

The digital revolution: Winning the digital customer

Understanding Digital Transformation for Utilities



People matter, results count.



Digital customers are brand-aware and price-conscious, and they share and exchange views and opinions across an array of social networks”

The digital revolution is completely changing the way Utilities interact with their customers. This revolution is being led by a new generation of customers – people who begin their day with a smartphone in their hands. This is their gateway to the world – they are constantly online, interacting with companies and other consumers through multiple channels in real time.

SoLoMo, do you speak it?

Digital customers are brand-aware and price-conscious, and they share and exchange views and opinions across an array of social networks. They speak a new language that has been coined “SoLoMo” – a convergence of Social, Local and Mobile technologies that creates down-to-the-second opportunities where customers are won and lost in the blink of an eye.

Utility executives are scrambling to remodel their operations around this new language and build a digital-ready culture that engages this new customer on a personal level. This represents a huge opportunity for growth, but is also a challenge in protecting your brand. People talk about their experience with service providers. Whether energy retailers like it or not, their customers are talking about them and if Utility executives want to influence these digital customers, it’s up to them to join the conversation.

A revolutionary opportunity

The digital revolution has found its way into almost every aspect of society. It is transforming the way people live their lives and how they behave as customers and employees. Whatever the context, people use digital devices and social media to interact with others and find information. They expect the same when connecting with their Utility company. Utility consumers want to use the channel of their choice to check bills, search for a better tariff or report an issue – and they want a rapid, personalized response.

This new behavior has generated an explosion in customer data and introduces a whole new set of dynamics for managing customer relationships and meeting their expectations. How Utility companies address this challenge will determine whether they survive or thrive. Cloud, mobile and social have created new opportunities to enhance their customer relationships and facilitate better internal collaboration. Within the Utilities sector, the notion of Digital Transformation is still in its infancy. How well they transform now and in the future will – to a large extent – determine how successful they are.

The new digital Utilities market

Utility companies with aspirations to lead their respective markets are rapidly learning that Digital Transformation is crucial to the success of their business. Smart meters and the data they generate have been the first step in this process, and home energy management solutions are just starting to gain traction – although there is a long way to go. So, what does the relationship between a Utility company and its customers look like in the digital age?

Thanks to advances in technology, customers are able to access their usage data in real time and control their home appliances remotely using mobile apps. Utility companies can “listen” to what the market is saying about them on social media channels and can immediately act to win a new customer or retain an existing one. Different teams within an organization are able to benefit from and support sales representatives with real-time information with a unified 360° view of the company’s relationship with the client. It’s an intimate, intuitive customer experience that is breaking the boundaries of what is possible for Utilities.

