Using analytics to enhance the customer experience and predict satisfaction

Powering up CX

Chris Hilborn, Vice President, Customer Insights and Solutions, Liberty

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E Source

POWERING WHAT'S NEXT

Tuesday, May 16, 2023

Today's agenda

- Welcome

- About Liberty

- Liberty's CX imperatives

- How E Source used modeling to drive CX priorities

- What Liberty is building in CX

- Questions and discussion

E Source capabilities help utilities increase customer satisfaction, reduce costs, and develop or deploy their decarbonization strategy

RESEARCH AND ADVISORY

Using market research data, expert analysis, and industry experience to utilities put their customers first, meet their business objectives, and solve their corporate challenges

STRATEGIC CONSULTING

Advancing customer experience (CX) through business and technology solutions that strategically enhance operations

DATA SCIENCE

Applying predictive data science to help utilities make data-driven decisions that improve their bottom line and increase customer satisfaction

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Your speakers today

Chris Hilborn, Vice President, Customer Insights and Solutions, Liberty

Chris is passionate about the customer. He has expertise in improving customer experience with 30 years of creating customer strategies and implementing customer programs as an operator in the utility, telecom, and health industries and as a consultant. Chris holds a degree in chemical engineering and has an MBA from the Rotman School of Management.


Chad Garrett, Managing Director, Management Consulting, E Source

Chad advises organizations across the energy industry on strategies for improving customer relationships. He specializes in building customer strategy from advanced analytics. Chad has led several start-ups in the nonprofit and private spheres, where his responsibilities spanned programmatic work, business development, volunteer coordination, and customer service. He holds a BS in economics from Bates College and an MS in energy economics from the Colorado School of Mines.

About Liberty

Part of a growing, international company

Liberty's parent company, Algonquin Power & Utilities Corp., is a diversified international generation, transmission and distribution company with more than US $16 billion in total assets.
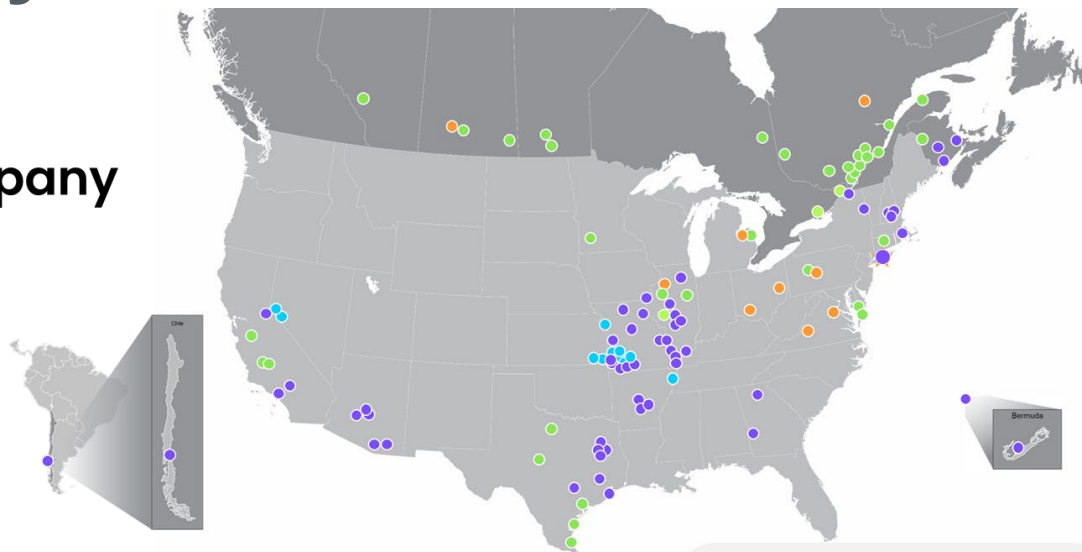
Legend
- Renewable Energy – Operational power generation site
- Renewable Energy – Development projects
- Regulated Services – Utility distribution system
- Regulated Services – Rate-based power generation

Regulated Services Group
Provides regulated wastewater, water, natural gas and electric utility services to over 1 million customer connections[2] through operations in primarily North America, Bermuda, and Chile.

