

Integrated Solutions for Public Power

ENGINEERING & OPERATIONS



CUSTOMER CONNECTIONS



BUSINESS & FINANCE



SYSTEM IMPROVEMENT



Building a Customer Service Infrastructure

Florida Municipal Electric Association

October 2016

Orlando, Florida

**Hometown
Connections®**

Hometown Connections®

DELIVERING VALUE TO PUBLIC POWER

**Over 900
Public Power
Clients**

**Established
in 1998**

**Solutions Supporting
Technological, Financial
and Human Infrastructure**

**Savings to Public Power:
\$18 million**

Management Consulting Services

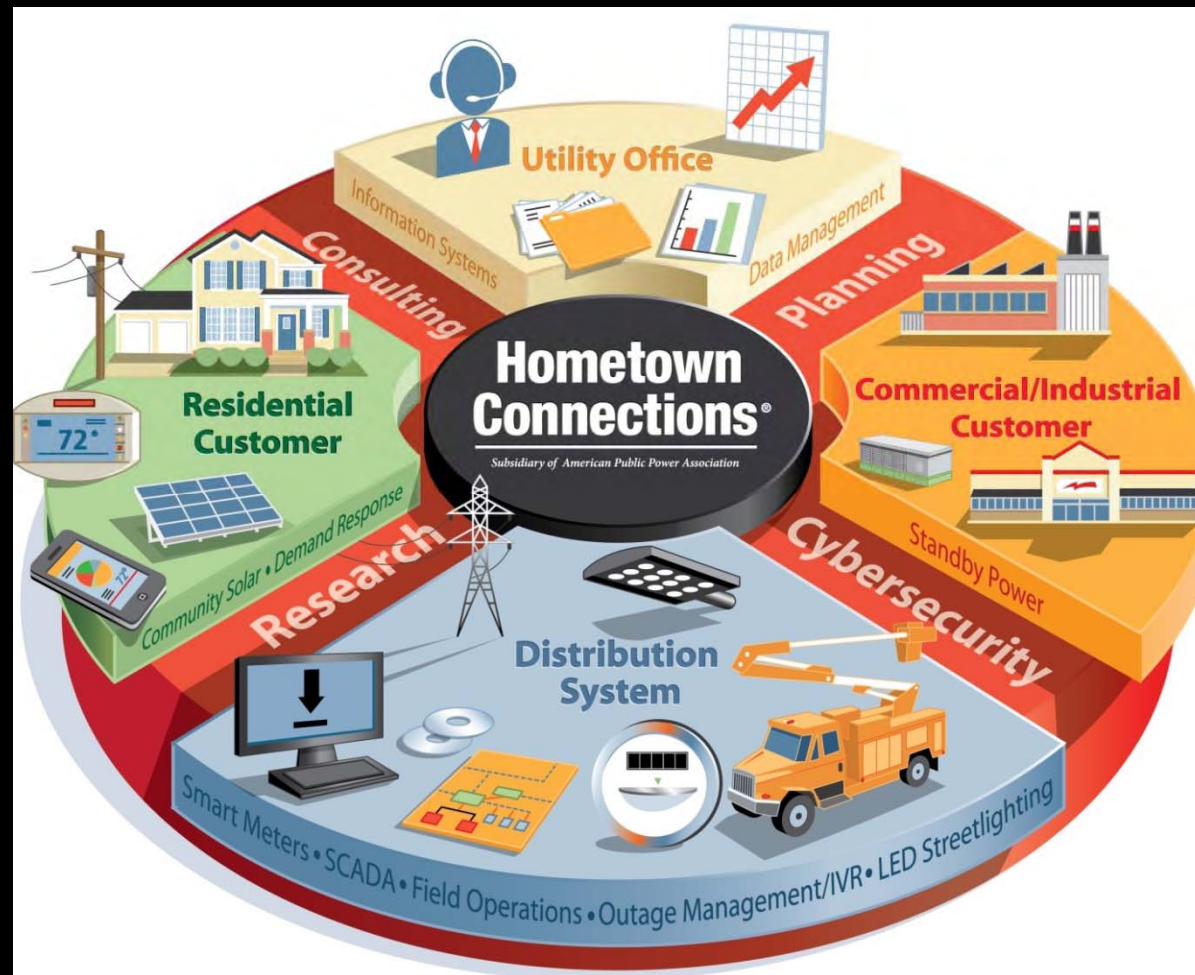
Subsidiary of APPA

**Products and Services
Designed for Public Power**

**Partnerships with
20 joint action agencies
and state associations**

Integrated Solutions for Public Power

