

# Ratepayers Are Customers Too

SEEING THEIR WAY

BY LOIS HEDG-PETH

**CUSTOMER FIRES ENERGY COMPANY.** That is hardly headline news in competitive energy markets but it would be in markets where utilities still operate as monopolies.

For decades, management teams at energy companies have thought of their customers in terms of meters rather than as individual customers with unique needs. In many markets, utilities do not have to compete for their customers so the ultimate feedback mechanism for customers – leaving – is not available. As such, many energy companies are left believing that they are entitled to their customer base and do not make serving the customer their primary focus.

For the energy industry to remove the negative stigma it faces, our perspective on customers must change dramatically. Serving customers must become our primary objective.

That's why not just effectively servicing our customers – but also shifting to a fully customer-centric organization – is an absolute priority at Direct Energy and at UK-based sister company, British Gas. We've already made significant progress toward this goal and take additional steps forward every day.

Utilities must change their mindset toward customers. Most energy companies do not want customers phoning their call center to ask questions about a bill or inform them of a move as that adds costs, so they measure their call centers against average-speed-to-answer and average-call-length thresholds. These criteria discourage customer service representatives from engaging customers and truly addressing their needs.

We must always talk about customers. Customers should be mentioned in every meeting. Moreover, before making a strategic decision, management teams should ask themselves how the decision will impact customers and their experience rather than just how the decision will impact financial results, IT systems and planning cycles.

Utilities should define desired customer experience at the beginning. Many companies say they want to provide best-in-class customer service but do not take the time to identify and articulate what that will look like. It is imperative, at the outset, to design processes and measurement tools that align with your desired

customer experience.

We must create distinct response styles based on customer needs. One form of response style will not match all customer needs. For example, when a customer calls with a question about a bill, a rational discussion should result. However, if a customer from Texas calls in the middle of a heat wave about an air conditioner not working, a more emotional discussion is required. Customer service representatives need to be trained to appreciate the customer's situation before responding and to identify the appropriate rational or emotional response style.

It is important to measure the customer's satisfaction level immediately. At British Gas, we began measuring our call center based on how they solved the customer's problem and if the customer was happy at the end of the call. We accomplished this by encouraging the customer to participate in a three-question survey at the end of each call. The questions were: Was your question/concern answered? Was our representative helpful and informative? Would you recommend us to friends and family? We found that this process had a profoundly positive impact on our business and our customer service agents, who appreciated the immediate feedback.

A priority is to solve the customer's concern before trying to sell. Too many companies try to sell a customer on a new product or service before they have addressed the need that precipitated the call in the first place. Only once you've addressed and solved the customer's concern will you have the opportunity to try to interest them in a product offer.

Deliver on your promise. Customer dissatisfaction escalates dramatically when organizations don't deliver on their promises. Examples for energy companies include not making agreed upon adjustments on the bill, missing appointment windows or not following up when promised.

There are no quick fixes for making an organization more customer-centric. However, an easy place to begin, before making a decision, is to always look at the resulting process or event from the customer's point of view rather than solely the organization's point of view.

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