Renewable Energy Group
Owns, operates, and has interests in a portfolio of North American renewable and clean energy power generating facilities representing over 4 GW of installed renewable energy capacity[1].

1. Includes a proportionate amount of Atlantica Sustainable Infrastructure plc's (Atlantica) generating capacity based on Algonquin's 44.2% equity interest in Atlantica.
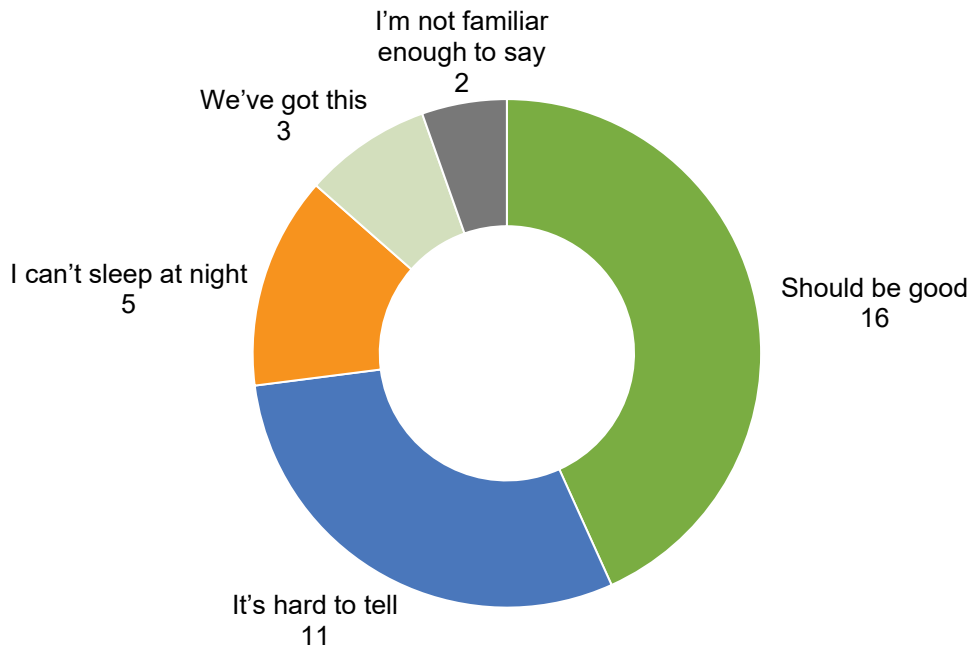2. Includes Algonquin's acquisitions of ESSAL and Ascendant.

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Liberty's CX imperatives
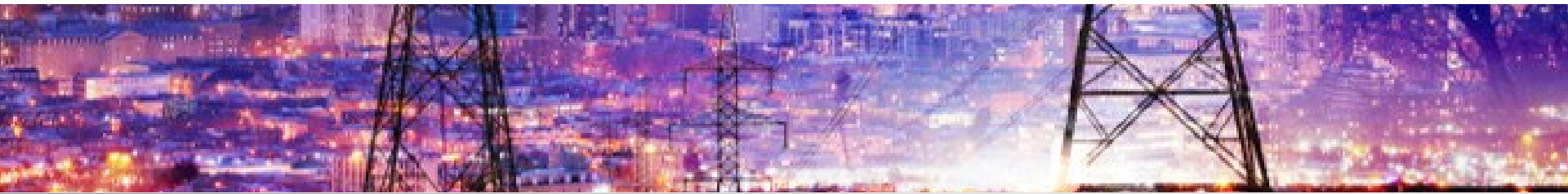
Liberty CX was at the foundational level

- Joining Liberty back in August of 2020, we had a strong digital transformation program and could benefit from a vision, strategy, and programs to improve CX

- With many opportunities available to us, we wanted to determine how to prioritize the work to best improve CX

- We engaged E Source based on previous studies we completed; E Source had pragmatic, actionable solutions in their work

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Poll: How confident do you feel about your ability to hit your CX goals?

