

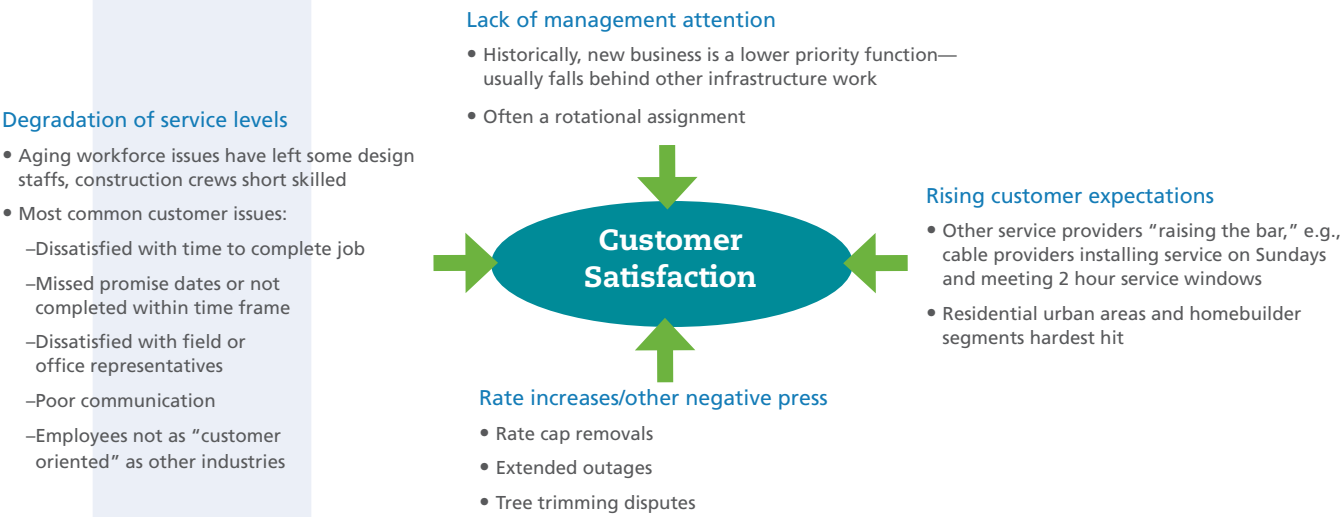
Reinventing the New Business Construction Organization (Part 1)

Three steps to improve customer satisfaction

The new business construction organization, often a neglected function within utilities, has finally come to the forefront for many CEOs.

As rate caps lift and the wave of rate increases propagates, the value proposition for regulated energy service is coming under greater scrutiny. Amplifying this problem are rising customer expectations, driven by customers’ experiences with other service providers (e.g., cable, water, appliance), and other factors—which are combining to create a **perfect storm** situation (Exhibit 1). A number of utilities are experiencing a **significant decay in customer satisfaction scores** and an **increase in elevated complaint calls**.

Exhibit 1 Sources of customer satisfaction decay



Addressing this customer satisfaction decay requires a significant improvement in the overall customer experience—not just tweaks to the organization. The best firms redefine their customer experience “vision” and then translate this vision to improve each customer touch point.

Our experience indicates that even top-performing distribution companies have significant opportunities to improve customer satisfaction scores by 10 to 30 percent, while stabilizing operating costs.

Step 1: Redefine the Customer Experience “Vision”

The key is a holistic approach to reinventing the overall new business organization, beginning with redefining the customer experience “vision.” The new business vision drives employee decisions and focuses all employees on creating an environment that meets customers’ needs. It becomes the basic guidepost for all new business actions and provides a high level of consistency across regions (Exhibit 2).

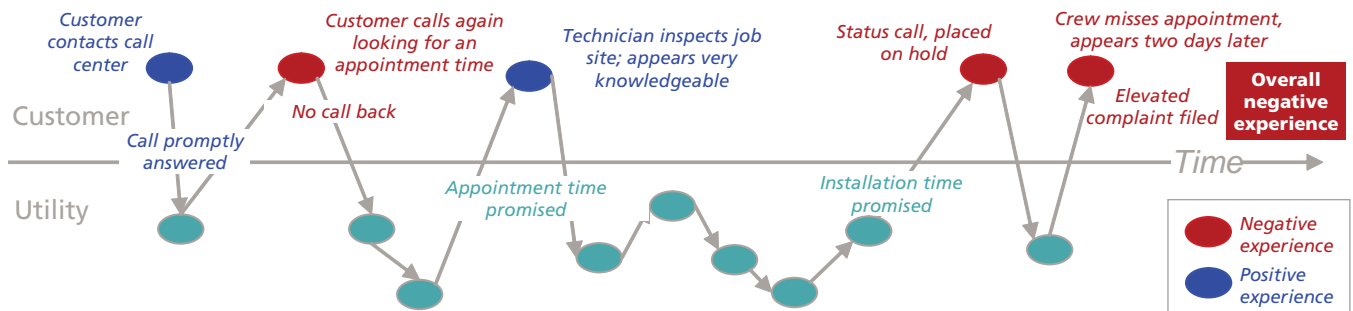
Exhibit 2 Examples of customer experience vision that drive employee behaviors



Step 2: Translate the Vision into Each Customer Touch Point

This new vision must then be incorporated into the new business organization at every customer touch point to deliver the desired customer experience. Each touch point is an element of the overall experience and builds to establish a positive or negative perception on the part of the customer (Exhibit 3). Customer satisfaction scores overall can degrade due to just one negative individual experience in the call-to-install process.

