

Ecotricity transforms customer service to leapfrog large utility competitors

Overview

■ **Business challenge**

Doubling customer numbers year-on-year put pressure on customer service and billing and jeopardised Ecotricity's growth objective of a million customers.

■ **Solution**

IBM consultants were brought in to collaborate on process restructuring and implement first UK deployment of SAP's Industry Specific Solution for Utilities (SAP IS-U).

■ **Key benefits**

- *Fast ROI from rapid seven-month SAP implementation*
- *Now adding 1000 customers a month*
- *Cash collection capability and performance have increased enormously.*



Ecotricity is a company with a mission – it turns electricity into windmills. The company invests a pound building new sources of green energy for every pound its customers spend on its electricity.

Ecotricity has been doubling numbers year-on-year, putting customer service and billing under pressure. Working with IBM, the company has leapfrogged large utility competitors by rapidly reengineering its processes and implementing one of the most advanced customer service and billing systems in just seven months.

Quick to innovate, Ecotricity is the first company in the UK to implement SAP's Industry Specific Solution for Utilities (SAP IS-U), which means it can operate more efficiently, drive down costs and deliver the highest quality of customer service.

Ecotricity is now adding 1000 customers a month and has increased customer retention considerably.

“We could never have undertaken such a project without IBM. We needed to adapt to working with a very large company. Equally IBM had to adapt to us. We found an ideal meeting place in the middle,” said Dale Vince, Ecotricity's Chief Executive Officer.

“Getting the new processes in quickly was vital. The project has been a tremendous success and radically transformed our business.”

– Dale Vince, Ecotricity's Chief Executive Officer

Business benefits

- Fast ROI from rapid 7-month SAP implementation
- Now adding 1000 customers a month
- Cash collection capability and performance have increased enormously
- Unbilled customers reduced by 70%
- Customer queries cut by 15%
- 95% of customers billed on time
- Inaccurate bills reduced by 70%

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Growth from green electricity

Dale Vince lived the hippy lifestyle for over 10 years and is a dedicated environmentalist. With the deregulation of the UK market, he founded the first green electricity company in Europe.

Ecotricity has just 170 employees with an IT team of six. The company knew it would need external support to restructure the business to achieve its growth target of a million customers.

Ecotricity discovered that IBM was the perfect fit for its requirements. IBM consultants were quick to identify with the green vision and shared a similar culture of rapid, pragmatic and economic solutions. They produced a process map of current operations which identified some ‘quick wins’ through streamlining work practices.

IBM presented a highly experienced team to handle the process change project. The new processes required new software, and consultants undertook a full ROI analysis of the impact of the SAP implementation to demonstrate that this would be the most cost-efficient long-term solution. This same team carried the project through to conclusion.

“We were impressed with the value with which IBM surrounded the project. IBM consultants were genuinely interested in the environmental objectives of our business, and took several initiatives to add value,” said Trevor Saunders, Ecotricity’s Head of Infrastructure.

Rapid deployment

IBM’s consultants led the initiative to re-engineer Ecotricity’s business processes and systems in a remarkably fast seven months. Management and staff at Ecotricity were hands-on and committed to a tight timescale. Where a critical decision was needed, it was made within 24 hours.

IBM’s team created a rapid prototype of new business processes, drawing on pre-built modules. This saved time and cost, and gave Ecotricity early visibility of a proven solution which was instrumental in gaining rapid acceptance.

The consultants used an iterative model to deliver a working solution in just three months. Early delivery of the solution meant the two companies could work together at an early stage on essential change management. It also provided a rapid return. For example, unbilled customers were quickly reduced by 70% and customer queries cut by 15%.

IBM consultants applied stringent quality control to the programme. The prime focus throughout the project was on customer metrics, including the speed of billing, fast payment and the reduction in customer queries.

Process innovation improves customer experience

IBM's consultants worked alongside a team of Ecotricity's best people from billing, data flow, finance, customer service and IT to facilitate the transfer of knowledge and skills, and accelerate progress.

Process changes included having service agents equipped to deal specifically with each category of customer. Customers migrating from other providers were handled by a dedicated team. A second group of service agents bedded in new customers, whilst a third group handled less frequent communications with established customers. This gave a great boost to customer service levels.

Discussions between IBM and Dale Vince rapidly elevated to a more strategic level, mapping out a process of continued improvement in customer experience.

IBM and Ecotricity are collaborating to implement online, customer self-service facilities for meter readings, change of address, access to historical billing and other administrative actions. This will lower the cost per customer and deliver a green bonus by reducing paper usage.

Cash flow benefits

Cash flow is extremely important for a small fast-growing company. Ecotricity's cash collection capability and performance have increased enormously, partly as a result of process automation and partly due to the greater billing accuracy from a fully-integrated system.

The selection of accounts to bill and the alignment of billing with meter readings are now fully automated, increasing accuracy and cutting manual intervention. The former upper production limit of 1000 bills per day has been removed, facilitating the company's expansion plans.

The volume of customers billed on time has increased by more than 10% month on month following implementation and has now reached 95%, while the number of inaccurate bills has been reduced by 70%. Redesigned processes have streamlined workflows, reducing activity by 25%.

IBM has introduced a programme of continuous improvement within Ecotricity with the ultimate goal of delivering a fully interactive, automated, multi-channel customer experience. Flexibility in the new processes will enable Ecotricity to add gas to its offering in a combined energy service in the new year.

On environmental issues, the two companies are sharing public platforms to promote green energy and planning a strategic programme to power data centres using wind turbines.

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Key components

Services

- IBM Global Business Services:
 - Strategy and change
 - IBM Consulting and SAP
 - Customer Relationship Management

Software

- SAP's Industry Specific Solution for Utilities (SAP IS-U)

Servers

- IBM xSeries®

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Transformation at a glance

IBM consultants worked in close collaboration with Ecotricity staff to identify opportunities to improve performance, restructure business processes and implement the latest SAP software for utilities. Ecotricity has realised a fast return on investment (ROI) from its rapid implementation. The company is on track to deliver a fully interactive, automated, multi-channel customer experience.



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