

What Customer Experience Do We Want to Deliver in the Future?

Copernicus was Wrong!

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VP Business Development E Source

Utility Energy Forum

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E Source



“The Universe **DOES**
revolve around you.”

- COPERNICUS
E Source

Put the **Customer** in the **Center** of Your Universe (Your Business Strategies and Plans)



“STATUS QUO IS NOT AN OPTION”



The soft-minded man always fears change. He feels security in the status quo, and he has an almost morbid fear of the new. For him, the greatest pain is the pain of a new idea.

(Martin Luther King, Jr.)

izquotes.com

Customers are Changing

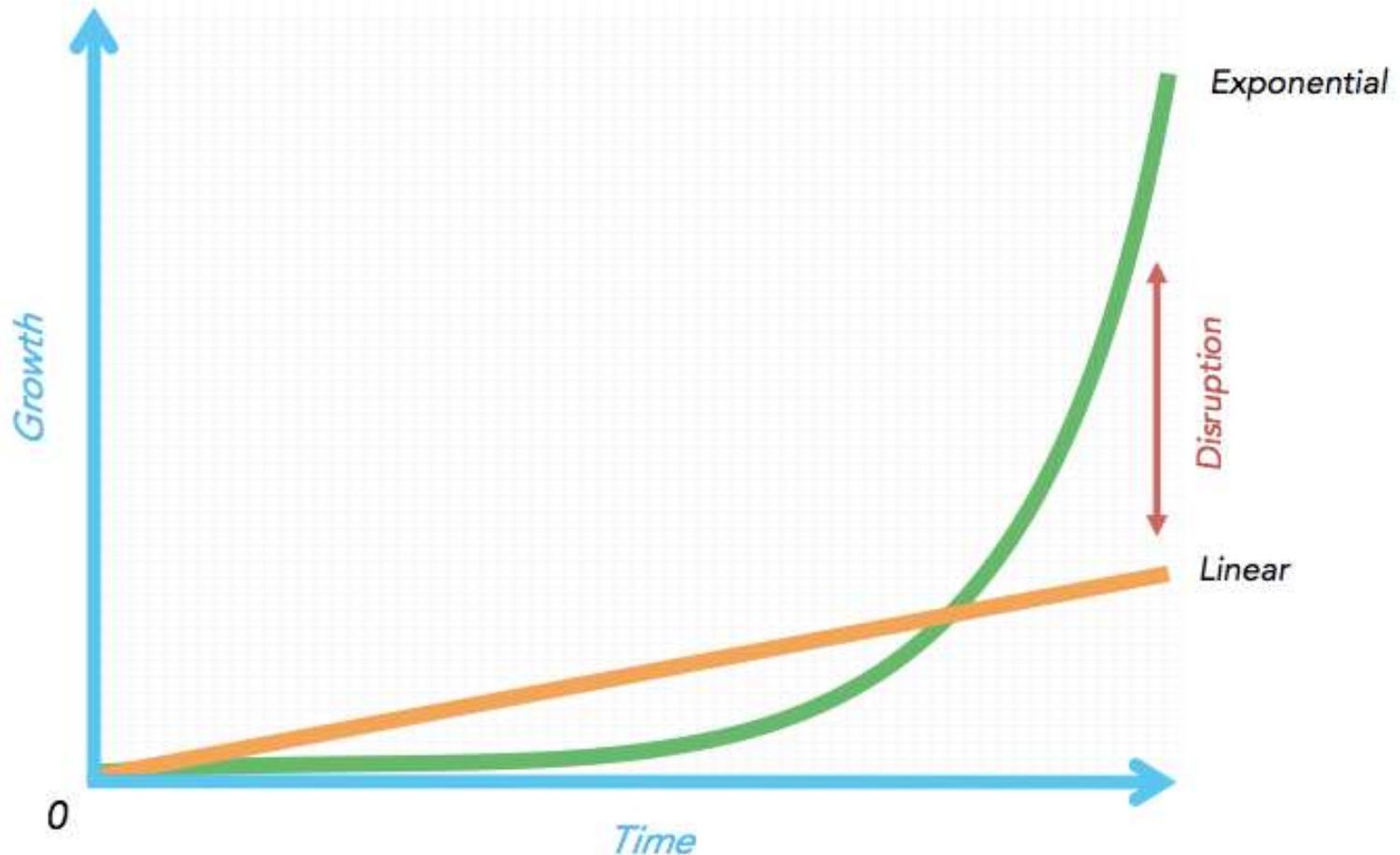
- Population and demographic shifts with ethnicity the “new normal”
- Households and families are changing
- Women becoming the majority of “head of households”
- Millennials now largest bubble
- The “Baby Boomers” retiring at a faster rate
- Growth in “stay in home” seniors

Changing Preferences and Channels in Customer Communication

- Decline in traditional media
- Continued growth in social media
- Mobile is king!
- Available 24 x 7 x 365
- Omnichannel experience
- Digital dominates



Utilities are a Linear, but Customers and Businesses are Operating in Exponential Growth



"We won't experience 100 years of progress in the 21st century — it will be more like 20,000 years of progress."

Futurist Ray Kurzweil

Collaborative or Sharing Economy

- Why own or buy “it” when I can rent, borrow, swap, stream, barter, gift-it, or use it as a service
 - Sharing reinvented through technology
 - On-demand services
- Peer to peer electricity trading already here



vandeboron



Open Utility

LO3 ENERGY



CO-TRICITY



With or Without You

- **90** global companies including J&J, Procter & Gamble, Nike, Coke, BMW, GM, Starbucks, Ikea, H&M, Apple, WF, and Walmart have **committed to 100% renewable power** under [theRE100.org](http://there100.org)



<http://there100.org>

- **35** U.S. municipalities have committed to 100% renewable power under go100percent.org including San Francisco, Rochester MN, Palo Alto, San Diego, Georgetown TX, Hampton NJ, Salt Lake City, Leesburg KS, Ithaca, Aspen, Honolulu, and San Jose)

Apple continues work with suppliers on clean energy

April 17, 2017

As Apple continues to focus on driving sustainability throughout its supply chain, three new companies have committed to using 100% renewable energy to manufacture iPhone parts. ...read more



Smart Energy Decisions Articles

Wal-Mart to turn stores into 'hybrid electric buildings'

