



Customer & Employee Engagement via Digital Transformation

How new technologies drive employee engagement and customer satisfaction

By: Joanne Fletcher and Jay Malin, AGENT511

1 Background

Utilities have always been required to balance customer needs and pricing with operational requirements, revenue requirements, and legislative mandates. These often-competing forces challenge utility leaders to consistently look for opportunities for greater efficiencies, reduced expenses, and enhanced revenue streams.

Today, utilities are meeting these challenges by taking advantage of digital technology opportunities allowing them to update and transform their infrastructure, their operations, and their business models.

2 Thesis

The focus of this paper is not on the physical reshaping of the physical assets, the plants, wires, and pipes required to generate and distribute gas, electricity, and water. But, rather, on the softer side of the business--the people side of the business: the customers and the employees.

Research shows¹ that the customer and the employee form a critical relationship important to the success of any organization. More specifically, customer satisfaction and employee engagement are inextricably intertwined and part of an important feedback loop that can detract from or enhance profitability.

This interaction has been coined the Engagement-Profit Chain by

¹ James K. Harter et al., "Business-Unit-Level Relationship Between Employee Satisfaction," Employee Engagement, and Business Outcomes: A Meta-Analysis, *Journal of Applied Psychology*, 2002, Vol. 87, No. 2, pp. 268–279, https://www.factorhappiness.at/downloads/quellen/s17_harter.pdf

Kevin Kruse² as described in Figure 1.

Figure 1: The Engagement-Profit Chain



How can utilities operationalize the Engagement-Profit Chain? How does this industry reshaping impact employees, customers, and their relationship with each other? What are the opportunities for utilities willing to embrace change in this area?

3 Modernization Trends

The good news is that the modernization of the physical infrastructure begun or undertaken by most utilities over the past decade offers foundational pieces required to address the customer and employee issues of satisfaction, engagement and profitability as well.

Modernization has included the use of digital technology. Infrastructure digitization is helping utilities stay relevant, competitive, efficient, and viable. This same modernization of mechanical meters to digital smart meters; hardwired communication to wireless networks; and centralized controls to distributed technology devices also provides the groundwork needed to optimize the customer experience in order to achieve operational excellence. The findings of the 2019 Gartner CIO Survey support that digitization has been used

² Kevin Kruse, "What is Employee Engagement, Forbes, April 4, 2012, <https://www.forbes.com/sites/kevinkruse/2012/06/22/employee-engagement-what-and-why/#10e29a8e7f37>.



to reduce costs and improve operations, both of which ranked as top priorities by utilities.³

4 Digitization Supports Customer Initiatives

Gone are the days when the utility only interacted with a customer about bill payment or setting-up or ending service. Gone are the days when consumption information is provided once a month. Gone are the days when paper bills are sent to homes and businesses and checks sent to the utility via the postal service.

Today's customers want more: more information, more convenience, more options, and more personal service.

Customers have become accustomed to responsive, personalized, and targeted communication. They want immediate access to information any time of the day or night and prompt resolution to their problems or concerns. Some customers prefer a live agent interaction and will make a phone call to a business during the typical workday. Some prefer the convenience of finding what they want from their laptop or phone without connecting with a live agent. And some may want the convenience of both options or require the assistance of a live agent via online chat. The common denominator in all scenarios is that customers expect personal, relevant information, through their preferred channel of communication, on their timetable, at their convenience.

How can a utility meet this elevated expectation of service? This is where digitization and new technology can help. Older technology, phone calls and IVRs can now be supplemented with intelligent routing, automated alerts, two-way chats, natural language processing, artificial intelligence, text messaging and social media automation. These tools build on the digital technology available to utilities and consumers today. Taking advantage of this technology allows a utility to:

- Offer convenient self-service access to information with options for conducting business and completing transactions at times convenient for the customer.
- Provide proactive and targeted communications that anticipate individual needs and help customers manage their time.

³ Zarko Sumic, et al., "Top 10 Trends Driving the Utility Industry in 2020," Gartner, February 28, 2020



- Enable immediate and responsive access to someone who has the information and authority to help them with any issue or concern.

5 Digital Customer Service Options Enhance Customer Satisfaction

Customers today deal with big retailers who provide high-tech personal, responsive, and immediate support. How does this translate to the utility industry? How do these new technologies support customer satisfaction?

We're used to being able to pay our bills online but with advanced technology customers may customize the timing and type of billing reminders they receive, utilities can send customer's specific and relevant billing information with links to help them pay immediately, if they chose, and customers may see how and when they use water, gas, and electricity to better manage their expenses.

New technology also means having the ability to provide immediate and targeted interactions. Think about a power outage. The first thing a customer wants to know is that their utility knows they're experiencing an outage. Then they want to know how long the outage is likely to last and finally, when their power has been restored. This information gives customers comfort and allows them to better manage their time. With today's technology it's also possible to send a video to customers of crews working in their area. This enhanced interaction supports a sense of safe keeping and partnership.