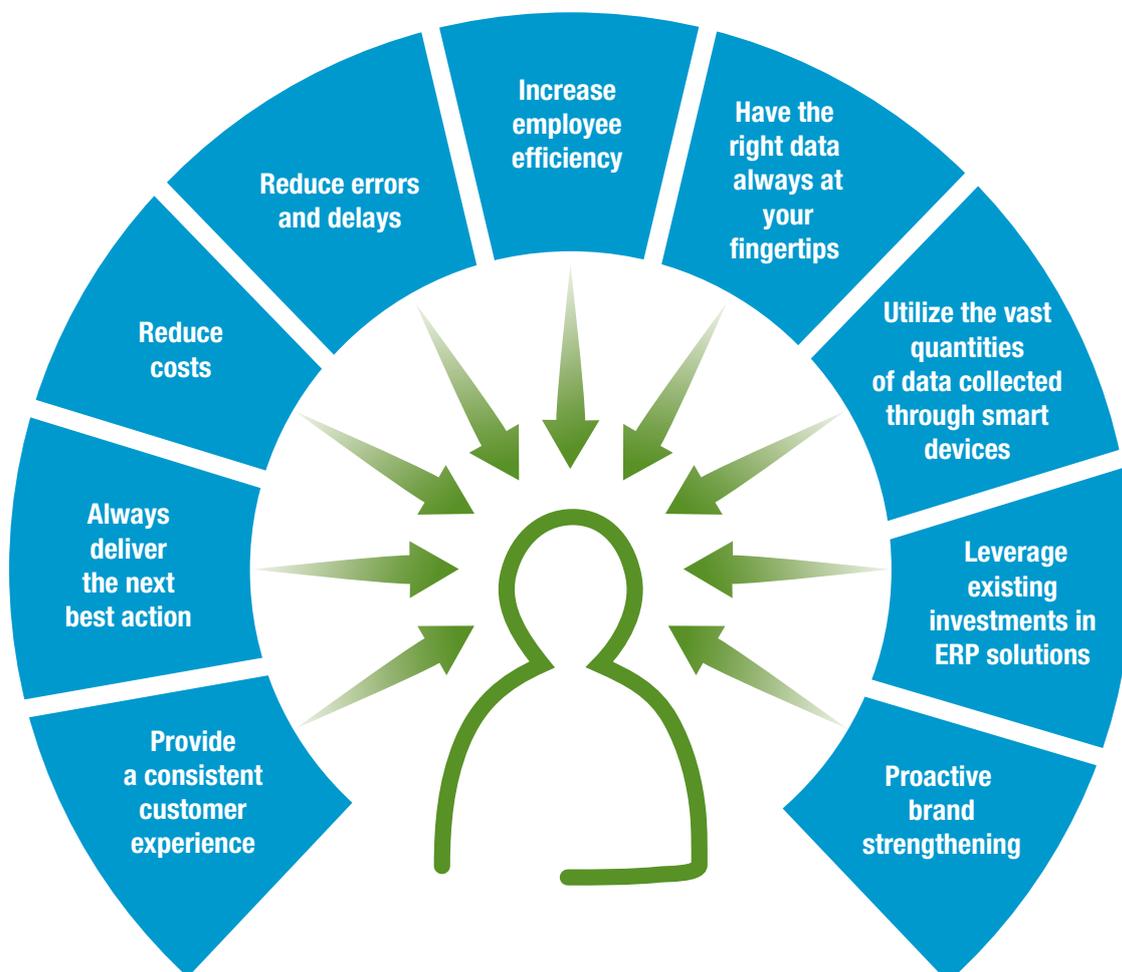
Internal integration

Enterprise social networking tools have created the potential to dramatically improve internal collaboration and break down the departmental or geographic boundaries that have typically impeded effective collaboration and knowledge sharing within organizations. For example, thanks to facilitated collaboration between customer service and billing, delays, time spent with individual customers and bill-processing errors are greatly reduced. It’s not just about customer service – every department and every member of the digital Utility is connected – there are no siloes.



So how can Digital Transformation benefit a Utility?

- **Provide a consistent customer experience** across voice, web, mobile and social channels
- **Always deliver the next best action** by anticipating customer needs
- **Reduce costs** and drive a large proportion of interactions from voice to lower cost digital channels through one to many communication
- **Reduce errors and delays** through faster, more effective communication by seamlessly connecting front and back-office processes
- **Increase employee efficiency** by connecting them so they can collaborate on resolving customer queries
- **Have the right data always at your fingertips** with one visible information hub that brings together customer profiles, consumption, billing and other history
- **Utilize the vast quantities of data collected through smart devices** for customer marketing and operational efficiency purposes
- **Leverage existing investments in ERP solutions** while taking advantage of new Cloud-based, mobile technologies through the adding of a business agility layer
- **Proactive brand strengthening** through intuitive customer engagement technologies



Digital Transformation proven by leading-edge research to increase revenue

Digital Transformation delivers all the benefits listed above and is not just the product of blue-sky thinking and trendy technology. Research proves that going digital substantially increases revenues. Working together with MIT for over two years now, Capgemini has researched the factors that drive improved financial performance in a digital world. What we discovered was that the effective use of digital technologies, especially for customer interaction, tends to increase revenues. In other words, customers like digital channels and satisfaction increases if they are made available. But it is the ability to make use of digital assets in a structured and coordinated manner across the entire business, including internal operations management, which increases profitability.