Integrated Solutions for Public Power



**Hometown
Connections®**

New Publication from APPA



**Hometown
Connections®**

Traditional View of Customer Service

- Treat them all the same
- Captive audience
- Respond to the squeaky wheel
- Wait for new technologies or business practices to fully prove themselves before adopting
- Customer service staff are responsible for customer service

Yet Times are Changing

- Uncertain power supply future – coal/DG
- Regulations and Laws – state and federal
- Workforce – aging, new skills required
- Technologies
- Customer demographics/expectations
- *And at a faster rate than seen before*

Who are our Customers? What do they want from us?

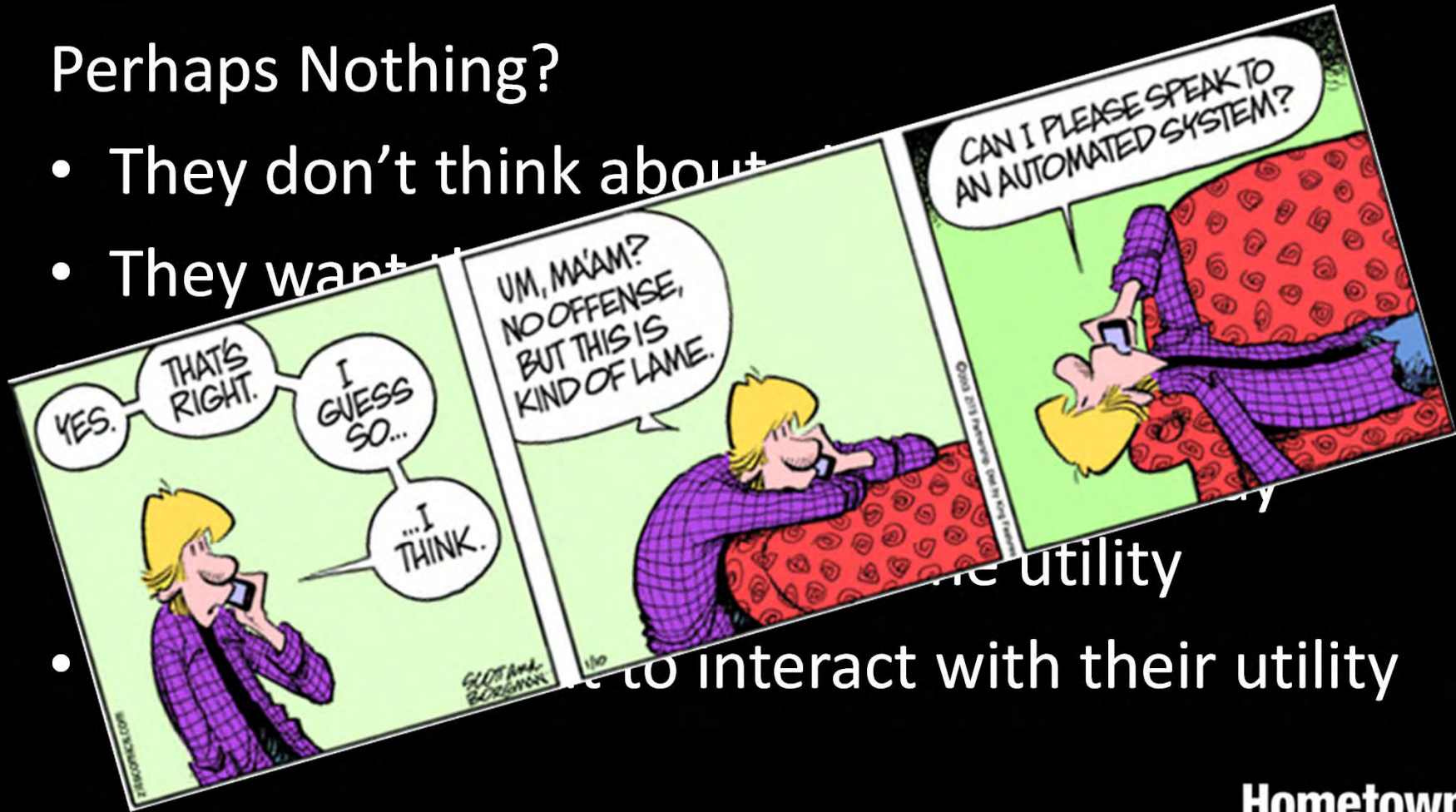
Perhaps Nothing?