I'm not familiar enough to say
2

We've got this
3

I can't sleep at night
5

Should be good
16

It's hard to tell
11

© E Source. **Base:** n = 37 utilities.

8

How E Source used modeling to drive CX priorities

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Establish a multiyear strategy to drive better CX on all channels and across customer journeys

Develop data-driven J.D. Power and CX targets for the multiyear CX strategic roadmap

Liberty needed a way to coalesce around a CX vision

Build data analytics processes to assess progress toward J.D. Power and CX targets

Align internal stakeholders to CX strategic priorities and recommend CX council structure, agendas, etc.

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How we helped Liberty

Phase 1	Phase 2

Current-state assessment → Brand & experience survey → Key driver analysis → Customer satisfaction forecasting → Prioritization & CX strategy realignment

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E Source analysis: Drivers of Liberty customer satisfaction

Pie chart showing drivers of Liberty customer satisfaction:
- Price perception
- How easy it is to do business
- Brand perception
- Reliability perception

E Source analysis: Drivers of Liberty customer satisfaction

Journeys and touchpoints

- Outages, leaks, and emergencies

Journeys and touchpoints

- Customer service
- Paying the bill
- Starting or stopping service
- Website and IVR
- Service appointments

Pie chart segments:
- Price perception
- How easy it is to do business
- Brand perception
- Reliability perception

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E Source analysis: Modeling CX impacts

CSAT impact by key driver area **X** Percentage of customers experiencing **X** Scale of impact **X** Effectiveness multipliers **=** CSAT impact

E Source analysis: Modeling CX impacts

CSAT impact by key driver area	X	Percentage of customers experiencing	X	Scale of impact	X	Effectiveness multipliers	=	CSAT impact
Map customer impacts to key drivers		Based on transaction volumes; how many customers will the initiative affect?		Is the change limited to specific commodities, operating companies, or regions?		Does the initiative provide resources for best-practice deployment (i.e., process maturity or change management)?		Consider the calculation your benchmark is based on (i.e., NPS, external benchmark, etc.).

Inventory CX influences included in model

Developed an inventory of over 100 factors expected to influence CX

Rate cases

Billing system upgrades

Outage operations

Customer policy inventory

CX alignment

Field services app

Voice-of-the-customer program

New construction CX

Billing and payment upgrades

Segmentation communications

Public safety power shutoff events

How it works

For each initiative …

CSAT impacts accumulate over time

CSAT impact = | Q1 | Q2 | Q3 | Q4 | →

- Assumes a one-quarter lag after deployment to see initial impacts
- Benefits accumulate to CSAT impact over time (i.e., 6 months to achieve full benefit)
- Communications and engagement best practices are built in waves to ensure long-term engagement
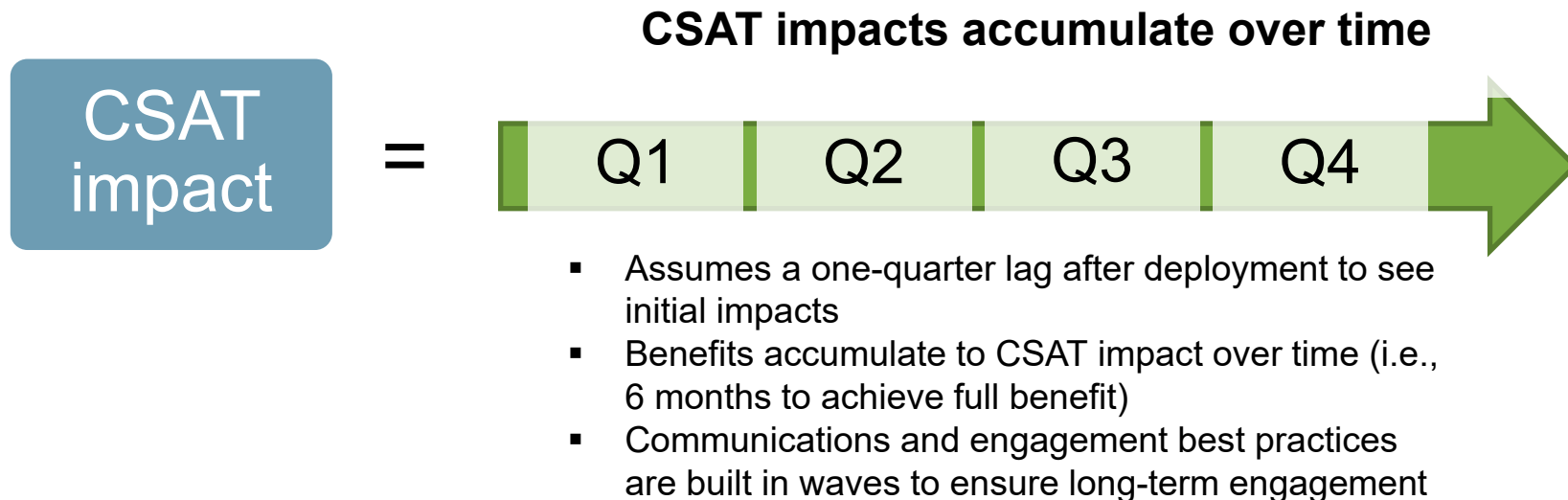
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Three-year CSAT forecast based on CX investment