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Digital beginners

Unfortunately, most Utilities are not making the best use of digital assets. Most are what Capgemini classifies as “digital beginners.” Utilities that fall into this category are slow to adopt and skeptical of fresh digital technologies such as social media and analytics. They likely have older enterprise software and rely primarily on email and traditional Internet tools (web pages and contact forms) for interactions with customers.

Digital conservatives

Conservative Utilities consciously choose to sit back and play it safe when dealing with new technologies. However, their management does possess a vision and planned structures to implement new technology adoption. Most Utilities are digitally conservative – and this is no surprise considering the highly regulated markets they operate in and the business transformation programs they have undertaken in order to meet market reforms and reduce operating costs over the last 20 years.

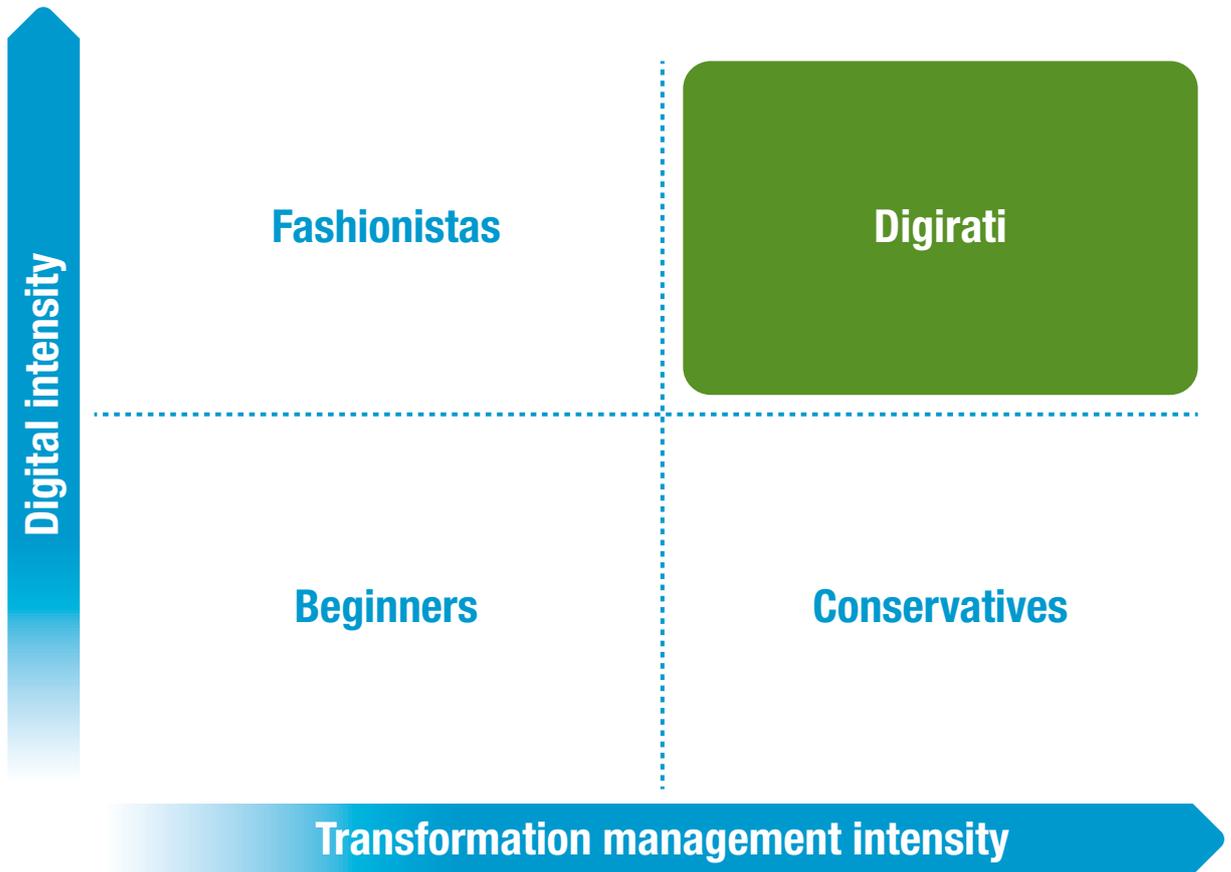
Digital fashionistas

Utilities that take a more active – even aggressive – approach to Digital Transformation are classified as “digital fashionistas.” These companies are very ambitious in adopting new technologies – unfortunately this ambition does not always result in a matching reward. While keen to be seen as innovators, digital fashionistas do not implement this effort effectively across different departments and lack the level of vision necessary for successful Digital Transformation.