- They don't think about electricity
- They want the power on – all the time
- They want an accurate bill – every time
- The vast majority of your customers may never interact directly with the utility
- Some don't want to interact with their utility

Who are our Customers? What do they want from us?

Perhaps Nothing?

- They don't think about...
- They want...



- ...to interact with their utility

**Hometown
Connections®**

What *else* do they want?

- Responsiveness
- Choice?
- Clarity
- Access 24/7, through multiple channels
- Transparency
- Empathy and Respect
- Empowerment – internal, external?

Understanding Our Customers

- Surveys: Going beyond customer satisfaction
- Online, newsletter questionnaires
- Office comment cards
- Focus groups
- Interviews (esp. key accounts)
- Census data
- Comparisons to regional/national information

Understanding Our Customers

We have to get better at this!

**Hometown
Connections®**

Google Knows More About Your Customers Than You Do

- Customer segments, values and behaviors
- Delivering appropriate marketing messages that resonate with the right customer segments
- Improving customer participation in a variety of utility programs— including energy efficiency and dynamic pricing programs

Google Project Sunroof



Analysis complete. Your roof has:



1,914 hours of usable sunlight per year

Based on day-to-day analysis of weather patterns



1,631 sq feet available for solar panels

Based on 3D modeling of your roof and nearby trees

\$3,000 savings

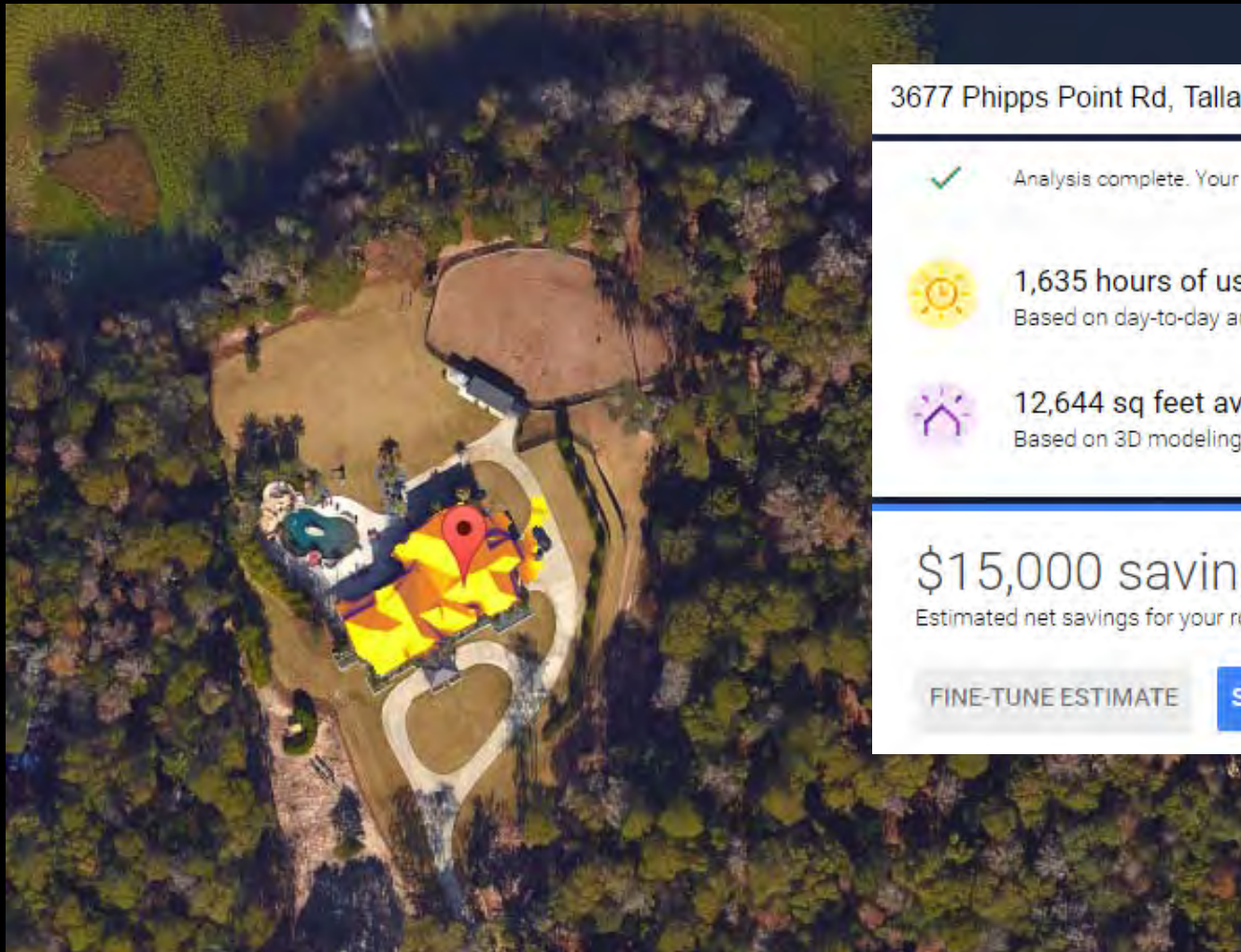
Estimated net savings for your roof with a 20-year lease

FINE-TUNE ESTIMATE

SEE SOLAR PROVIDERS

**Hometown
Connections®**

Google Project Sunroof



3677 Phipps Point Rd, Tallahassee, FL 32309, U: X Q



Analysis complete. Your roof has:



1,635 hours of usable sunlight per year

Based on day-to-day analysis of weather patterns



12,644 sq feet available for solar panels

Based on 3D modeling of your roof and nearby trees

\$15,000 savings

Estimated net savings for your roof over 20 years

FINE-TUNE ESTIMATE

SEE SOLAR PROVIDERS

**Hometown
Connections®**

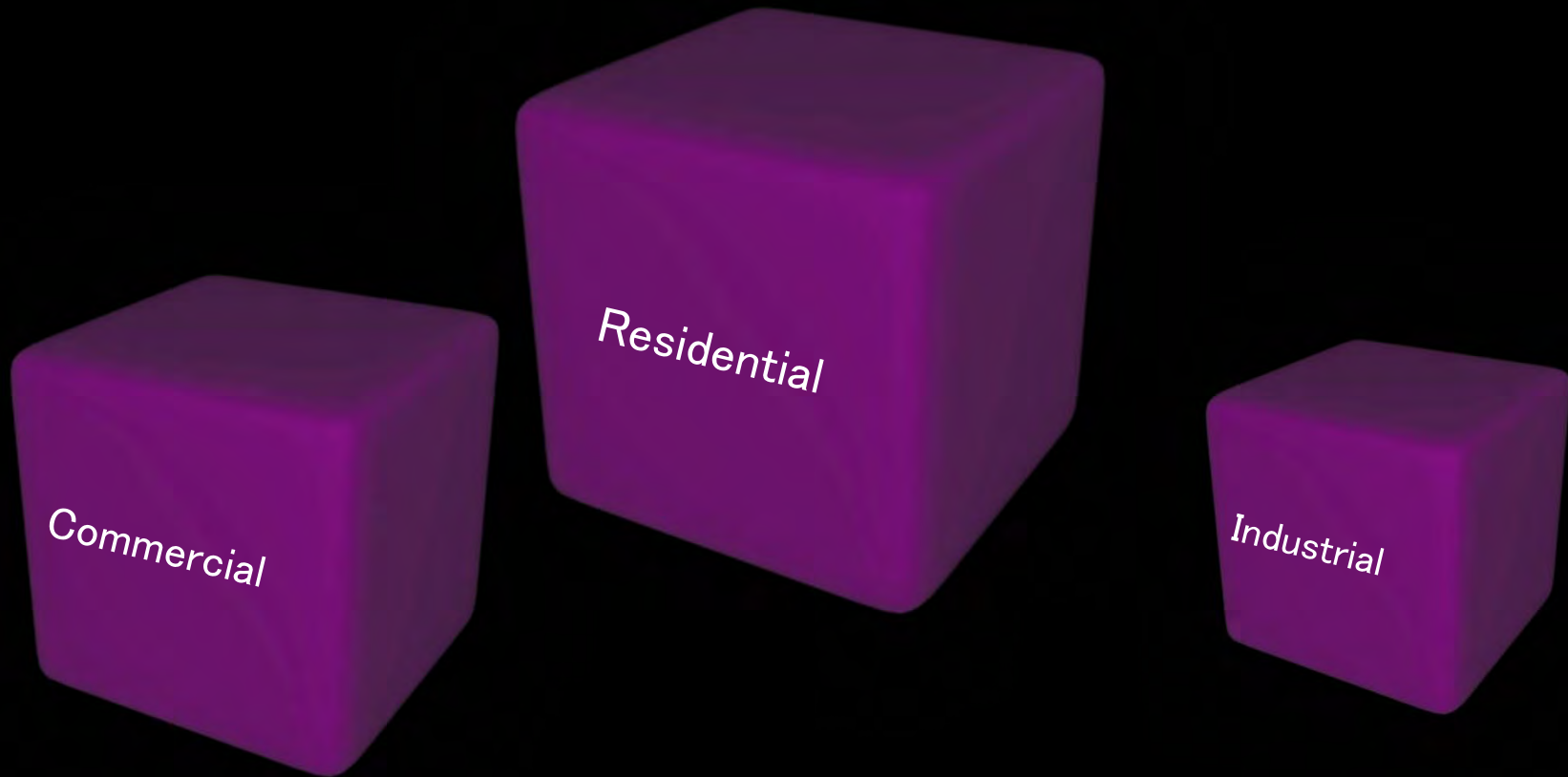
Move beyond general descriptions



*Utility
Customer*

**Hometown
Connections®**

Move beyond general descriptions



**Hometown
Connections®**

Customers/Target Markets

- Who do you serve? What are their needs?
 - Market Segments: how do you move beyond Residential, Commercial and Industrial
 - How they use your services
 - Customer needs, expectations, satisfaction

Market Segments

- Residential examples of segmentation include by
 - Geography (e.g. customers inside city limits and out, rural/suburban/urban)
 - Demography (e.g. household income, age, family size, occupation, owner vs. renter)
 - Benefits desired (i.e. how customers use your product or service)
 - Psychographics (values, activities, lifestyles, psychological attributes)