April 12, 2017

Under the first phase of a new agreement, Wal-Mart will see the installation of 40 MWh of advanced energy storage systems at 27 stores in Southern California....read more



California amusement park joins green power program

April 21, 2017

A California amusement park has joined a number of other large energy users in Santa Clara in taking advantage of a renewable energy program that will cover 100% of its electricity use. ...read more



Starbucks nears commercial operation of 1st solar farm

April 21, 2017

Already meeting its 100% renewable energy target, Starbucks is making a strategic shift in its corporate renewable energy strategy. ...read more



Macy's touts new rooftop solar, storage projects

April 24, 2017

Macy's has completed the installation of 21 solar energy projects over the past year at Macy's and Bloomingdale's locations across seven states; the company is also utilizing battery storage systems at three Southern California stores. ...[read more](#)



Solar project to save Ricoh \$1.9M over 10 years

April 25, 2017

Ricoh USA Inc., the North and South American arm of Tokyo-based Ricoh Co. Ltd., recently announced a series of energy-related sustainability milestones, including the installation of a grid solar array that will help power its Caldwell, N.J., offices...[read more](#)



NYSERDA unveils \$15.5M in funds for energy storage

April 24, 2017

The New York State Energy Research and Development Authority has made \$15.5 million of funding available for energy storage projects. ...[read more](#)



FEATURE STORY

Is battery energy storage at a 'turning point' for US utilities?

Speedy deployments of long-duration storage last year in California could mark a watershed moment for the sector, analysts say.

Battery, tech companies urge Congress to include storage in infrastructure plans

The Energy Storage Association joined more than 50 other companies and groups in signing the letter to lawmakers.

Utility Dive April 11, 2017

While California utilities continue to lead the nation in new megawatts of solar and storage, market growth in both sectors is spreading from west to east, SEPA said. On the 2017 lists, utilities in North Carolina and Georgia took four spots on the Top 10 for solar megawatts, while utilities in Illinois, Indiana and Ohio took three spots on the Storage Top 10.

From the April 27, 2017 issue of *Public Power Daily*

**Either Disrupt Yourself
OR
Be Disrupted by Someone Else**

Industry Current State

Future State

Managing business as usual

Managing for growth and change

Reliably supply a commodity

Create strategic value

One approach fits all

Customer prioritization & segmentation

Need to Remove Your Filters

- We are blinded by our past memories, experiences, mores, culture, etc.
 - Selective attention
 - What color are “Yield” signs?

In 1971, the USDOT stipulated that yield signs should be red with a white triangle in the center and red lettering. The signs were changed in color because red is thought to be more attention grabbing.



Rethink what business you want to be in: Are you too narrowly focused?

- Our mission is to provide clean, safe, reliable, affordable electricity/gas

Missing words?

- Integrated, Innovative
- Solutions, Value
- Customers, Employees, Community
- We, Together, etc.

Jeff Bezos – A Letter To Shareholders-

4/12/17

Secrets to Being Successful in Business - #1 Reason

True Customer Obsession

- "There are many ways to center a business. You can be competitor focused, you can be product focused, you can be technology focused, you can be business model focused, and there are more. But in my view, obsessive customer focus is by far the most protective of Day 1 vitality. Why? There are many advantages to a customer-centric approach, but here's the big one: customers are always beautifully, wonderfully dissatisfied, even when they report being happy and business is great. Even when they don't yet know it, customers want something better, and your desire to delight customers will drive you to invent on their behalf."



Green Direct Renewable Energy For Business - Launched April 2017

- 100% dedicated renewable power for set price for next 10, 15, or 20 years
- Has 4 municipalities, 7 Target stores, 5 REI Stores plus corporate HQ, and 116 Starbucks subscribed to be 100% renewable energy

Xcel CO piloting a similar program for large C&I customers now called “Renewable Connect”

Competition May Seem Small Now ...



Source: picphotos.net

New Types of Competitors Targeting Large Businesses

stem



New Types of Competitors Targeting Consumers and SMB



When Competition Begins . . .

- First, we compete on price
- Then, we compete based on better service
- Ultimately, we will compete based on product & service innovation and solutions to increase the “stickiness” and loyalty of your customers

"Never ever compete on prices, instead compete on services and innovation."

