



How are utilities organizing the customer experience workforce?

An Ask E Source answer

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March 11, 2019

Q: How do companies that provide a best-in-class customer experience organize themselves to be customer-centric?

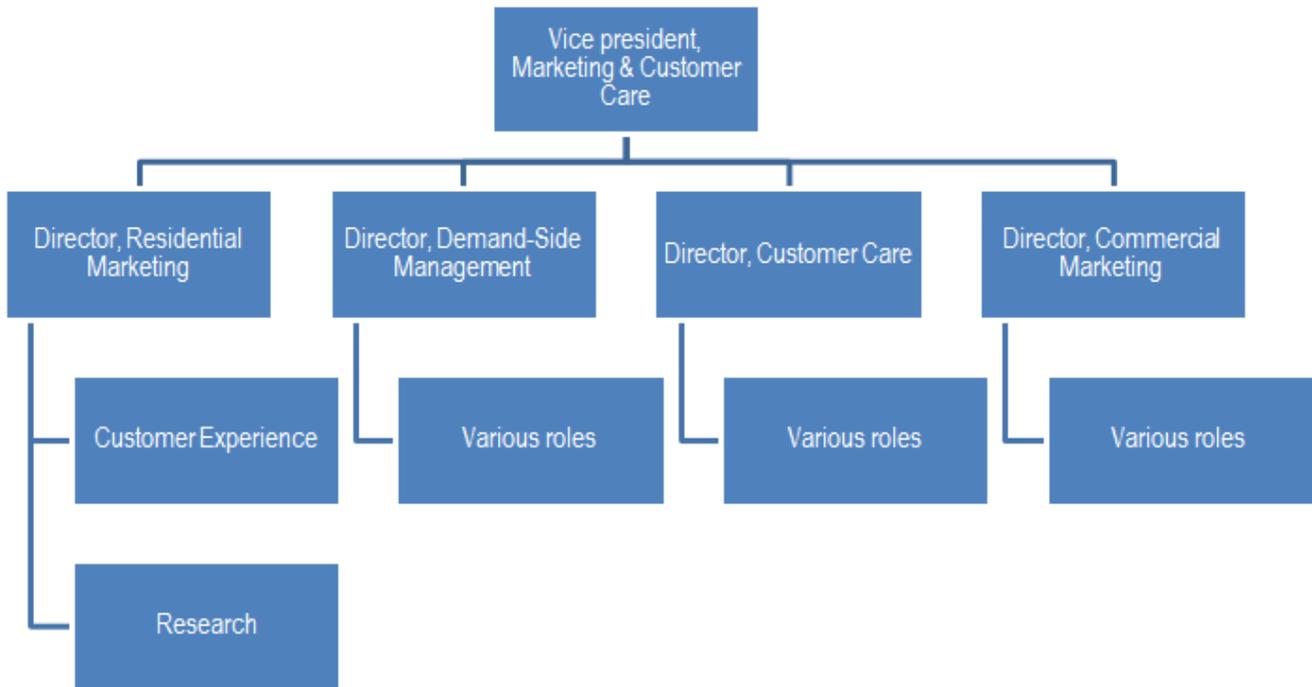
A: How utilities structure themselves around customer experience (CX) is an important part of an overall strategy that might include reviewing how other utilities' CX functions are structured and exploring how CX councils are used to engage the rest of the utility by prioritizing and governing CX efforts cross-functionally. However, we strongly recommend thinking about organizational structure as the last item in a CX strategy.

The customer experience function commonly reports to (**figure 1, figure 2, figure 3**):

- The marketing department
- A channel director
- The chief customer officer or an equivalent

Figure 1: CX reports to the marketing function

When CX reports to Marketing, alignment with brand can be improved. However, the functional alignment and level of influence can create prioritization challenges and limit impact on the utility as a whole.



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Figure 2: CX reports to a channel director