These types of service offerings take advantage of today's technology capable of integrating your business rules with multiple applications and then applying analytics to decipher and partition information for a specific customer or specific customer groups. Other potential service offerings include:

- Allowing customers to tell you their interaction preferences – the language they speak, how they want to receive information, the time of day they want to hear from you, and the times they don't want to hear from you;
- Allowing connectivity and business support digitally and electronically via multiple devices 24 hours a day, 7 days a week;
- Delivering proactive alerts and notifications such as appointment reminders, water leak notifications, power outage status reports, or payment reminders;



- Creating targeted communications and messages relevant to each customer and their unique situation;
- Providing one-time or ongoing payment options electronically via text and mobile wallets;
- Enabling immediate access to someone who has the information and authority to resolve any issue or concern;
- Leveraging self-service options that use natural language processing and artificial intelligence for smart handling of inbound requests;
- Allowing customers to report issues or hazards via text with geo-location;
- Routing customers to a live specialist, or “concierge,” when requested for inbound engagement and triage; or
- Notifying customers when a technician is in their area.

Customers have come to expect these types of convenient and personal services and their appreciation impacts your bottom line. A customer satisfied with one interaction or transaction will likely engage in additional transactions and develop a positive attitude toward your business. As you move toward digitization, providing enhanced, personalized service for your customers, you’ll also be moving the bar up for customer satisfaction.

6 Digital Customer Service Options Also Enhance Employee Engagement

Even with the proliferation of self-service platforms, many touch points for your customers will still start with one of your employees. So, while digital customer service options and systems are important for supporting customer engagement and enhancing customer satisfaction, they also provide the enabling foundation for enhanced employee engagement. Employee engagement goes beyond employee satisfaction. An emotionally committed employee seeks to help the organization meet its goals. This emotional commitment means engaged employees actually care about their work and the company, leading to better business outcomes.¹

The work environment and tools you offer make a difference in people’s level of emotional commitment, how they feel about your company, their job, and themselves.¹ Allowing employees to use their judgment, encouraging responsibility and decision making, and providing tools to help them do their job better helps employees feel valued and appreciated.

For example, effective self-service options for your customers mean fewer calls to the call center and higher levels of productivity for your



employees.⁴ And, by applying smart routing of the calls that do come through the call center, calls may be further segmented and sent to agents specifically trained to handle that issue. Responses to outbound messages can be routed to specialized call groups best positioned to answer requests. In fact, combined with customer phone number/address, agents may be best matched to the customer.

The impact on employee engagement is threefold. One, employees only deal with the more complex issues requiring keen knowledge, the ability to relate, thoughtful problem solving, and decision-making.⁵ Two, fewer calls present an opportunity for cross-training or other growth opportunities. Three, employees are free to develop new business relationships.

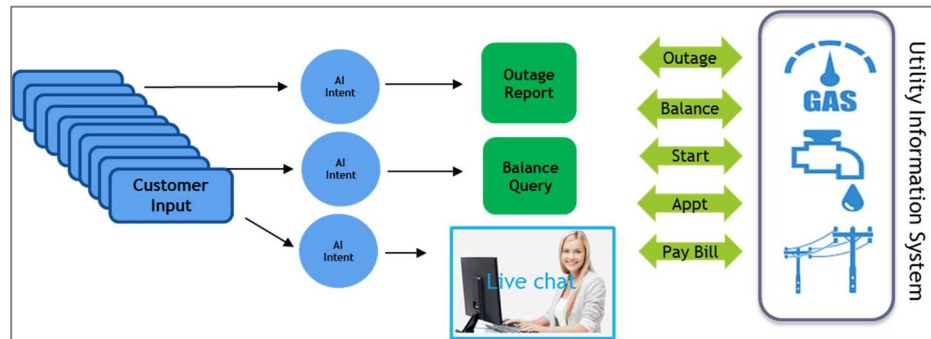
In addition, offering training, and empowering your employees via next-generation channels and tools such as two-way text, social chat, and artificial intelligence help them interact with customers and respond to inquiries knowledgeably and swiftly. Further, it allows your employees to gain specialization⁶ and proactively serve as a premier customer concierge and not just an informational source. Figure 2 shows how customer requests are routed according to intent; calls or texts that cannot be adequately answered are routed to a live representative, herein described as “Live chat.”

Figure 2 customer requests routing by intent/type to specialized representative

⁴ https://medium.com/@OnSecondThought_27622/call-center-technologies-better-technology-for-better-call-centers-customer-experience-b161e39cc976

⁵ Solomon Markos, “Employee Engagement: The Key to Improving Performance”, *International Journal of Business and Management*, Vol. 5, No. 12; December 2010, pp. 89-96, <http://www.ccsenet.org/journal/index.php/ijbm/article/view/6745>

⁶ <https://www.sparkcentral.com/blog/why-specialized-agents-are-the-future-of-customer-service>



When customers use self-service options, customers are “filtered” and agents deal with:

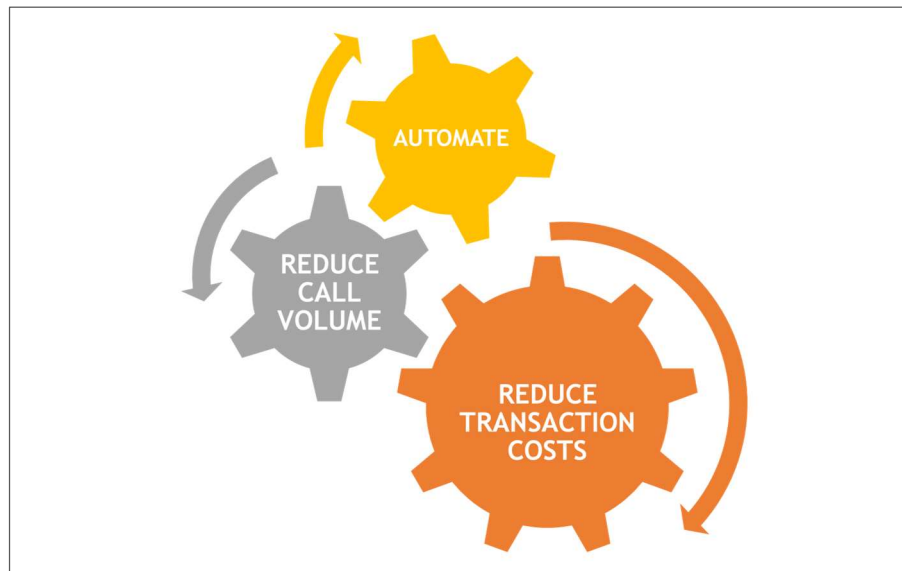
- Less technical savvy customers, and especially the elderly who may need concierge services, thereby creating compassion.
- Customers who have complex requests, oftentimes regarding billing. Some are frustrated and really need help agents. Others are looking for new services and offer new challenges and the ability to upsell customers.
- Customers who could not leverage technologies – if properly empowered, agents fill the void and may contribute to the solution.

Digitization and tools that remove more routine or mundane tasks allow employees to get deeply involved in customer interactions requiring more autonomy, decision-making and responsibility for successful problem resolution. These tools allow employees to handle more complex tasks and engage with customers in more meaningful and impactful ways. This may self-select a group of more compassionate and patient agents who view themselves as brand ambassadors and advocates for your organization.

7 Satisfied Customers and Engaged Employees help the Bottom Line

Anytime a transaction can be automated there is an opportunity for savings. Implementation of self-serve options not only enhances customer satisfaction it allows the organization to gain efficiencies and cost savings. An electronic payment means an employee does not have to open an envelope and process a payment and stub through a remittance processor. Or perhaps it translates to less work for a cashier in the office. A proactive call or text about a service disruption means one less call into the call center asking about the event status.⁷

Figure 3: the impact of technology on customer service



While each of these transactions individually may not translate to observable efficiencies or savings, when they become more frequent the impact on the organization and its processes may be huge.

Employee engagement impacts organizational performance and the bottom line in two key ways. Engaged employees are those who are supported by the organization with systems and tools to help them do their job well. Being provided the tools to work autonomously on complex issues allows employees to find meaning in their work and believe they make a contribution to the organization. Employees are

⁷ Jay Malin, “Preferences and Proactive Alerts for Utilities,” AGENT511, Summer 2018.



more likely to stay in an organization where they believe they are contributing in a meaningful way.⁸ This is often not the case in front-line customer service organizations and supporting an employees' sense of well-being, value, and importance are crucial for retaining your workforce, especially in today's tight labor market. Reducing turnover directly translates to better organizational performance and an enhanced bottom line by reducing money spent on recruitment and training.⁸

And, according to Towers Perrin research, companies with engaged workers have 6% higher net profit margins, and according to Kenexa research, companies with engaged employees have five times higher shareholder returns over five years.¹

8 Closing summary

By leveraging intelligent digital communication technologies, such as self-service customer care, varied digital channels, predictive analytics, and proactive messaging companies increase efficiency, generate revenue, improve customer satisfaction and support employee engagement. Research supports that employee satisfaction and customer satisfaction are an unending loop.¹ They feed on each other and ultimately lead to the kind of loyalty that supports your organization's stability and growth.

Engagement platforms such as AGENT511's REACH™ Preference Management bridge the technology gap in the customer journey by delivering proactive communication and facilitating convenient two-way interactions. By leveraging leading-edge tools like REACH, organizations fulfill their promises to customers and to employees by empowering their workforce and creating more meaningful customer interactions.

9 About AGENT511 REACH

REACH Preference platform leverages integrations with utility systems such as customer information systems (CIMS), outage management systems (OMS), meter data management systems (MDMS), automated meter reading systems (AMI), and appointment schedulers to orchestrate and deliver timely, relevant communications to customers. REACH uses two-way interactivity, natural language

⁸ Ron Hanscom and Helen Poitevin, Gartner, "Measuring Employee Engagement: Past, Present, Future," September 2019.



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processing and live chat features for rich, seamless customer engagement opportunities. In addition, REACH is poised to take advantage of emerging technology to ensure your business evolves to continue supporting seamless, efficient, and satisfying interactions between employees and customers.