Jack Ma, Chairman of Alibaba

Shift From *Utility-Centric* Program Design & Marketing Strategy

Like a hammer looking for a nail

1



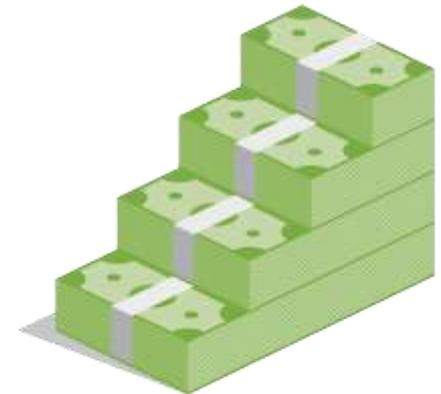
Load-shape goal or cost-cutting goal

2



Target customers

3



Sell and bribe

To *Customer-Centric* Product Design and Marketing Strategy

1



Research & target customers

2



Incorporate customer value & attractive attributes

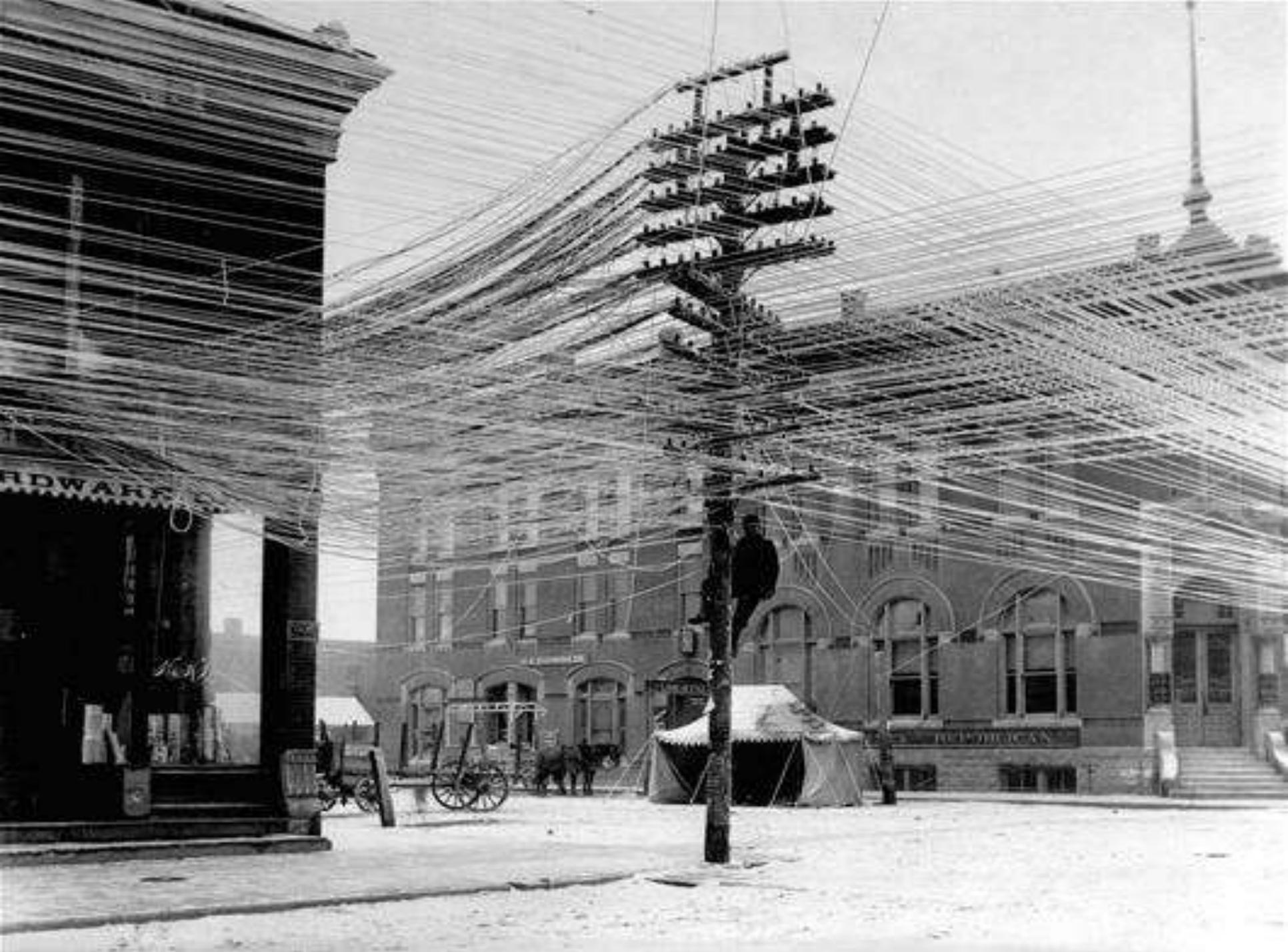
3



Bake in utility goals & marketing

A person is shown from the chest up, sitting at a desk and using a laptop. The laptop screen displays a social media profile page with a search bar, a profile picture, and a 'My Status' section. The background is a solid blue color. A white rectangular border frames the central text.

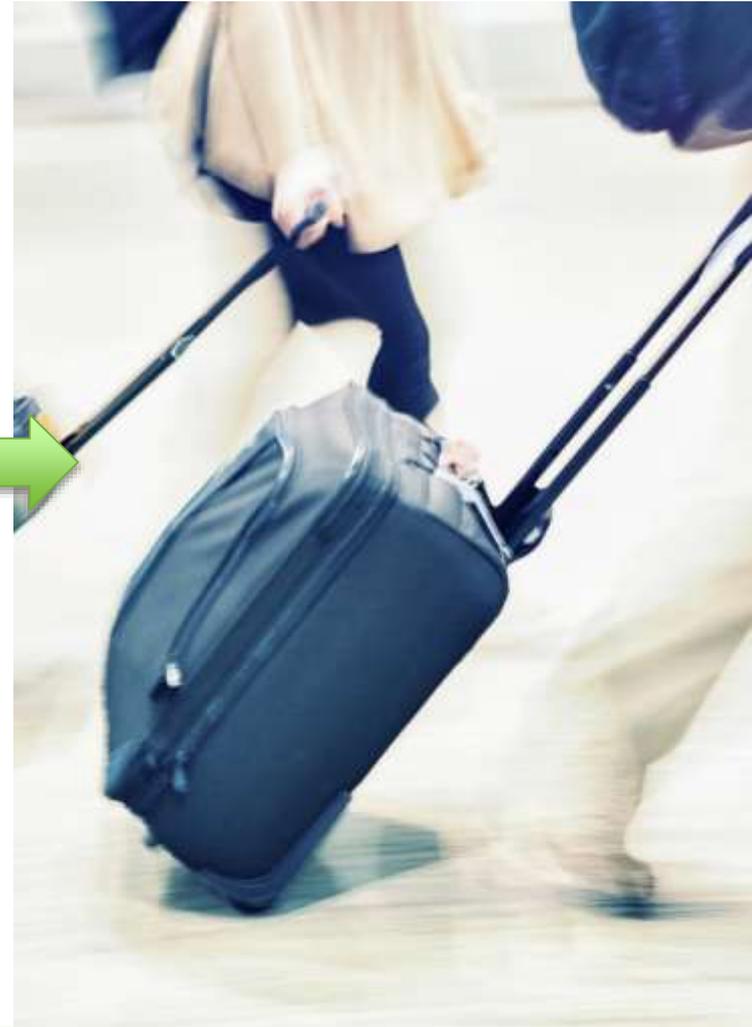
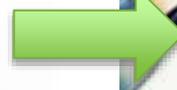
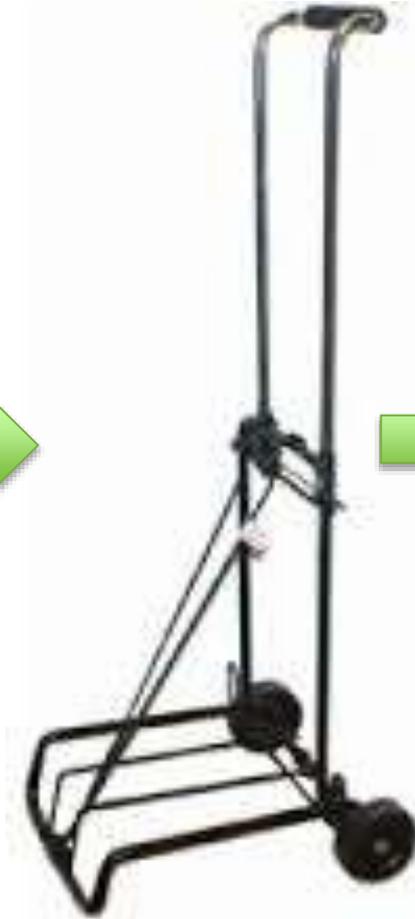
Utility Innovation and New Products



EDWARE

MURPHY'S

Are we too close to the problem to see it as a problem?



