What Customer Experience Do We Want to Deliver in the Future?

Copernicus was Wrong!

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VP Business Development E Source

Utility Energy Forum
Santa Rosa, CA
May 4th, 2017
We Need to Prepare for Change

It is not the strongest of the species that survive nor the most intelligent, but the one most responsive to change.

— Charles Darwin

“The Universe doesn’t revolve around you.”

- COPERNICUS

E Source
Put the **Customer in the Center** of Your Universe (Your Business Strategies and Plans)
“STATUS QUO IS NOT AN OPTION”

The soft-minded man always fears change. He feels security in the status quo, and he has an almost morbid fear of the new. For him, the greatest pain is the pain of a new idea.

(Martin Luther King, Jr.)
Customers are Changing

- Population and demographic shifts with ethnicity the “new normal”
- Households and families are changing
- Women becoming the majority of “head of households”
- Millennials now largest bubble
- The “Baby Boomers” retiring at a faster rate
- Growth in “stay in home” seniors
Changing Preferences and Channels in Customer Communication

- Decline in traditional media
- Continued growth in social media
- Mobile is king!
- Available 24 x 7 x 365
- Omnichannel experience
- Digital dominates
Utilities are a Linear, but Customers and Businesses are Operating in Exponential Growth
"We won’t experience 100 years of progress in the 21st century — it will be more like 20,000 years of progress."

Futurist Ray Kurzweil
Collaborative or Sharing Economy

- Why own or buy “it” when I can rent, borrow, swap, stream, barter, gift-it, or use it as a service
  - Sharing reinvented through technology
  - On-demand services
- Peer to peer electricity trading already here
With or Without You

- 90 global companies including J&J, Procter & Gamble, Nike, Coke, BMW, GM, Starbucks, Ikea, H&M, Apple, WF, and Walmart have committed to 100% renewable power under theRE100.org

RE 100
http://there100.org

- 35 U.S. municipalities have committed to 100% renewable power under go100percent.org including San Francisco, Rochester MN, Palo Alto, San Diego, Georgetown TX, Hampton NJ, Salt Lake City, Leesburg KS, Ithaca, Aspen, Honolulu, and San Jose)
Apple continues work with suppliers on clean energy
April 17, 2017
As Apple continues to focus on driving sustainability throughout its supply chain, three new companies have committed to using 100% renewable energy to manufacture iPhone parts. ...read more

Wal-Mart to turn stores into 'hybrid electric buildings'
April 12, 2017
Under the first phase of a new agreement, Wal-Mart will see the installation of 40 MWh of advanced energy storage systems at 27 stores in Southern California....read more

California amusement park joins green power program
April 21, 2017
A California amusement park has joined a number of other large energy users in Santa Clara in taking advantage of a renewable energy program that will cover 100% of its electricity use. ...read more

Starbucks nears commercial operation of 1st solar farm
April 21, 2017
Already meeting its 100% renewable energy target, Starbucks is making a strategic shift in its corporate renewable energy strategy. ...read more
Macy's touts new rooftop solar, storage projects
April 24, 2017
Macy's has completed the installation of 21 solar energy projects over the past year at Macy's and Bloomingdale's locations across seven states; the company is also utilizing battery storage systems at three Southern California stores. ...read more

Solar project to save Ricoh $1.9M over 10 years
April 25, 2017
Ricoh USA Inc., the North and South American arm of Tokyo-based Ricoh Co. Ltd., recently announced a series of energy-related sustainability milestones, including the installation of a grid solar array that will help power its Caldwell, N.J., offices...read more

NYSERDA unveils $15.5M in funds for energy storage
April 24, 2017
The New York State Energy Research and Development Authority has made $15.5 million of funding available for energy storage projects. ...read more
While California utilities continue to lead the nation in new megawatts of solar and storage, market growth in both sectors is spreading from west to east, SEPA said. On the 2017 lists, utilities in North Carolina and Georgia took four spots on the Top 10 for solar megawatts, while utilities in Illinois, Indiana and Ohio took three spots on the Storage Top 10.

From the April 27, 2017 issue of Public Power Daily
Either Disrupt Yourself
OR
Be Disrupted by Someone Else
Industry Current State | Future State

Managing business as usual | Managing for growth and change
Reliably supply a commodity | Create strategic value
One approach fits all | Customer prioritization & segmentation
Need to Remove Your Filters

- We are blinded by our past memories, experiences, mores, culture, etc.
  - Selective attention
  - What color are “Yield” signs?

In 1971, the USDOT stipulated that yield signs should be red with a white triangle in the center and red lettering. The signs were changed in color because red is thought to be more attention grabbing.
Rethink what business you want to be in: Are you too narrowly focused?

- Our mission is to provide clean, safe, reliable, affordable electricity/gas

Missing words?
- Integrated, Innovative
- Solutions, Value
- Customers, Employees, Community
- We, Together, etc.
Secrets to Being Successful in Business - #1 Reason

**True Customer Obsession**

- "There are many ways to center a business. You can be competitor focused, you can be product focused, you can be technology focused, you can be business model focused, and there are more. But in my view, obsessive customer focus is by far the most protective of Day 1 vitality. Why? There are many advantages to a customer-centric approach, but here's the big one: customers are always beautifully, wonderfully dissatisfied, even when they report being happy and business is great. Even when they don't yet know it, customers want something better, and your desire to delight customers will drive you to invent on their behalf.”
Green Direct Renewable Energy For Business - Launched April 2017

- 100% dedicated renewable power for set price for next 10, 15, or 20 years
- Has 4 municipalities, 7 Target stores, 5 REI Stores plus corporate HQ, and 116 Starbucks subscribed to be 100% renewable energy

Xcel CO piloting a similar program for large C&I customers now called “Renewable Connect”
Competition May Seem Small Now ...
New Types of Competitors Targeting Large Businesses
New Types of Competitors Targeting Consumers and SMB
When Competition Begins . . .