Digital digirati

Digirati companies have the right mix of everything. Their executives share a strong, clear vision of what new technologies bring and they invest in and manage digital technologies rapidly and in a streamlined manner. These companies gain the most value from Digital Transformation – with an average 26% increase in profitability.

Investment in technology-enabled initiatives to change how the economy operates – customer engagements, internal operations, business models



Creating the leadership capabilities to drive Digital Transformation in the organization – vision, governance, engagement, IT/business relationships

So how do you benefit from Digital Transformation in a rapid manner without compromising the value of your brand? It is important for any Utility to understand where they are today and identify where they want to be. Based on this, they can build a roadmap and detailed path for digital success.

However, this is easier said than done and goes well beyond simply replacing your legacy IT systems or integrating new technology – it's about people, processes and technology. A successful Utility needs the support of best-in-class technology providers and industry experts in order to join new innovations with legacy IT systems to successfully bring it in line with the digital world. A Utility needs to understand not only how new technology is relevant to the industry, but how to integrate it with the existing technology landscape.

Capgemini and salesforce.com – a dynamic digital duo

Capgemini's long-term experience in the Utilities sector allied with salesforce.com's digital know-how forms a partnership that is optimally positioned to bring real benefits to Utility clients. Together, Capgemini and salesforce.com combine leading Digital Transformation skills and innovative digital technologies to make this happen. Capgemini has also been recognized as a strong performer in implementing salesforce.com solutions.

Salesforce.com offers a potent technology platform – and to this technology, Capgemini adds decades of deep domain experience. The result is a technology landscape that maximizes existing investment in legacy ERP systems, while at the same time blending it with Digital Contact Center solutions, allowing customer communications to flow seamlessly between voice and digital channels.

Capgemini is uniquely positioned to help Utilities anticipate and take advantage of the opportunities presented by the digital age by bringing together world-class solutions and best practices. Together with salesforce.com, Capgemini has helped transform some of the world's largest Utilities into competitive customer companies with redefined customer experiences, operational processes and business models.

The partnership between Capgemini and salesforce.com has been growing since 2005 and both companies are committed to building a highly successful, long-term and strategic relationship. Some of the key milestones in our relationship include:

- Global salesforce.com Platinum Cloud Alliance Partner status
- Capgemini has been positioned as a Strong Performer in Forrester's Salesforce.com Implementation Services Wave.¹
- Winners of the 2012 salesforce.com Partner Innovation Award in marketing

Salesforce.com – fully connected, always on customer engagement

Salesforce.com made its name as a CRM solution vendor and as one of the pioneers of software as a service. Today, it provides an integrated platform that helps its clients to interact with their customers for marketing, sales and service – as well as enhance internal collaboration.

Salesforce.com provides a powerful platform to give energy providers' customers an interactive, digital experience much like they would have with their banks or telecommunications operators. It supports a consistent customer experience through the channels of traditional web, mobile and social – and can also integrate call center and conventional customer service operations.

Salesforce.com technology forms a core part of Capgemini's client engagement model. Recognized as a leader in customer relationship management (CRM), salesforce.com provides companies with the tools they need to connect with their customers, employees, partners and products in entirely new ways.



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¹ The Forrester Wave™: salesforce.com Implementation Services, Q2 2013, Forrester Research Inc., 18 June 2013



With its technology expertise, Capgemini connects salesforce.com's front-end social capabilities with SAP IS-U and other back-end ERP systems to make relevant customer data available to the people that need it. So from marketing to sales and service to billing, your organization has a 360° view of your customers”



Integrating salesforce.com with your SAP landscape – maximize your existing investment

The enterprise application integration landscape is complex. No application can work in isolation and Utilities must bring together numerous front-end and back-end applications to deliver maximum benefit to customers. Huge disruptions are taking place in the application integration space through Cloud, mobile and social. These technologies cannot simply and elegantly replace decades of IT investment – what is needed is a new approach to integration strategies and middleware.