Exhibit 3 Traditional utility touch points that create the customer experience



Fundamentally rethinking the practices that will deliver the desired customer experience—rather than performing incremental process changes—will determine if your company moves the customer satisfaction “dial” or not (Exhibit 4).

Exhibit 4 **Translating the new business vision to determine “desired state” standards**

Touch point	Current practices	Desired state
1. Instructional Information	<ul style="list-style-type: none"> • Customer dials 1-800 #; an instructional booklet is then mailed to them • Little to no cost information available • Expectations of customer not clearly specified 	<ul style="list-style-type: none"> • Instructional information, cost guidelines, and customer expectations easily accessible in a variety of forms, including: <ul style="list-style-type: none"> –Web (both “how-to” papers and video) –IVR –Hardware stores –Permit office
2. Service Request	<ul style="list-style-type: none"> • Customer dials 1-800 # and outlines required service to CS rep • Most customer questions (e.g., cost) must be referred to a designer • Customer is told that a designer will follow up with them within 24 hrs to proceed with request and schedule meeting 	<ul style="list-style-type: none"> • Customer can request service using either phone or web • Customer can get common questions answered immediately, e.g., real time quotes for common jobs • Meeting with designer is scheduled as request is made
9. Survey	<ul style="list-style-type: none"> • 50% of customers receive customer comment card by mail (often considerably after service installation) and less than 20% of those complete • Comment card does not list the employee that helped install the service 	<ul style="list-style-type: none"> • All customers given opportunity to provide feedback very shortly after service is completed <ul style="list-style-type: none"> –E.g., emailed web survey

Step 3: Rebuild the New Business Construction Operating Model

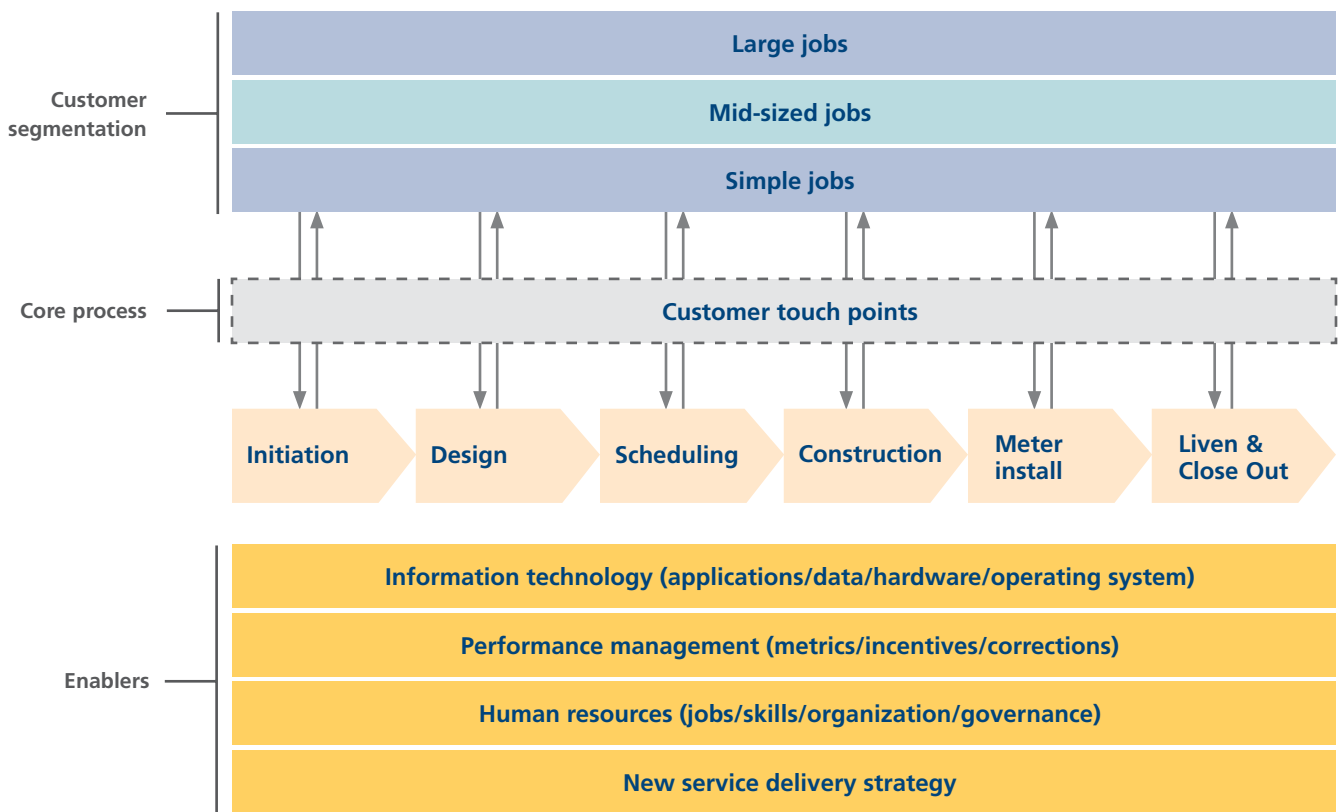
To support the vision and new customer touch points, a fresh look should be taken at the new business operating model, to ensure that the organization can deliver the consistent execution required. The new business leadership team should address all elements of the model, including changes to strategy, process, organization and systems (Exhibit 5).