Innovation Doesn't Come Easily to Many Industries and Products



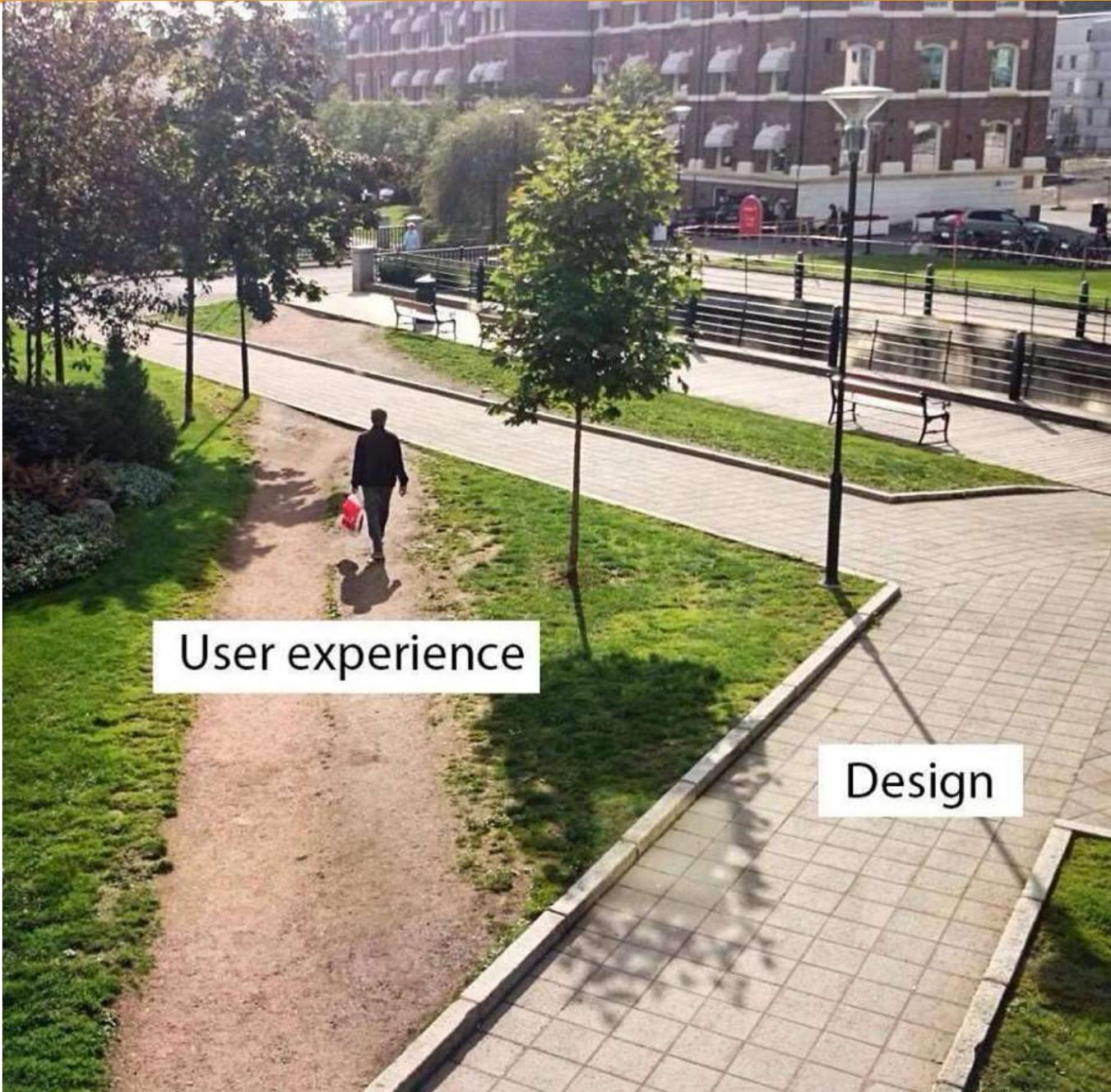
Utilities Need to Be Easier to Do Business With !