Salesforce.com has addressed the torrent of structured and unstructured customer data by taking it out of on-site CRMs and placing it in a secure Cloud environment. However, what most Utilities lack is an agile link that is able to get the valuable customer data gathered and contained in their full-bodied ERP systems (in the case of thousands of companies today, this comes in the form of SAP) to the most external layers of their organization.

To become a truly customer-centric Utility, a comprehensive data integration strategy that combines the best of both worlds is needed, that is, a strategy that joins the uniform customer view of salesforce.com with Master Data Management (MDM) from SAP Utilities (IS-U).

In an ideal world, a Utility service provider will know its customers better than anyone else. Unfortunately, most Utility companies are prevented from utilizing their customer knowledge. They have a tremendous amount of valuable data and insight, although this data is scattered across a variety of different applications and platforms. This prevents the creation of a unified view of customers and inhibits a Utility's ability to reap the benefits of this data.

So the key question for Utility executives is – how can the potential of this data be unlocked and put in the hands of employees, partners and customers in order to empower them in such a way that translates into increased customer satisfaction and profitability?

Salesforce.com – a layer of agility on a strong SAP core

At first glance, most Utility executives think that they are faced with a choice of one or the other when it comes to SAP IS-U and salesforce.com. Nothing could be further from the truth – the two strategies are fundamentally complementary and, in Capgemini's experience, the optimal approach is to use best-of-breed Cloud solutions like salesforce.com to build a layer of agility upon their SAP cores.

A customer-centric methodology

Capgemini has combined its continued investment of time, money and people with technical expertise and three decades of system integration experience. It is this experience in collaboration with leading technical and Cloud partners, which has resulted in a methodology that is turning Utilities' vision of customer centricity into a reality.

Making relevant customer data available to the people that need it, this methodology puts your customer at the heart of your organization. So from marketing to sales and service to billing, your organization has a 360° view of your customers. Through this connection, Utilities can use the salesforce.com platform

to better engage customers on social channels while applying the knowledge they have built up in their SAP systems – thus maximizing previous SAP investments.

Integrating best-of-breed Cloud-based software with your existing IT landscape

With Salesforce’s Force.com platform, Utilities are able to create social applications that leverage information stored in their back-office SAP systems ranging from field service organization to customer portals. It is crucial for Utilities to be equipped with a suitable SAP and salesforce.com integration strategy and partner with a best-of-breed integrator like Capgemini that can effectively marry new technology to their existing legacy IT systems.

Capgemini’s Integration Roadmap for immediate insights

Capgemini’s Integration Roadmap for SAP IS-U and salesforce.com enables better connectivity within the organization and helps break down previous technology barriers, allowing employees to engage customers over social channels much more effectively – creating a 360° view of clients and true customer centrality.