Customer Segmentation Example: Smart Grid

- **DIY & Save:** the personal satisfaction of saving money is compelling enough to drive their participation in the smart grid and participation in energy management programs.
- **Concerned Greens:** protecting the environment and improving air quality are the real motivators.
- **Young America:** highly motivated to both save environment and save money. Being young and living on their own for the first time in many cases, they need more education being energy efficient and preventing large shifts in their electricity bill from month-to-month.
- **Easy Street:** not willing to limit the comfort of their lifestyles for the cause of energy efficiency. What speaks to them are smart grid programs and services that offer ease and convenience, not the opportunity to save money.
- **Traditionals:** consumers least interested in smart grid and energy management programs. Predominately older, they want increased security and reliability. The most compelling reason for their utility to modernize the grid is to improve power reliability and quality, enabling shorter restorations.

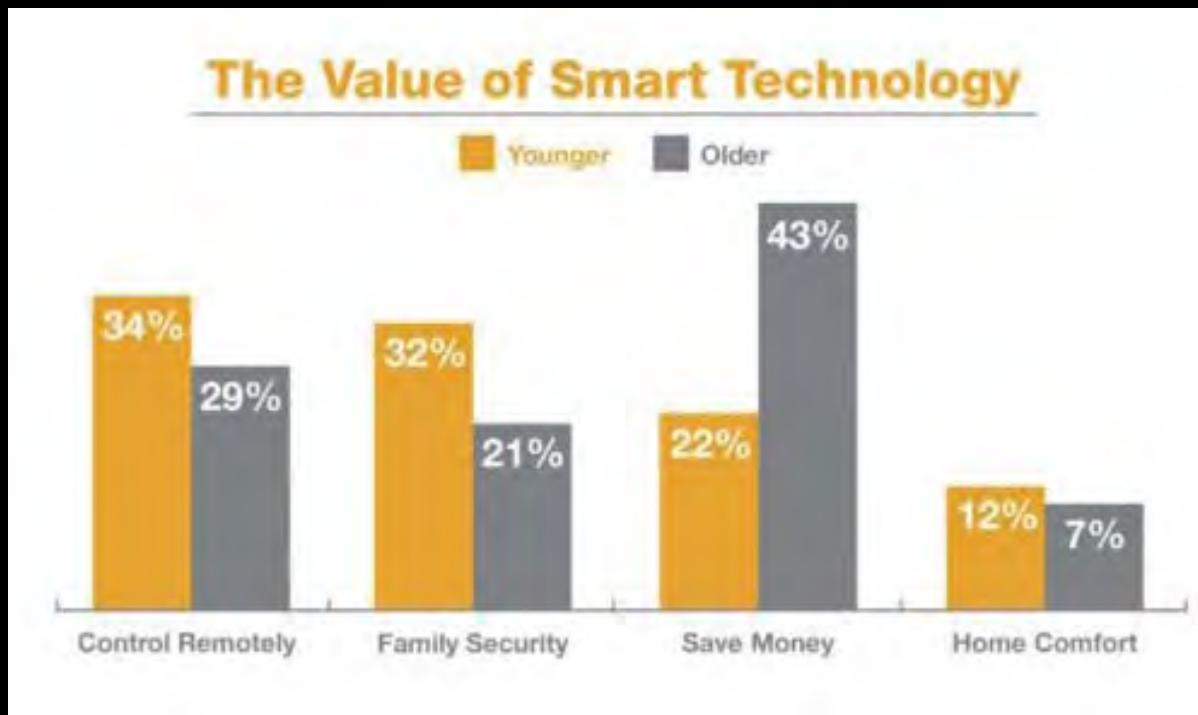
Source: 2011 SG Consumer Collaborative's *Consumer Pulse and Market Segmentation research program*