- First, we compete on price
- Then, we compete based on better service
- Ultimately, we will compete based on product & service innovation and solutions to increase the “stickiness” and loyalty of your customers

"Never ever compete on prices, instead compete on services and innovation."

Jack Ma, Chairman of Alibaba
Shift From *Utility-Centric* Program Design & Marketing Strategy

Like a hammer looking for a nail

1. Load-shape goal or cost-cutting goal
2. Target customers
3. Sell and bribe
To *Customer-Centric* Product Design and Marketing Strategy

1. Research & target customers
2. Incorporate customer value & attractive attributes
3. Bake in utility goals & marketing
Utility Innovation and New Products
Are we too close to the problem to see it as a problem?
Innovation Doesn’t Come Easily to Many Industries and Products
Utilities Need to Be Easier to Do Business With!

Source: Rocketdock.com
Human-Centered Design Thinking
User experience

Design

http://99percentinvisible.org/article/least-resistance-desire-paths-can-lead-better-design/
What Design Thinking Gets You

1. Perspective of the customer’s viewpoint
2. Cross-functional design process
3. Speed to solutions
4. “Edge” discoveries of problems
5. Challenging the existing solution
Discovery and Insight Heightened by Looking at Extreme Users

http://weunleash.co/blog/2015/01/22/extreme-user-research-the-case-of-nintendos-wii/
AMI that’s Simple . . . Yet Necessary, Powerful, and Useful Design

Yello Sparzähler online

Source: ideo.com/work/sparzahler-electricity-meter
Develop Customer Empathy

D.J. Conley, a Core INE analyst for Ford Motor in Dearborn, Mich., tries on an empathy suit that simulates pregnancy. PHOTO: JEFF KOWALSKY FOR THE WALL STREET JOURNAL
We’ve washed other people’s clothes by hand in their sinks, stayed as guests in housing projects, stood beside surgeons in operating rooms, and calmed agitated passengers in airport security lines—all to build empathy.”

—David Kelley
IDEO
A Good Utility CX Starting Goal

“A holistic approach to provide the customer with a seamless and integrated experience regardless of channel.”
“Customer Experience should not be a department, it needs to be a culture.”

—Mike Hildebrand, VP Business Development
E Source (November, 2016)
How to Take Your Organization from DSM to CSM™

www.esource.com/csm
Think
“Beyond the Meter”
Smart House 2016

Barbie™
Voice Control & Artificial Intelligence (AI)

The Intelligent Assistant (IA)

- Turn off the TV.
- Please lock the doors?
- Your appointment is in 15 minutes.
- Turn my living room lights on.
- Play smooth jazz with lighting ambiance.
- Order a Dominos pizza.
- Turn the temperature up!
- I’m going to bed now.

Source: Amazon
Residential customers trust their utility for advice on saving energy in the home

- **My utility company**: 37%
- **Colleagues / friends / neighbors**: 11%
- **Local efficiency / environmental nonprofits**: 9%
- **Local nonprofits not related to energy efficiency / environmental nonprofits**: 8%
- **Local electrician / electrical company**: 7%
- **Public utility commission**: 6%
- **Local / federal government website**: 6%
- **State energy office**: 5%
- **Local hardware retailer (for example, Home Depot, Lowe's)**: 4%
- **Third-party efficiency services provider (such as SolarCity)**: 3%
- **Other**: 5%

*Base: Total sample (n = 1,000). Question S6_5: Which of the following do you trust most as a source for learning about how to save energy in your home?*
Large Businesses Trust Their Utility Most for Energy Advice

62% of large business customers selected their utility when asked who they trust most for energy advice.

Source: E Source 2014 Large Business Customer Satisfaction Survey
N=1,700 large business key account customers.
Think About Your Long-term Brand and the Evolution of its Attributes

- Partner
- Enhanced Customer Experience
- Energy Options, Demand-Side Management
- Reliability and Customer Service
- Basic Electrification and Gas Delivery

- Advocacy
- Loyalty
- Engagement
- Trust
What do you sell? Energy or Solutions

Comfort  Efficiency  Transportation
Lighting  Productivity  Refrigeration
Financing  Reliability  Storage
Hot water  SUSTAINABILITY
There Is Opportunity For You!

To create new offerings

To improve the customer experience

To blend DSM, DERs, and CX

To initiate regulatory realignment

To forge creative partnerships
Positioning the Utility of the Future for the Customer of the Future

1. Address **renewables** head-on because that’s what your customers want you to do (start with C&I)

2. Be the **trusted energy advisor** that customers seek

3. Create a product/service portfolio that’s **customer-centric**, not load shape–centric

4. Don’t use “**utility speak**” in communications, use the customers language

5. Build a **innovation culture**
Put the **Customer in the Center** of Your Universe  (Your Business Strategies and Plans)
Thank You!

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