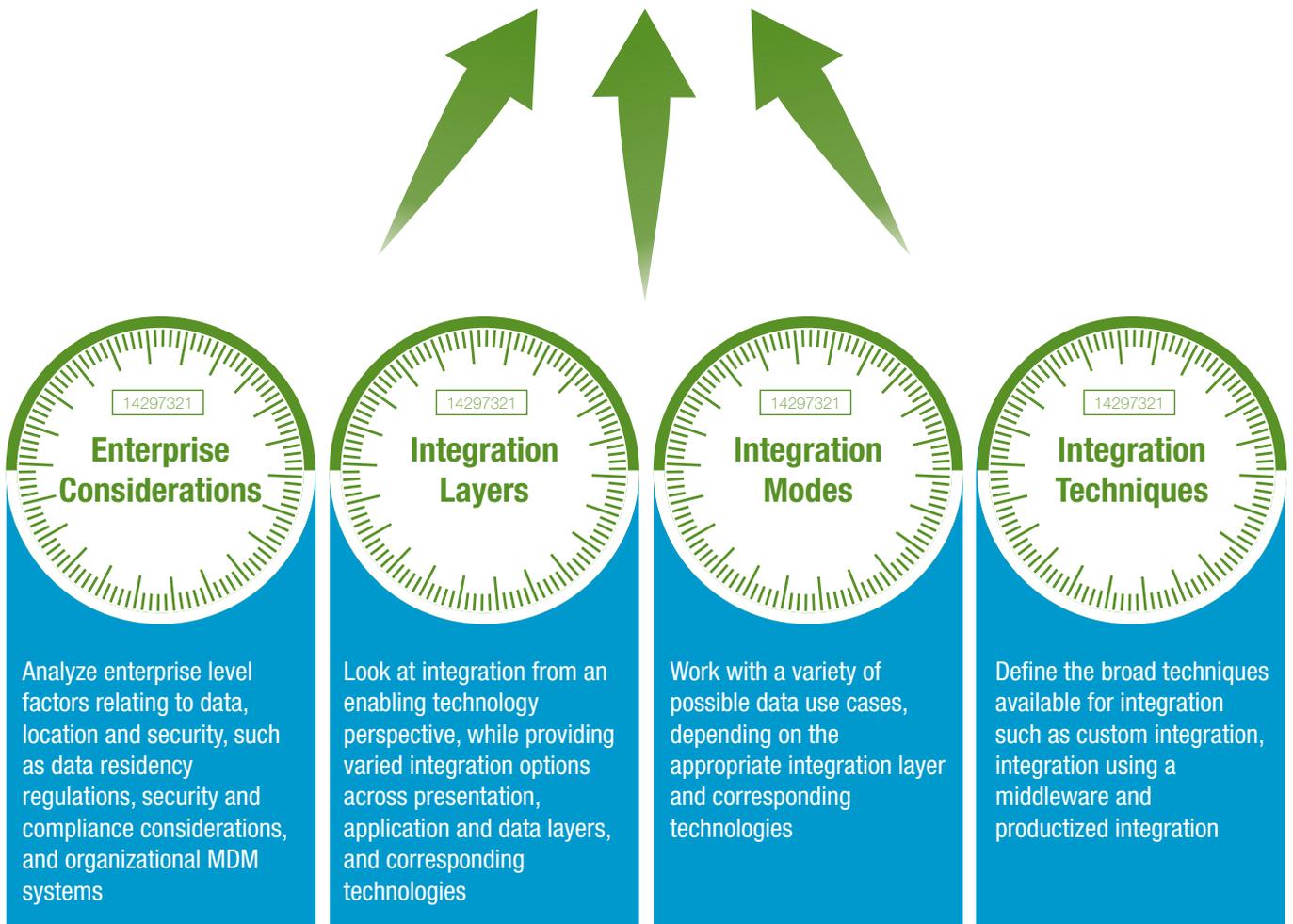


Fig. 3 The Integration Roadmap is composed of four dials



Capgemini is the sole digital specialist in the consulting market. Its approach has translated into bottom-line results and satisfaction for clients”²

SAP IS-U acts as a robust application foundation of core applications that are required to register and control commitments with customers (Customer Care and Billing Systems). It connects salesforce.com through three Integration Layers. These include:

- Orchestration & Integration Services Layer (BPMS, PI and SKYVVA)
- Security Services Layer (Authentication, Authorization, Logging, Auditing and Reporting)
- Governance Services Layer (Configuration Management, Business and IT Service Management)

Full salesforce.com implementation = full customer centricity

Through these layers, a Utility can expect different results depending on the depth of its salesforce.com implementation. With a full implementation, a Utility can gain complex bi-directional SAP IS-U and salesforce.com integration. This provides full customer centricity and a clear view of its marketing, sales, service and social functions. When salesforce.com is implemented on a minimal scale, it is used primarily for monitoring social media and responding to it.