Exhibit 5 **Rebuilding the operating model—representative changes for the new business organization**



Reinventing operating model elements to match customer needs requires both addressing existing performance issues and “starting with a blank sheet of paper”—as a successful improvement effort will likely require changes from both a top-down and bottom-up perspective. Care also must be taken to adequately socialize any new operating model design throughout the organization. Exhibit 6 provides an example of an operating model that was the starting point for one client’s new business transformation efforts. In this step, it is important to evaluate the process end-to-end to ensure that all components are integrated. Invest time “walking” the new process, including analyzing new technologies that could be employed to enable processes (e.g., web-based customer contact, mobile data for field use).

Exhibit 6 The operating model should support the “desired state” standards



Finally, as with any significant change to an organization, it is essential to communicate regularly and openly with involved employees—in this case, call center representatives, designers, foremen, and field crews will be affected. New business leadership must guide the change agenda to embed the new “vision” and operating model.

Summary

Many new business construction organizations are trying to cope with decaying customer satisfaction scores. More progressive companies are taking action to rethink their value propositions to customers—establishing new customer experiences that provide significantly better value.

Forward-thinking executives can meet the challenge of improving customer satisfaction by rethinking their customer service vision, rebuilding each customer touch point, and finally designing and implementing a new operating model “engine” that can deliver consistent, superior service.

Opportunities for Managers

- Are your **customer satisfaction survey scores** declining? Are they where you want them to be?
- Where are the **potential opportunities** for performance improvement within the “call-to-install” process?
- Do you understand the **root causes** of your customer satisfaction performance gap?
- Do you have a **customer experience vision**? Have you embedded the mantra into your **customer touch points**?
- Have you **operationalized** your new customer touch points? Are you carefully tracking results?

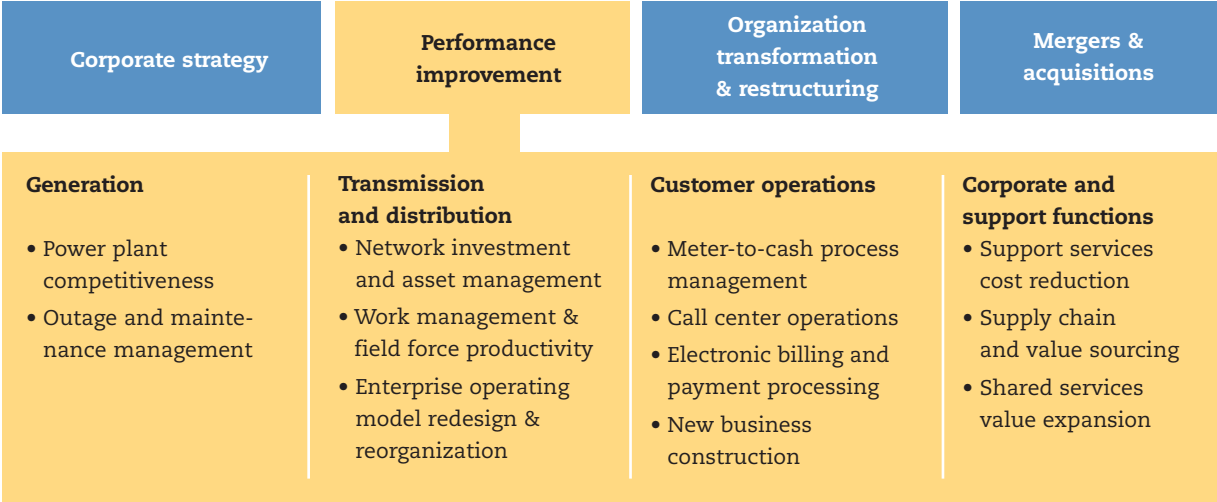
To read **Reinventing the New Business Construction Organization (Part 2)**, please click [here](#)

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