee priced well below their current monthly utility rates. This method of price undercutting has allowed the companies to achieve a high market penetration rate. And, because consumers are not required to cover upfront installation costs, it’s easy to switch over.

Another primary competitive strength of this business model lies in the length of the contract. Customers who sign the lease agreement are locked into 20-year purchase agreements that create high-quality recurring customer payments, while reducing the volatility of top-line performance year over year. Coupled with a Tesla EV and Powerwall and connected home IoT services, Tesla is not only appealing to the needs and preferences of the new energy consumer, it’s also on the verge of offering a seamlessly integrated solution for demand response, aggregation and distributed energy interconnectivity through one platform.

While many pilots and programs have sought to test the value of such systems, Tesla is pushing the boundaries of what a single provider can offer in the new energy ecosystem.25

Energy providers require a new set of performance metrics, digital indicators and people measures to effectively evaluate their investments in customer-centric capabilities and the digital operating model.

Embracing a people-first approach to digital transformation is a game-changer for energy providers—and for the metrics they use to measure and manage performance. Adopting design thinking and nurturing a customer-centric culture. And implementing key enablers, such as agile IT solutions and digital hubs. These are game changers for energy providers—and for the metrics they use to measure and manage performance. In rotating to the new, providers need to re-envision their scorecards and update their metrics, measuring what matters in the journey toward a digital customer operating model.

Successful energy providers are establishing a new digital baseline, gathering competitive cross-industry benchmarks and conducting ongoing assessments of digital experiences to set a foundation for systematic improvement.

**ACROSS INDUSTRIES, ACCENTURE IS OBSERVING A SIGNIFICANT SHIFT IN TWO KEY CATEGORIES OF METRICS ESSENTIAL TO MEASURING THE TRANSITION TO LEAN DIGITAL CUSTOMER LEADER:**

- **CUSTOMER EXPERIENCE**
  A move from measuring satisfaction and engagement to consumer affinity measures that assess a brand all the way down to individual moments of engagement.

- **ORGANIZATIONAL TRANSFORMATION**
  A move from measuring program success to include digital traction measures as well as agility, culture and consumer measures.
For many energy providers, traditional customer satisfaction (CSAT) scoring has been, and remains, the core customer experience metric. Some energy providers, especially those in liberalized markets, are moving towards using more sophisticated customer experience measures. Among them: net promoter score (NPS), customer effort score and customer experience indices. While these measures have proved useful in the past, digitally enabled interactions, products and services have created complexities that require a holistic and end-to-end approach to measuring customer experience.

To become a customer-experience-driven organization, and drive customer retention and loyalty, energy providers need to adopt forward-looking customer experience KPIs in their scorecards. In the era of liquid expectations, consumers are benchmarking their experience with energy providers against those with other service providers like their retail bank or Uber car service. Energy providers are competing against customer experience leaders across all service industries. It’s no longer enough to create something that people like—energy providers need to craft experiences that people love.

To understand consumer experience—from brand to customer journeys to individual moments of interaction—Accenture developed a formula for measuring it: The Love Index. This index offers a fresh, forward-looking approach to measuring affinity to physical and digital brand experiences. It can also be correlated to business objectives.
THE LOVE INDEX: A FRESH APPROACH TO DIGITAL AFFINITY

What makes people love a product or brand? What sustains that love? These are the questions Accenture Interactive and Fjord set out to answer when embarking on The Love Index study—a survey-based research tool to give clients new visibility into why consumers love (or don’t love) digital experiences.

The Love Index introduces an unprecedented, multidimensional approach that allows companies to measure how their customers feel about digital and physical experiences. The Love Index not only measures people’s engagement with services, it also identifies the highs and lows of a person’s relationship with a service and highlights actionable opportunities for brands to make improvements. It can be used to examine the most important service moments at both the brand and the customer journey level.

Through its unique focus on the importance of love at the center of the customer experience, The Love Index anchors the entire design and innovation process, enabling brands to reach new heights in an era of changing consumer expectations. The research revealed five dimensions for measuring customers’ feelings toward a brand experience. These five fresh dimensions systematically explain why people love specific experiences:

- Fun—holds people’s attention in an entertaining way
- Relevant—makes it easy to find clear and customized information
- Engaging—identifies with people’s needs and adapts to their expectations
- Social—helps people connect with each other
- Helpful—is efficient and easy, and adapts over time

The Love Index is an example of a wider movement toward next-generation customer engagement and net promoter-type measurements. These new digitally relevant metrics are not only holistic in nature but also paramount to design-oriented transformation. They are powerful tools as inputs into design scrums. They serve as a very effective means of tracking implementation steps. And they can aid in measuring the level of financial impact.
ORGANIZATIONAL TRANSFORMATION: ROTATE. MEASURE. REPEAT.