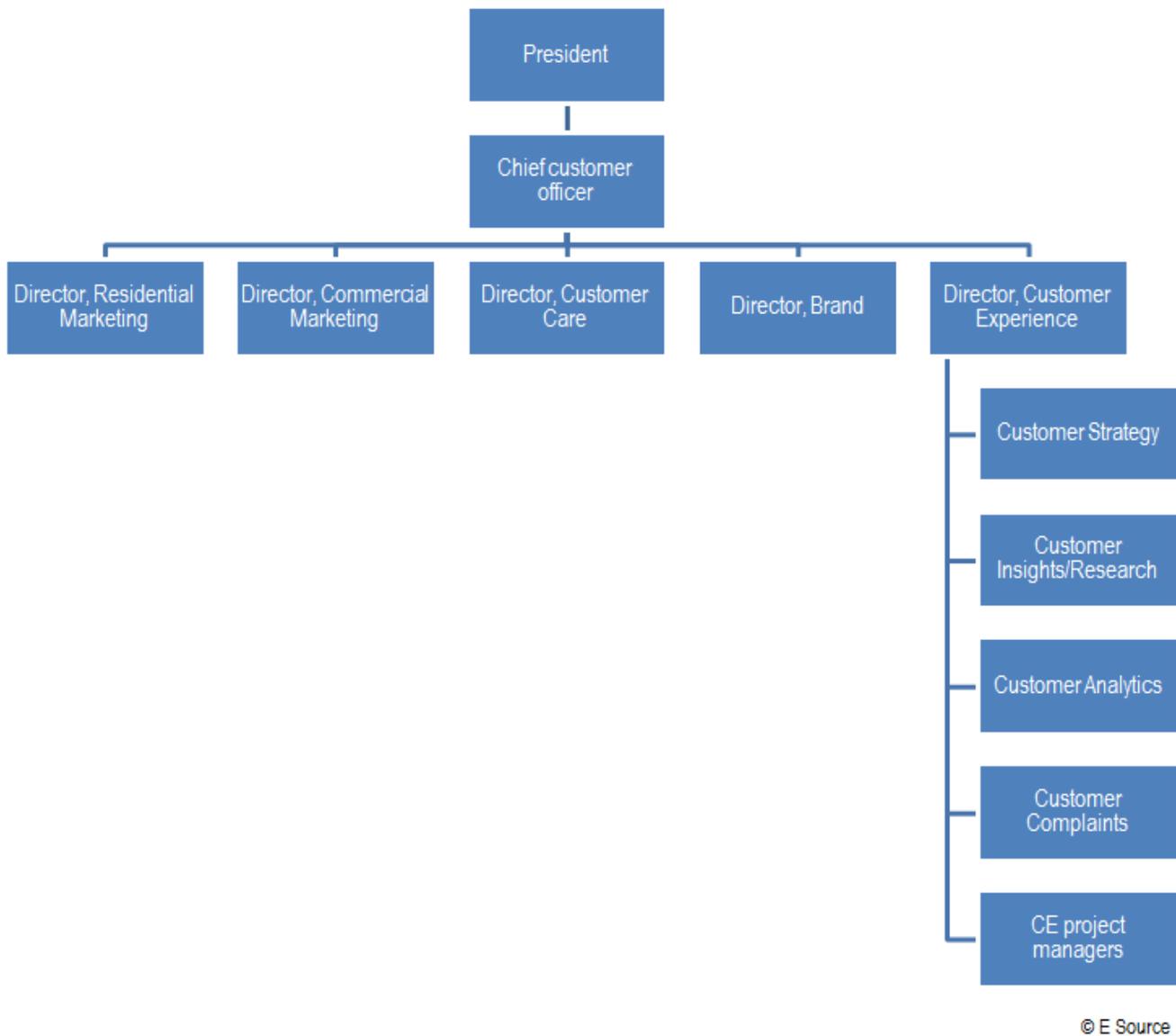
When CX reports to a channel director, the influence of the function is equal to that of Marketing, Customer Care, and Research. However, CX can become lost in the vice president's priorities, and it can become disconnected from the brand.



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Figure 3: CX reports to a chief customer officer (or equivalent)

When CX reports to a chief customer officer (CCO), the vision has a better chance of being disseminated successfully across the organization. This can be especially effective when Marketing, Customer Care, and Brand also report to the CCO. Creating an organizational structure like this, however, can take a great deal of time and effort, and it can cause a great deal of temporary disruption.



The report also explores where the CX teams report, what functions they comprise, and the strengths and challenges faced within three utility companies (**figure 4**).

Figure 4: Sample customer experience organizational structures

AGL Resources, Commonwealth Edison, and Duke Energy shared their customer experience organizational characteristics.