Source: Rocketdock.com



Human-Centered Design Thinking

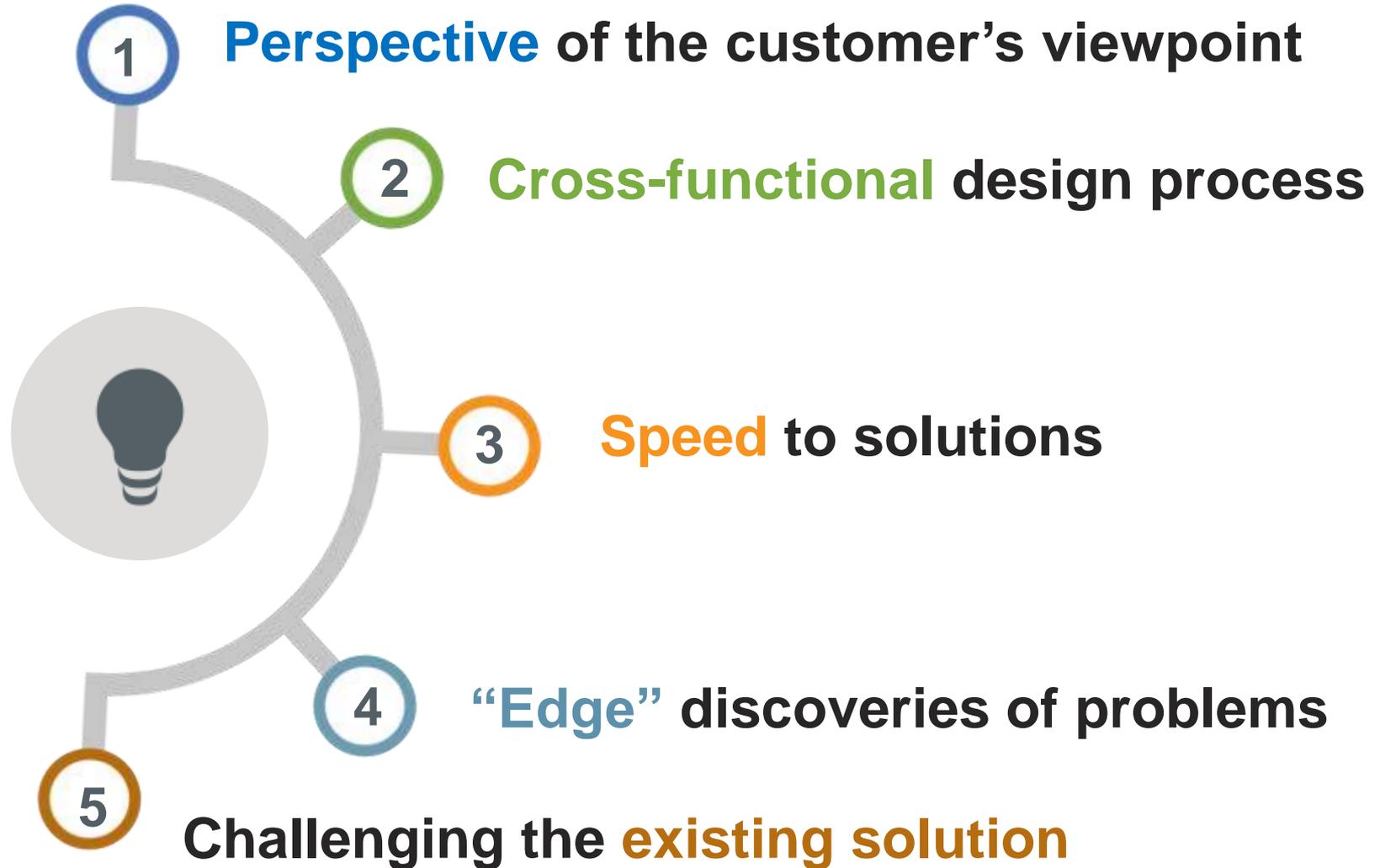


User experience

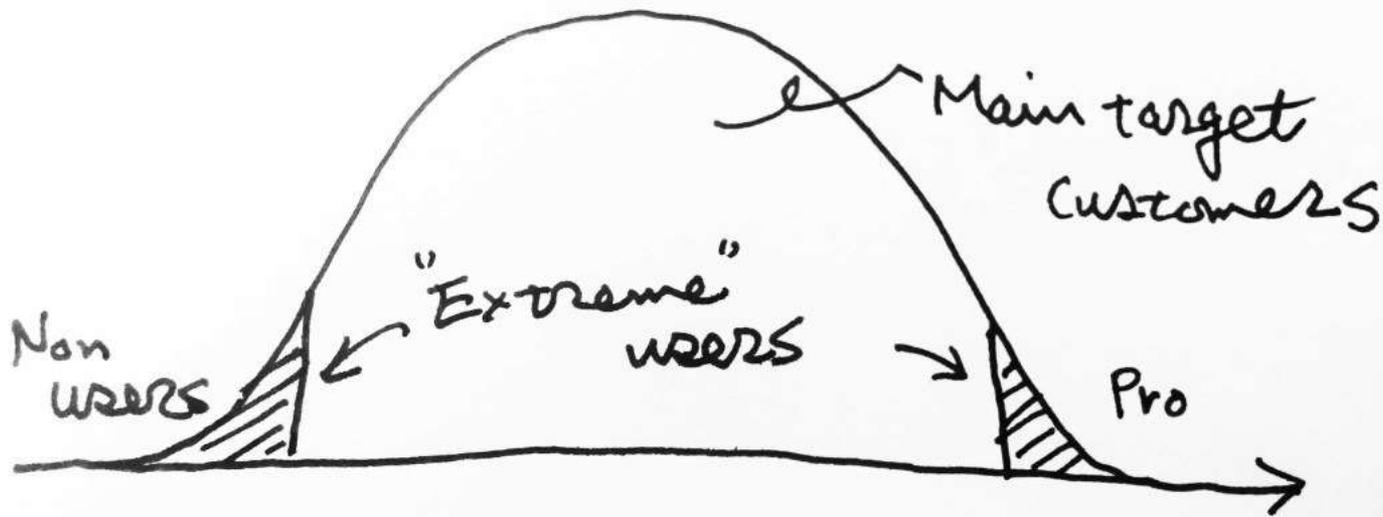
Design

<http://99percentinvisible.org/article/least-resistance-desire-paths-can-lead-better-design/>

What Design Thinking Gets You



Discovery and Insight Heightened by Looking at Extreme Users



<http://weunleash.co/blog/2015/01/22/extreme-user-research-the-case-of-nintendos-wii/>