As energy providers continue rotating to a digital operating model, it is important to measure the speed at which this transformation is happening—both internally and externally with consumers. Those metrics can be both hard and soft. And, since transformation is inherently temporary, and because digital business eventually becomes business as usual, digital rotation metrics are timebound.

Across industries, organizations frequently use a mix of hard metrics to measure the progress of the digitalization of their business. From a consumer perspective, we see companies using metrics such as the proportion of interactions that are digital and/or bot assisted. Given the important role that the digital shift plays on operating model rotation, digital traction metrics have become the new norm for many consumer- and service-based organizations (see sidebar: digital traction metrics).

Similarly, given the rising importance of managing an ecosystem, digital leaders are using metrics around ecosystem density to measure the consumption and supplier relationships an enterprise has with other businesses (through APIs). They can thus quantify how connected the enterprise is, how integral a part it plays in its ecosystem and how robust the complex partnership models are.

From an internal perspective, depending on the scope and scale of transformation, organizations are actively tracking the percentage of spend on digital across marketing, sales and other capabilities. From a workforce perspective, industry leaders are actively tracking talent diversity in new ways, such as number of designers, data scientists and artificial intelligence experts and number of scrum teams. Alongside the hard metrics, soft metrics are imperative to measuring organizational change. These include time to impact, organizational agility and internal NPS.

Energy providers can use innovation and agility metrics to measure progress in launching new digital products and services in a world of rapid prototyping. To gauge effectiveness in embracing a startup mentality, leading organizations are carefully watching:

VOLUME METRICS
how many concepts and prototypes have been generated and how many went to market commercially

SPEED METRICS
time to market from Minimum Lovable Product (”prototype”) to Minimum Marketable Product (”full product”)

FINANCIAL METRICS
share of revenue/margin from new digital products and services
REWRITING SCORECARDS?
NO—CHANGING THE GAME.

A shift to a customer-centric operating model represents a fundamental rotation of a business. To succeed, energy providers will be challenged to maintain focus and drive unless a completely new set of measures is put in place. Truly, a new facet of the insight-driven organization is the ability to look back, ahead and in all directions—all at once. Accenture believes that next-generation metrics tracking will become a core competency of the leading digital energy providers.

DIGITAL TRACTION METRICS

Designed to measure customer engagement in digital channels, digital traction metrics help in understanding both the popularity and market adoption of a product or service in digital channels. With a wide array of digital traction metrics available, Accenture recommends a combination of behavioral metrics, including frequency of use, degree of active usage and customer engagement.

DIGITAL TRACTION METRICS

<table>
<thead>
<tr>
<th>SCALE</th>
<th>ACTIVE USAGE</th>
<th>ENGAGEMENT</th>
</tr>
</thead>
</table>
| • Number of visitors  
• Unique users  
• Number of registered users  
• MOM (month-on-month) growth in registrations  
• Organic user acquisition | • Number of active users  
• Daily/monthly active users  
• Ratio of new users to repeat users/customers  
• Number of repeat users/customers  
• Conversion rate  
• Abandon rates | • Downloads  
• Time on site  
• Bounce rate  
• Sources of traffic  
• Posts contributed  
• Photos/videos uploaded/shared and views completed  
• Number of likes and shares |
MOVE AHEAD WITH NO REGRETS: 
SEVEN STEPS TO ACCELERATE DIGITAL TRANSFORMATION

Differing market structures, economic realities, cultures, urgency and cash flows mean that each energy provider must develop its own roadmap for advancing toward the digital operating model. And yet, acting too slowly could mean obsolescence for an energy provider—overtaken or disintermediated by faster, more agile competitors and peers.

While there is no one-path-fits-all journey, there are some moves that any energy provider can make to accelerate its rotation to a digital operating model. These no-regrets steps can enable a provider to organize and scale at speed—helping reduce cost to serve while delivering a consistent customer experience across all touchpoints:

1. **Set up the appropriate organization and KPIs.**

   Consider appointing a Chief Digital Officer to set digital strategy and lead digital transformation.
   
   Set up a digital hub to steer the transformation at scale and speed.
   
   Define a digital governance and collaboration model across the organization.
   
   Update key performance metrics to include The Love Index and digital rotation metrics.
2. **Build a digital workforce and foster digital leadership.**

Establish digital studios and hubs to accelerate the adoption of a people-centric culture and digital mindset. That will facilitate more collaborative, nimble ways of working between business and IT as they apply design-thinking and agile methods.

Implement new digital organizational models, design-friendly workspaces, interfaces and tools. For example, reward new behaviors and empower workers to be innovative and creative.

Develop a digital-learning curriculum and platforms to rapidly push digital knowledge to workers. Leading providers have already deployed design-led training programs to hone the skills of high-potential workers and build new leaders.