**Hometown
Connections®**

Customer Segmentation Example: 2006 Energy Pulse Consumer Survey

| | CONSERVATIVE CLASSICS | YOUNG URBANITES | WORKING-CLASS REALISTS | PROGRESSIVE MATRIARCHS |
|----------------------------------------------------|---------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|
| % of U.S. Population | 33% of the U.S. adult population | 27% of the U.S. adult population | 21% of the U.S. adult population | 19% of the U.S. adult population |
| Political Affiliation | Primarily Republican | Primarily Democratic | Primarily Democratic | Democrats or Independents |
| Age | Middle-aged | Unknown | Unknown | Older |
| Income | Middle- to upper-income | Unknown | Low-income; "blue collar" | "White collar" |
| Ethnicity | Primarily white | Ethnically diverse with a high percentage of Latino/Hispanic | Ethnically diverse with a high percentage of African Americans | Ethnically diverse |
| Dominant Gender | 64% male | 62% male | Equal number of men and women | 77% female |
| Education | Moderate education | Well educated | Less educated | Well educated |
| Geographic Region | Rural and suburban areas in the South and West | Urban and suburban residents | Primarily located in the South and Midwest | Suburban residents; located in the Northeast, West and Midwest |
| Key Motivators | "Saving money" "Protecting the nation's economy" | "Protecting the environment/saving natural resources" "Preserving the quality of life for future generations" | "Preserving quality of life for future generations" "Saving money" | "Protecting the environment/saving natural resources" "Preserving quality of life for future generations" |
| Who is Responsible for Rising Energy Costs? | U.S. government (26%) Oil companies (22%) | U.S. government (20%) | U.S. government (36%) War in Iraq (18%) | U.S. government (32%) U.S. consumer demand (23%) |

Customer Differences by Age



Source: KSV, 2015

**Hometown
Connections®**

Market Segments

- Commercial/Industrial segments often better served with different segmentation scheme
 - Size
 - Industry type
 - Usage
 - Operating characteristics
 - Decision-making - local versus elsewhere

How do you differentiate your customers?

- Are there additional or unique subsets or segments that would benefit them and/or the utility if they were identified?

Stakeholder Identification

- Are there stakeholders – other than customers – whose voice needs to be heard?
- Landlords? HOAs? Developers? Chamber of Commerce? Sierra Club?
- How to reach them? What role should they play in your customer service strategy?

How do you create a culture of customer service?

- Customer Service staff alone can't do it
- Front line staff alone can't do it

It takes the whole organization, operating as a system, to make this happen.

Starting at the Top

The Role of the Governing Board

- Represent the “Owners” of the utility
- The voice of the customer/community
- Articulate organizational priorities
- Customer service as a strategic priority
- *Speaking with one voice*

Management

- Make sure good front line staff are hired.
 - Yes, but so much more...

Management

Support a effective employee culture:

- Recruitment
- Hiring
- Training
- Feedback
- Reward
- Empowerment
- Focus...

Management

Foster a strategic conversation:

- What are our organizational priorities?
- What is most important to our customers?
- What are we doing well?
- What should we be doing better?
- How will changes outside our utility make our jobs easier? Harder?
- Make it easier for your employees to understand how their job fits in delivering exemplary service

**Hometown
Connections®**

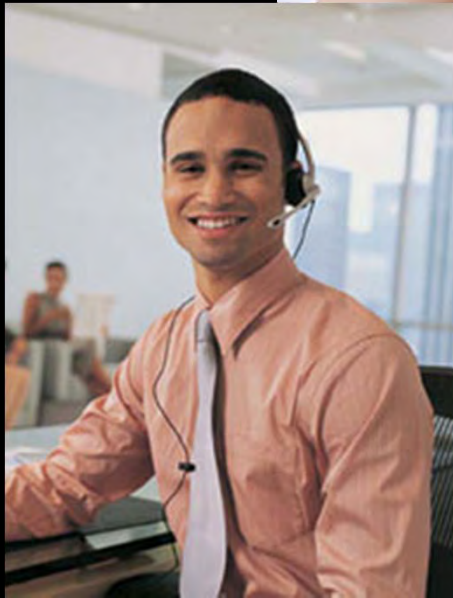
Internal Services

- Who is your customer?
- How does your job make other employees' work more effective?
- Are they getting what they need from you?
- How do you balance the requirements of the employee against the fiduciary or legal requirements of the organization?