Characteristic	AGL Resources	Commonwealth Edison	Duke Energy
Highest CE title	Vice president, Customer Experience	Senior vice president, Customer Operations	Senior vice president, chief customer officer
Where CE lives	Commercial Operations (all externally facing functions)	Customer Operations	Separate box on the organizational chart
Includes	<ul style="list-style-type: none"> • Customer care • Billing • Credit and collections • Remittance • Quality recording • Complaints • Surveys • Budget • Voice-of-the-customer collection and analysis • Customer data 	<ul style="list-style-type: none"> • Smart meter transformation • Customer financial operations • Customer field operations • Customer channels 	<ul style="list-style-type: none"> • Customer planning and analytics • Customer experience strategy • Authenticated website • E-mail campaigns • Social media • Content management • Digital strategy
Since	2011	2012	2010
Strengths	A separate team that's focused on improving customer experience, which allows the teams responsible for delivering that experience to focus on excellence	Support from the top, which provides credibility throughout the utility	A separate budget, which allows for prioritization independent of products, services, and marketing
Challenges	Educating the rest of the company about customer experience, and balancing traditional call center management techniques with a desire to deliver an overall positive experience	Matrixed efforts frequently create resource constraints	Balancing the strategic agenda with demonstrating tactical value in the business

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Even as organizational structures change (as they have in the aforementioned utilities), the five CX success factors highlighted in the report are timeless:

- Clearly define roles and responsibilities.
- Actively engage an executive sponsor.
- Cultivate CX ambassadors throughout the utility.
- Tap into process-improvement resources.
- Establish a cross-functional CX council.

CX councils for cross-functional engagement and governance

Figure 5 explains the critical role that a cross-functional CX council plays in a utility's CX organization. The report details what a CX council's objectives should be, what its primary activities are, and success factors.

Figure 5: The CX council cast of characters

A successful customer experience council needs executive sponsorship and cross-functional representation.

CX COUNCIL

CAST of CHARACTERS



ROLE: Sponsor

Representative:

Chief customer officer or vice president (VP)

Responsibilities:

- Support strategic direction
- Provide vocal and visible promotion of customer experience (CX)
- Champion required change management initiatives



ROLE: CX lead

Representative:

CX manager

Responsibilities:

- Schedule and lead monthly council meetings
- Fully develop the multichannel CX strategy and gain endorsement from the CX council
- Provide prioritized list of initiatives and projects to undertake over the next three years
- Prepare business cases for each initiative
- Maintain a rolling project plan over a three-year period
- Provide status updates to the CX council on each initiative or project
- Provide post-implementation statistics to the CX council and the functional areas
- Coordinate the development of new metrics and measurements
- Ensure that change management is included in each project plan



ROLE: SMEs

Representatives:

Various SMEs

Responsibilities:

- Participate on project teams approved by the CX council
- Contribute knowledge and creativity to the projects



ROLE: Cross-functional representative

Representatives:

Chair (CX VP or CX director)

Members (VPs or directors) from:

- Customer Care
- Marketing
- Public Affairs
- IT
- Corporate Communications
- Finance
- Operations

Responsibilities:

- Provide vocal and visible promotion of CX
- Ensure that all customer-facing projects are prioritized in one companywide list
- Approve prioritized projects
- Communicate priorities to functional areas
- Secure funding for prioritized projects
- Follow up to ensure that business cases are met
- Align prioritized work within functional areas
- Assign subject-matter experts (SMEs) to projects
- Approve project timelines and review milestones
- Review and approve metrics and measurements
- Champion required change management initiatives



ROLE: Project manager(s)

Representatives:

Various project managers

Responsibilities:

- Develop charter, plan, and timelines for projects
- Track costs of initiatives and projects
- Develop and maintain an integrated multiproject work plan and maintain it for all initiatives
- Manage the work plan and identify issues
- Ensure that the change management philosophy is included in each project plan

Organizational design

In the end, the correct organizational structure for CX at any given utility depends on factors unique to each utility. Structure, in itself, is an artifact of many other organizational factors. Organizational effectiveness expert [Joseph Logan](#) recommends approaching the organizational structure only after defining a few other key items:

- *Strategy*: What is the organization attempting to accomplish? What is the intended outcome?
- *Culture*: What are the expectations and behavioral norms the organization hopes to establish?
- *Roles and responsibilities*: What work needs to get done, and how?
- *Job descriptions*: Specifically, how will responsibilities be divided among different roles?

Only after these questions have been answered, according to Logan, should one begin determining who reports to whom to construct a conventional organizational structure. Understanding that organizational structure is an outcome of strategy, rather than the reverse. Logan suggests the following guidelines for organizational design:

- Begin with strategy.
- Involve the people who will do the work.
- Involve the customer in defining the desired experience.
- Analyze the kinds of decisions that will be made and who makes them.
- Remember that “other org charts won’t tell you anything” because effectiveness is dependent on factors unique to each organization.