3. **Digitize customer journeys.**

Create and/or review all customer journeys. Then build a plan to have them fully available in digital channels within one year. Adopting an end-to-end approach to digitization of customer journeys—across channels and business functions—will support an omnichannel customer experience.

4. **Become relentlessly customer obsessed.**

Put the customer at the heart of all operations. Exceed customer expectations by delivering seamless and relevant consumer experiences across all touchpoints—all day, every day. A critical prerequisite is the ability to work horizontally across silos, including sales, marketing and service. Set up a customer engagement control tower to continuously improve customer experience and operational effectiveness in day-to-day operations and have an end-to-end integrated customer view across marketing, sales and customer service.

Embed deep analytics capabilities to capture and analyze consumers’ behavioral and user preference data throughout the entire customer journey—and then apply these insights to drive decision making at all levels.

Manage sales and service in an integrated way to confirm digital tuning across multiple channels as part of an omnichannel customer experience.

5. **Automate customer operations and bring new insights by deploying robotic process automation (RPA) and artificial intelligence (AI) in operations at scale.**

Leading energy providers are already doing so—leveraging robotics, cognitive computing and AI to automate routine tasks in front-office, back-office and enterprise functions, and gain new insights and apply that intelligence to offer new services. Many energy providers have, at minimum, reoriented their customer operations capabilities around RPA and AI technologies. They’ve moved beyond isolated projects to the scalable adoption of multiple digital tools to achieve outcomes from automation.

6. **Enable agility at scale.**

Enable hyper-personalization, decouple legacy systems from front-end interaction channels and add an intelligence layer on top of CRM systems. Identify as-a-service-friendly capabilities, such as customer analytics and engagement platforms. And reassess the vendor landscape.

Launch digital technology capabilities (mobile, analytics, cloud, blockchain, security, RPA and AI) that will shape and benefit virtually every function in the organization.

Embrace AI and scale robotics programs for operational efficiencies. Start piloting chatbots for customer-facing capabilities.

7. **Create new business and ecosystem management capabilities.**

These capabilities will help keep options open for the future. Make strategic choices on the role and scope of services in the market. Choose a single play or a combination of strategic customer plays of the future.

Define an ecosystem strategy and advance partnerships and alliances to help make your strategy a reality.

Proactively shape a new regulatory strategy and model (for example, industrial standards, utility commission standards, security standards and ISO standards).

Selectively invest in strategic assets, such as distributed energy resources, the connected home, and electric vehicles grid automation. Investment in strategic assets should start small, with a focus on incremental improvements.

Constantly innovate and reinvent based on market opportunities and changing consumer behaviors.

Accenture believes that to create a truly sustainable advantage, successful energy providers will embrace disruption beyond technology. Above all, they will create a culture that puts people—customers, workers and partners—at the center of change as they fundamentally rethink their operating models.
Accenture undertook the multiyear New Energy Consumer research program to help gas, electricity and water utilities understand emerging consumer needs and preferences, to identify new challenges and opportunities and to bring focus to the critical competencies required to succeed in the evolving energy marketplace.

Collecting eight years of consumer insights from interviews with 80,000 end consumers around the world, the initiative has explored a range of topics:

- **2010**: Understanding Consumer Preferences in Energy Efficiency offers a consumer view to support the increasing industry focus on smart metering and demand management. This first study produced valuable insights into consumer preferences in energy efficiency, awareness, readiness and willingness to take action.

- **2011**: Revealing the Values of the New Energy Consumer explores the emergence of a new energy marketplace through a worldwide end-consumer survey looking at preferences, opinions and priorities in beyond-the-meter products and services offered by utilities or other providers.

- **2012**: Actionable Insights for the New Energy Consumer focuses on developing actionable insights and tactical implications for the emerging energy marketplace. This study explores consumer choice, connection and loyalty, and provides a fresh view of how consumers want to interact with their energy providers, the products they value and what drives their purchasing and loyalty behavior.

- **2013**: The New Energy Consumer Handbook looks to the path ahead for energy providers addressing key consumer “dissatisfiers” and offers views to help deliver on the diverse expectations and needs of residential consumers and small and medium businesses (SMBs).
The New Energy Consumer: Architecting for the Future explores new opportunities in virtual customer interaction, the connected consumer, distributed energy and new products and services. It also offers Accenture’s view of the energy consumer of the future.

The New Energy Consumer: Unleashing Business Value in a Digital World explores the ways in which energy providers can capture digital value. It discusses opportunities for energy providers to extend the value proposition through innovative offerings and new ways of engaging energy prosumers. The research explores the growing potential of platform-based models in the digital energy ecosystem.