Table 1. Salesforce.com implementation levels

	Full salesforce.com implementation	Medium salesforce.com implementation	Limited salesforce.com implementation
Social media monitoring and response	✓	✓	✓
Product configuration, management, presentation and pricing	✓	✓	
Marketing and sales operations	✓	✓	
Contract management	✓		
Customer service operations	✓		
Complete customer information access	✓		

Ultimately, through joining the agile, interactive layer of salesforce.com with the robust application layer of SAP IS-U, a Utility can:

- Immediately find customer details for retention calculation, retention budget rules and offer calculation logic – including best offer and next best offer
- Obtain customer consumption details to address higher bill concerns
- Periodically retrieve energy consumption details through salesforce.com to alert customers of higher usage
- Update customer about rising in energy prices in advance
- Fetch details about production farm initiatives customers may be involved in

Capgemini – Utility industry expert and digital leader

Capgemini has a long history of working in the Utilities sector and understands the changes it is undergoing today. It was at the forefront in helping European Utility companies adapt to marketing reforms in the 1990s, as the supply chain was unbundled and competition was introduced. Capgemini produces the annual

² Kennedy Consulting Research & Advisory, Kennedy Information LLC

European Energy Market Observatory report, respected across the industry for helping regulators and companies formulate strategy.

Capgemini was involved at the start of the smart revolution in the early 2000s, playing a key role in the deployment of pioneering national rollouts in Italy, Sweden and Canada. Today, it is supporting smart-meter programs with a total of 113 million metered customers worldwide. Capgemini has brought together all of its business consulting and IT skills to position itself as a leader in the domain of Digital Transformation. Working with Utilities, retailers, financial service companies, manufacturers, telecommunications operators, and public sector organizations, Capgemini has proven itself as an expert in Digital Transformation and new technology deployment.

Bringing it all together

Capgemini and salesforce.com's powerful, proven partnership provides Utilities with a detailed blueprint for Digital Transformation. Capgemini and salesforce.com, along with SAP IS-U, give digital beginners and conservatives the capability to speak the language of the digital customer while effectively analyzing and generating valuable insight from the torrent of customer data – engaging these customers like never before. Capgemini's Utility experience coupled with salesforce.com's digital integration take a digitally lagging Utility and turn it into a fully connected, social and digitally transformed organization.

Delivering a customer-centric experience to the digital customer achieves substantial cost reductions, gains in efficiency and reduced time to market. Some of the world's most innovative Utility companies have turned to Capgemini to deliver a research-based, cutting-edge Digital Transformation to revolutionize their operations and secure their prosperous futures in the digital world – will you join them?

Why Capgemini?

Capgemini is one of salesforce.com's top five global system integration partners and is recognized globally as a salesforce.com Platinum Cloud Alliance Partner. With nearly 300 certified professionals and over 520 certifications spanning across a spectrum of offerings, Capgemini is also one of the largest partners worldwide. All of its SAP and salesforce.com engagements benefit from an agile methodology, which helps clients drive adoption via early business testing and rapid, iterative rollouts. The breadth of expertise and recognition also highlight Capgemini's positioning in the SAP integration arena. With over 13,000 experts, it is one of the largest SAP system integrators blending industry knowledge, technology and the business experience of its seasoned professionals, to deliver services that consistently exceed client expectations and deliver measurable results.

Why salesforce.com?

Salesforce.com is the world's largest provider of customer relationship management (CRM) software. For more information about salesforce.com (NYSE: CRM), visit: **www.salesforce.com**.





About Capgemini

With more than 130,000 people in over 40 countries, Capgemini is one of the world's foremost providers of consulting, technology and outsourcing services. The Group reported 2013 global revenues of EUR 10.1 billion.

Together with its clients, Capgemini creates and delivers business and technology solutions that fit their needs and drive the results they want. A deeply multicultural organization, Capgemini has developed its own way of working, the Collaborative Business Experience™, and draws on Rightshore®, its worldwide delivery model.

Capgemini's Global Utilities Sector serves the top Utilities worldwide and draws on a network of more than 8,900 dedicated sector consultants. As a leader in smart grid and advanced metering infrastructure solutions, Capgemini's Smart Energy Services is helping Utility customers throughout the world. Our integrated Digital Utilities Transformation framework empowers utilities to drastically improve their customer experience, operating and business models through disruptive technologies.



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