AMI that's Simple . . . Yet Necessary, Powerful, and Useful Design

Yello Sparzähler online



Source: ideo.com/work/sparzahler-electricity-meter

Develop Customer Empathy

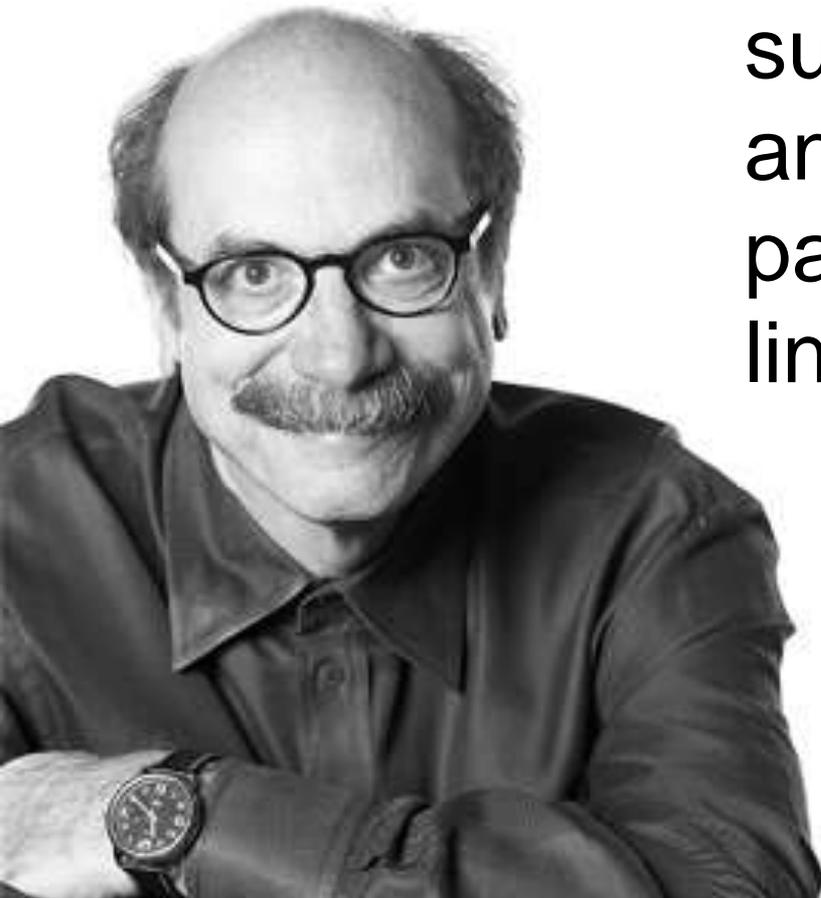


D.J. Conley, a Core INE analyst for Ford Motor in Dearborn, Mich., tries on an empathy suit that simulates pregnancy. PHOTO: JEFF KOWALKSY FOR THE WALL STREET JOURNAL



We've washed other people's clothes by hand in their sinks, stayed as guests in housing projects, stood beside surgeons in operating rooms, and calmed agitated passengers in airport security lines—all to build empathy.”

—David Kelley
IDEO



A Good Utility CX Starting Goal

“A holistic approach to provide the customer with a seamless and integrated experience regardless of channel.”



“Customer Experience should not be a department, it needs to be a culture.”

—Mike Hildebrand, VP Business Development
E Source (November, 2016)

E SOURCE

How to Take Your Organization from DSM to CSM™

www.esource.com/csm



**Think
“Beyond the Meter”**



Smart House
2016

Voice Control & Artificial Intelligence (AI)

The Intelligent Assistant (IA)

Turn off the TV.

Please lock the doors?

Your appointment is in 15 minutes.

Turn my living room lights on.

Play smooth jazz with lighting ambiance.

Order a Dominos pizza.

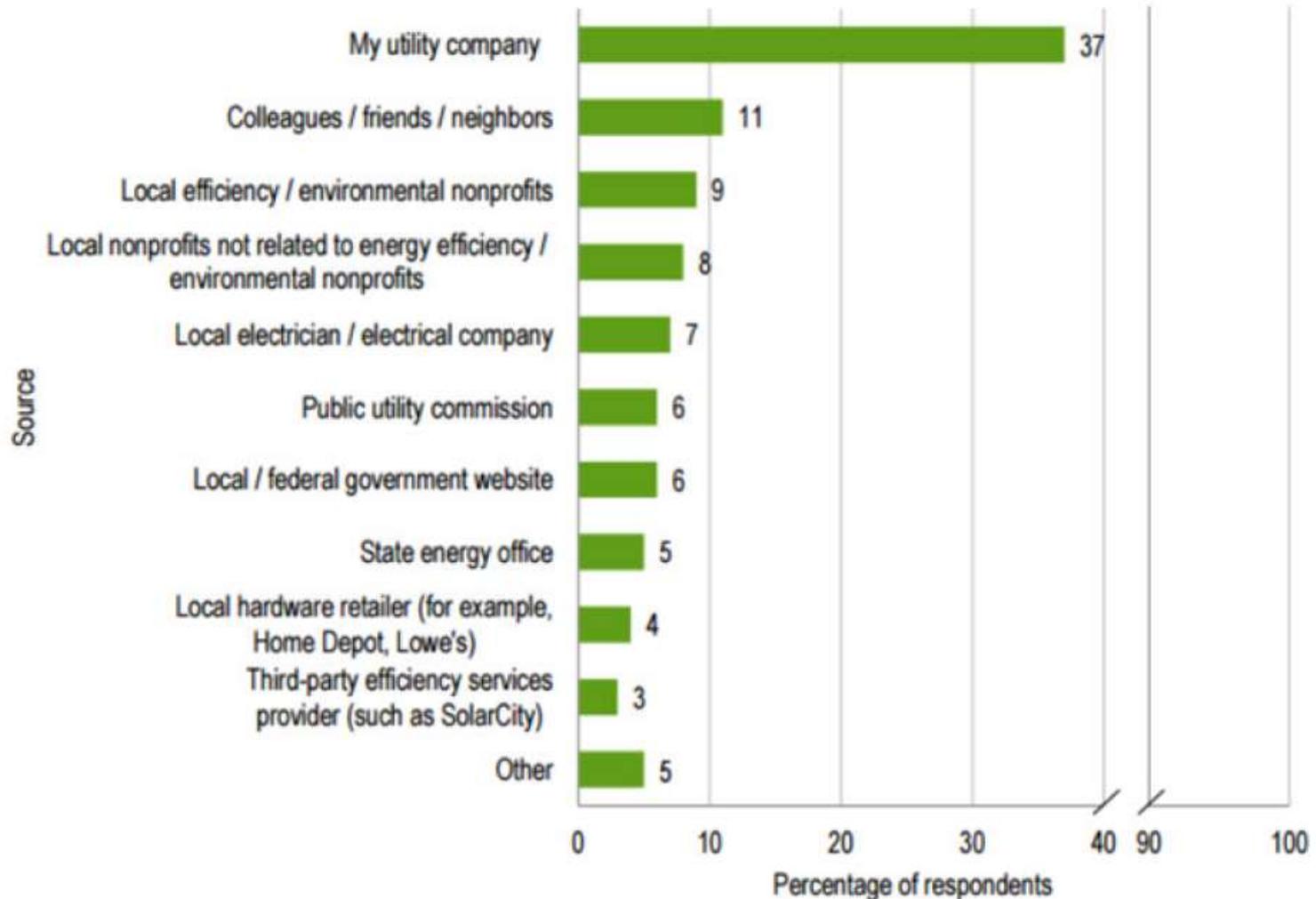
Turn the temperature up!