The New Energy Consumer: Thriving in the Energy Ecosystem looks at the manner in which energy providers can reorient their business around fluctuating levels of consumer engagement. The research explores the rise of the millennial consumer, the continuing influence of digital technologies, and the rise of the new energy experience. The point of view provides a perspective on market forces and the latest consumer trends, how energy providers can move forward via strategic customer plays, and the next wave of disruptive customer innovations.

The New Energy Consumer: New Paths to Operating Agility consolidates the key transformational imperatives that energy providers should consider as they implement a digital customer operating model. The research explores differing approaches to digital channel shift, advanced personalization, the changing influences of the new energy ecosystem as well as customer expectations around automation and artificial intelligence. The research continues to explore customer sentiment toward distributed energy resources, emerging offers in collaborative energy, and disruptive interaction technology.
The New Energy Consumer 2017 research methodology and sample

Accenture’s global research surveys are based on questionnaire-led interviews with end consumers. Surveys were conducted online in native languages for Accenture by Harris Interactive. The selected countries represent a range of regulated and competitive markets. For residential consumers, the survey sample was statistically representative of the general population in each country, with the exceptions of Brazil, China, Malaysia, and the Philippines where the sample was representative of the urban populations. For countries with large and/or diverse populations, participants were selected from a broad spectrum of locations. The surveys included attitudinal, behavioral and demographic questions.

A total of 9,719 interviews in 18 countries

Breakdown by gender and age

Interviews by country

Gender

<table>
<thead>
<tr>
<th>Country</th>
<th>Gender %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>500</td>
</tr>
<tr>
<td>Brazil</td>
<td>529</td>
</tr>
<tr>
<td>China</td>
<td>641</td>
</tr>
<tr>
<td>France</td>
<td>1,049</td>
</tr>
<tr>
<td>Germany</td>
<td>500</td>
</tr>
<tr>
<td>Ireland</td>
<td>529</td>
</tr>
<tr>
<td>Italy</td>
<td>641</td>
</tr>
<tr>
<td>Japan</td>
<td>1,049</td>
</tr>
<tr>
<td>Malaysia</td>
<td>500</td>
</tr>
<tr>
<td>Netherlands</td>
<td>529</td>
</tr>
<tr>
<td>Philippines</td>
<td>641</td>
</tr>
<tr>
<td>Portugal</td>
<td>1,049</td>
</tr>
<tr>
<td>Singapore</td>
<td>500</td>
</tr>
<tr>
<td>Spain</td>
<td>529</td>
</tr>
<tr>
<td>Sweden</td>
<td>641</td>
</tr>
</tbody>
</table>

Notes: * Sample representative of the urban population.
The maximum margin of error is of +/- 1 point on the total sample and +/- 4.5 points at the country level.
Trend data: countries have been added/removed from the scope compared with previous years; however, this change does not impact trends.
EXECUTIVE SPONSOR

Tony Masella
Managing Director
Accenture Energy Retail and Customer Services

Sean Lim
Managing Director
Accenture Energy Retail and Customer Services, Asia Pacific

Wytse Kaastra
Managing Director
Accenture Energy Retail and Customer Services, Europe, Africa and Latin America

Scott Tinkler
Managing Director
Accenture Energy Retail and Customer Services, North America

ABOUT ACCENTURE ENERGY RETAIL AND CUSTOMER SERVICES

Accenture Energy Retail and Customer Services delivers energy provider customer solutions for both competitive and regulated markets globally. We help our clients achieve four key business imperatives: cost effectiveness, revenue assurance and extension, customer satisfaction and demand optimization. Guided by New Energy Consumer research program insights, our electricity, gas and water clients can realize higher value through industry specific strategy, digital, technology and operations capabilities and world-class expertise, assets, tools and accelerators.

ABOUT ACCENTURE

Accenture is a leading global professional services company, providing a broad range of services and solutions in strategy, consulting, digital, technology and operations. Combining unmatched experience and specialised skills across more than 40 industries and all business functions – underpinned by the world’s largest delivery network – Accenture works at the intersection of business and technology to help clients improve their performance and create sustainable value for their stakeholders. With 400,000 people serving clients in more than 120 countries, Accenture drives innovation to improve the way the world works and lives. Visit us at www.accenture.com

DISCLAIMER

This document is produced by consultants at Accenture as general guidance. It is not intended to provide specific advice on your circumstances. If you require advice or further details on any matters referred to, please contact your Accenture representative.

This document makes descriptive reference to trademarks that may be owned by others. The use of such trademarks herein is not an assertion of ownership of such trademarks by Accenture and is not intended to represent or imply the existence of an association between Accenture and the lawful owners of such trademarks.

Copyright © 2017 Accenture  All rights reserved

Accenture, its logo, and High Performance Delivered are trademarks of Accenture.