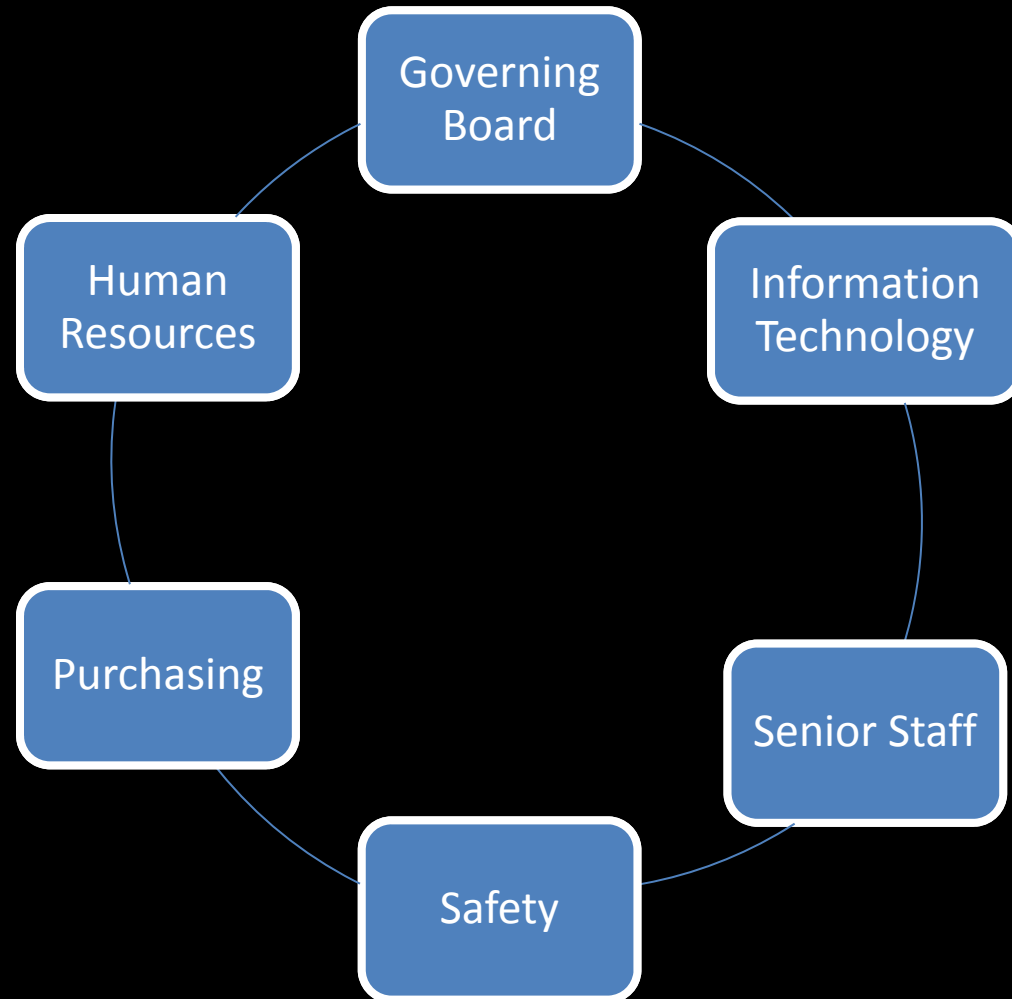
Don't Have a Customer?

- You better find one and serve them!
- Otherwise, why are you here?

This is the face of your utility



But they can't deliver strong customer service without everyone else



Integrated Solutions for Public Power

ENGINEERING & OPERATIONS



CUSTOMER CONNECTIONS



BUSINESS & FINANCE



SYSTEM IMPROVEMENT



Thank You!

Steve VanderMeer

svandermeer@hometownconnections.com

970-221-4494

**Hometown
Connections®**