I'm going to bed now.



Source: Amazon

Residential customers trust their utility for advice on saving energy in the home

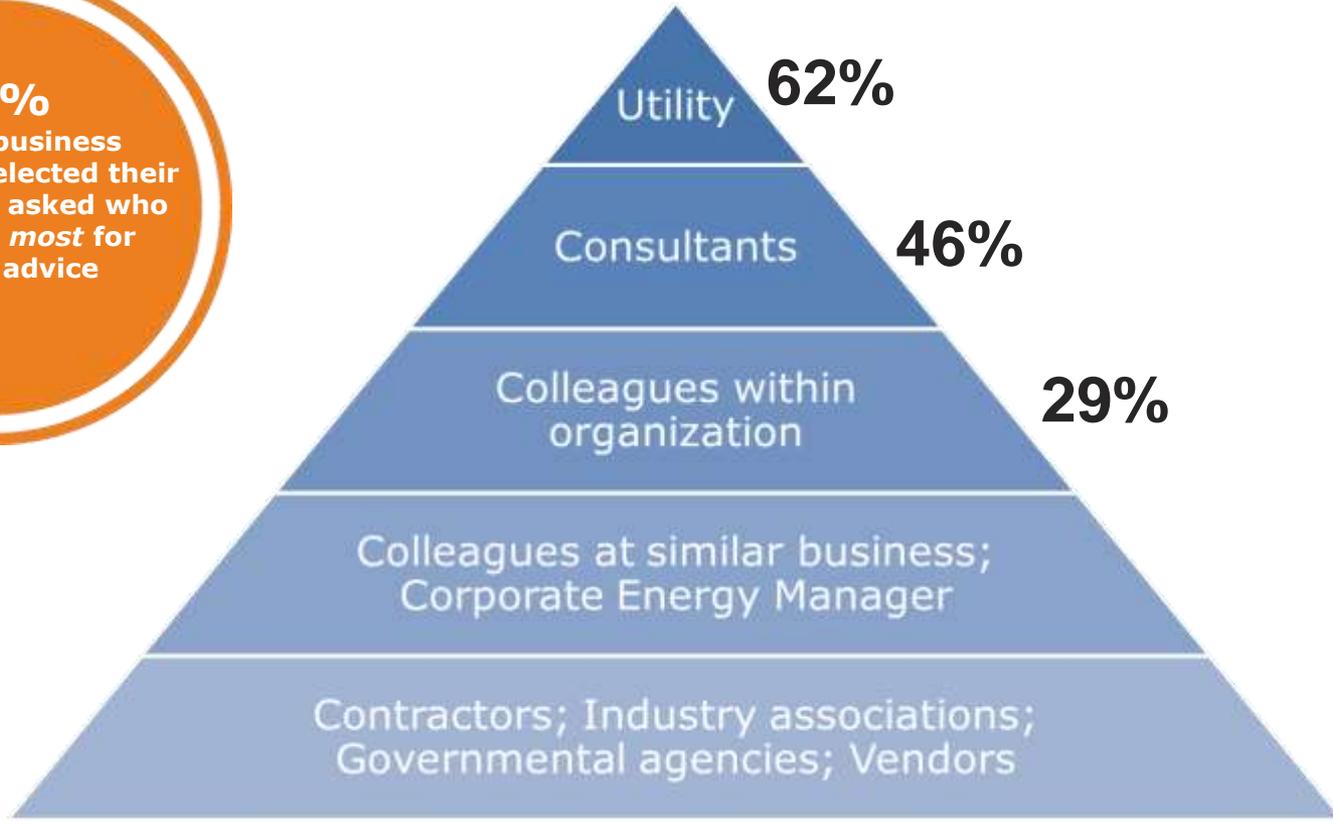


Base: Total sample (n = 1,000). Question S6_5: Which of the following do you trust *most* as a source for learning about how to save energy in your home?

© E Source

Large Businesses Trust Their Utility Most for Energy Advice

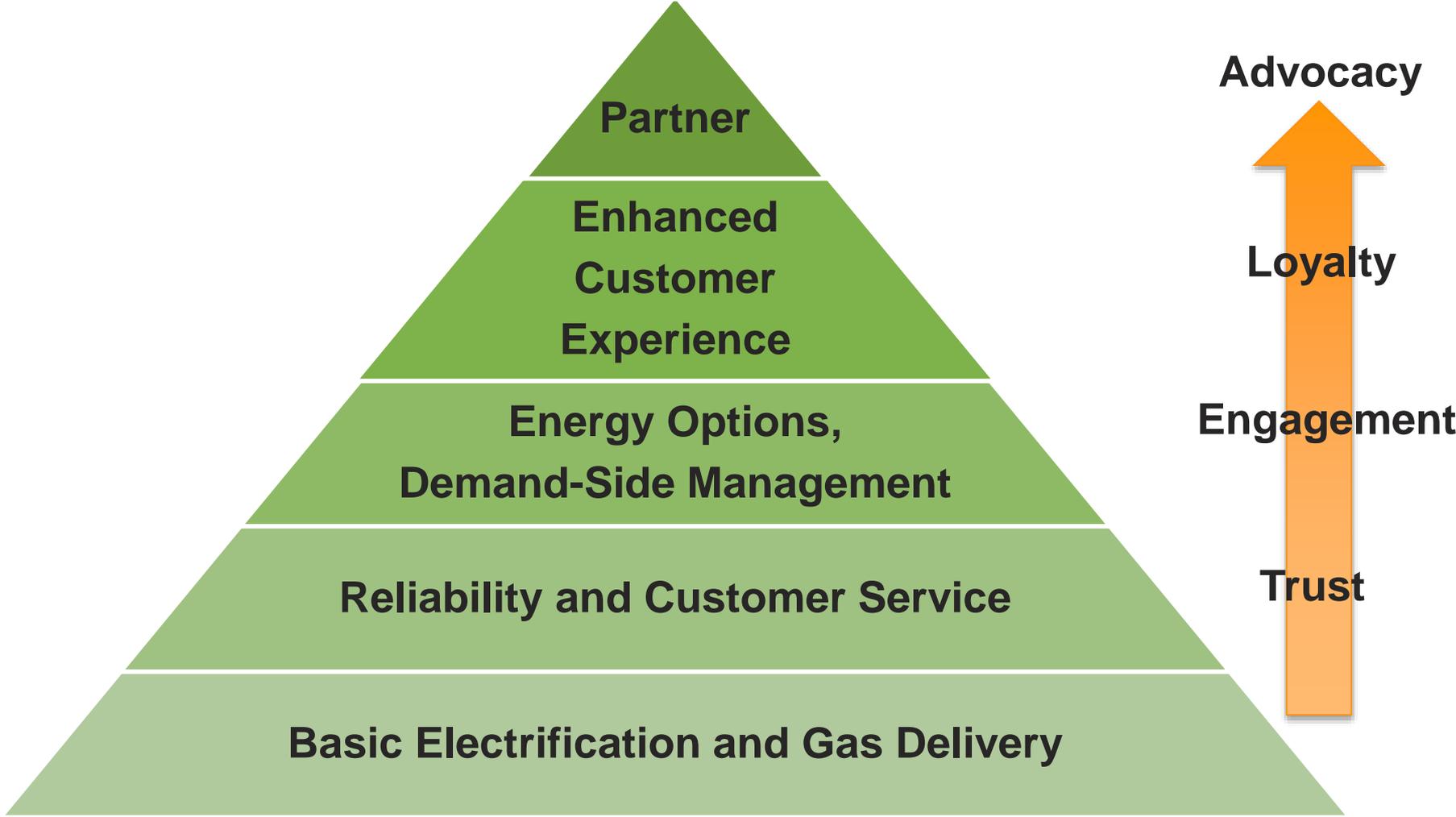
62%
of large business customers selected their utility when asked who they trust *most* for energy advice