Legend: Best practice · Middle of the road · Business as usual

Y-axis: Customer satisfaction

X-axis: Year 1 Q4, Year 2 Q2, Year 2 Q4, Year 3 Q2, Year 3 Q4, Year 4 Q2, Year 4 Q4
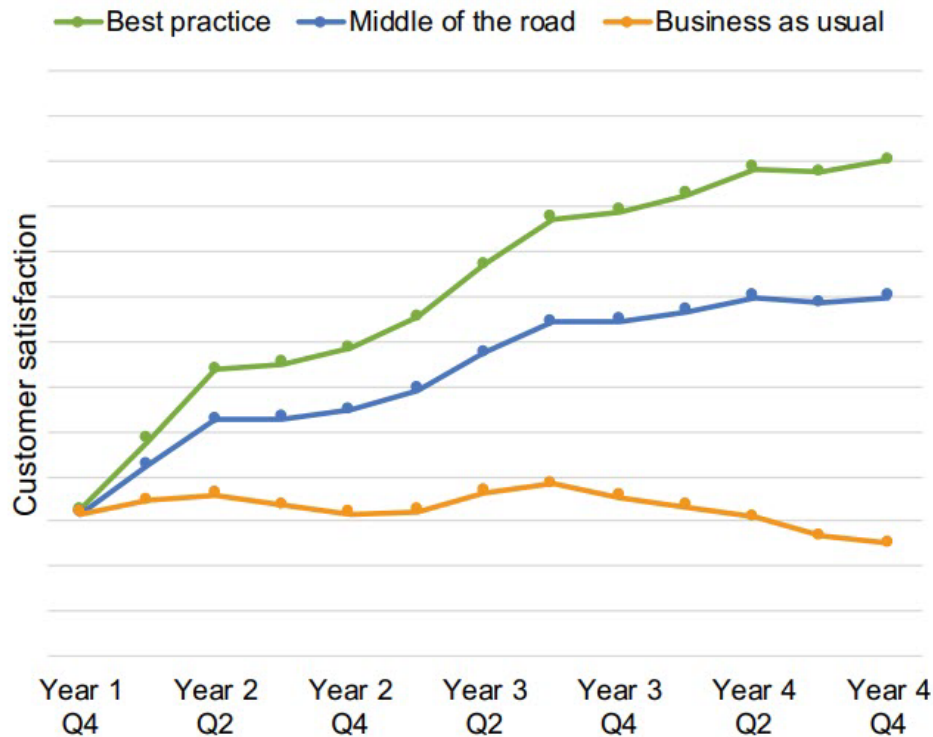
© E Source. **Note:** Business as usual doesn't include best practices and assumes low process maturity and weak change management. Middle of the road includes best practices and assumes low process maturity but strong change management. Best practice includes best practices and assumes high process maturity and strong change management.
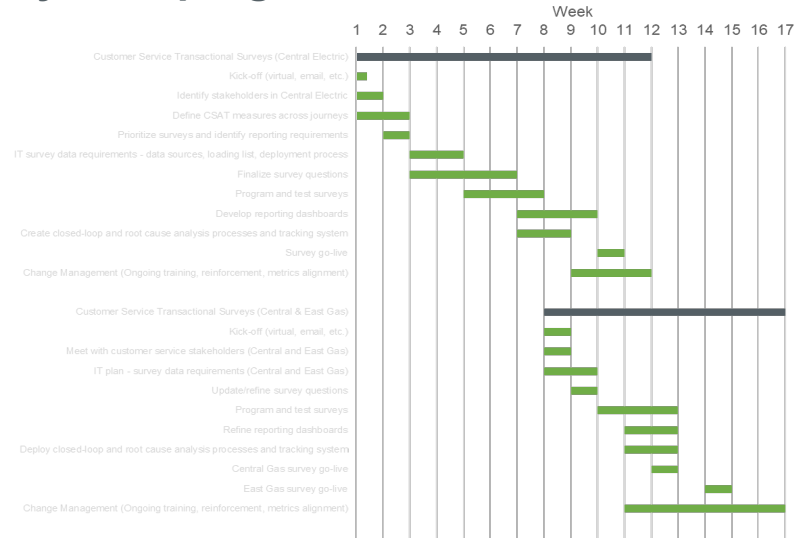
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Key modeling assumptions