Source: E Source 2014 Large Business Customer Satisfaction Survey
N=1,700 large business key account customers.



Think About Your Long-term Brand and the Evolution of its Attributes



What do you sell? Energy or Solutions

Comfort Efficiency

Transportation

Lighting Productivity

Financing Refrigeration

Hot water Reliability

SUSTAINABILITY Storage



There Is Opportunity For You!

To create new offerings

To improve the customer experience



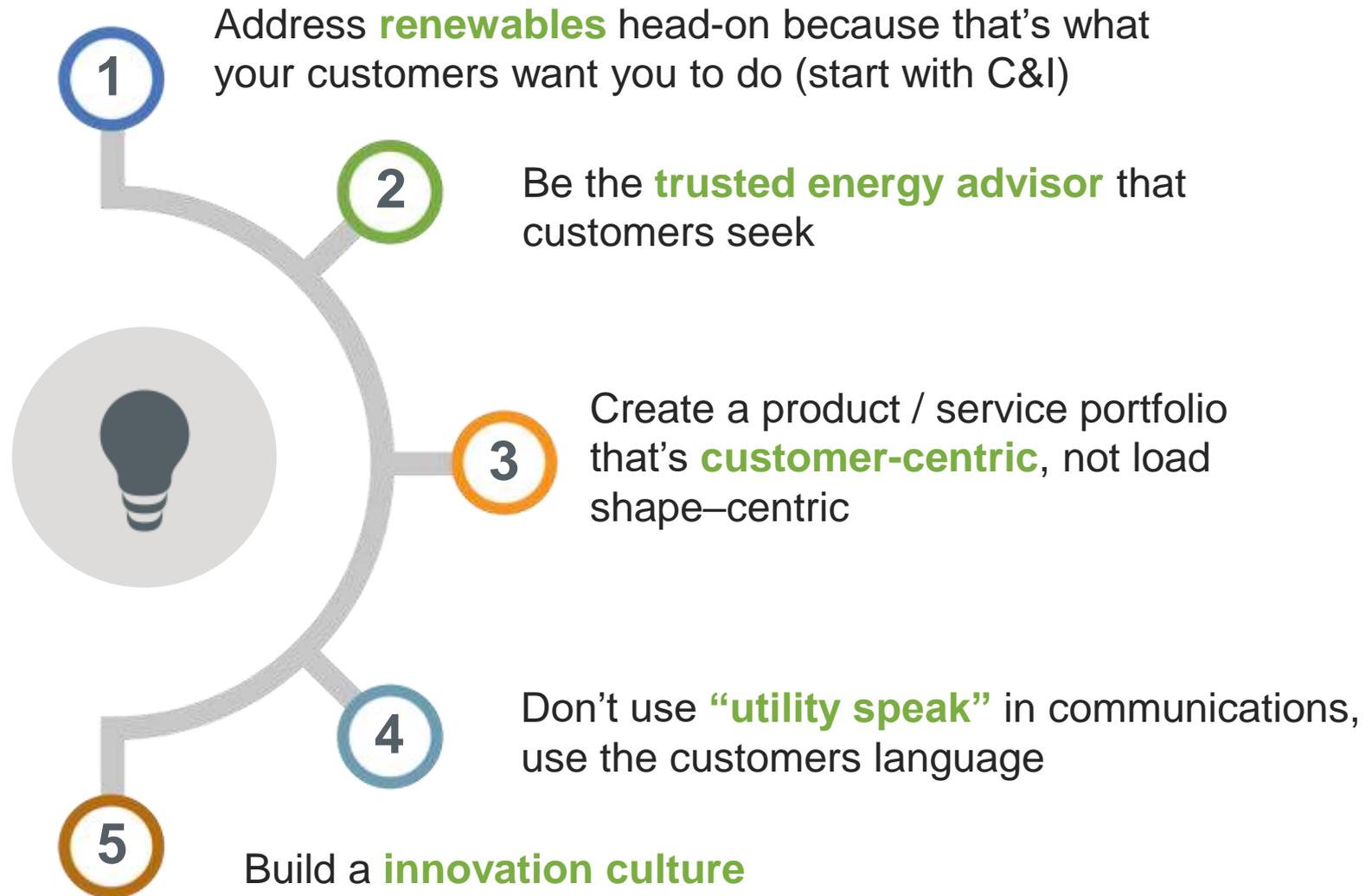
To blend DSM, DERs, and CX

To initiate regulatory realignment

To forge creative partnerships



Positioning the Utility of the Future for the Customer of the Future



Put the **Customer** in the **Center** of Your Universe (Your Business Strategies and Plans)



Thank You!

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