	Business as usual	Middle of the road	Best practice
Dedicated organizational change management	🤞	👍	💯
Alignment of underlying processes with new technology	🤞	👍	💯
Reaction to poor customer experiences	🤞	👍	💯
Including voice of the customer (VOC) in priority-setting	🤞	👍	💯
Aligning organizational needs to a defined CX vision	🤞	👍	💯
Strong, positive brand power	🤞	👍	💯

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Developed CX governance structures and processes to facilitate alignment of key initiatives
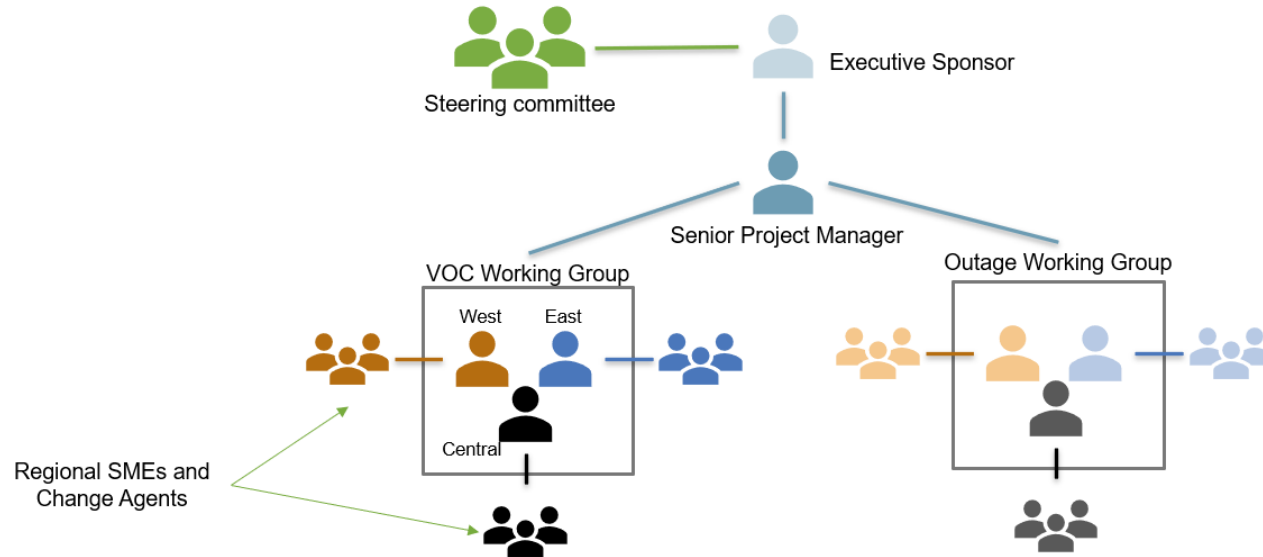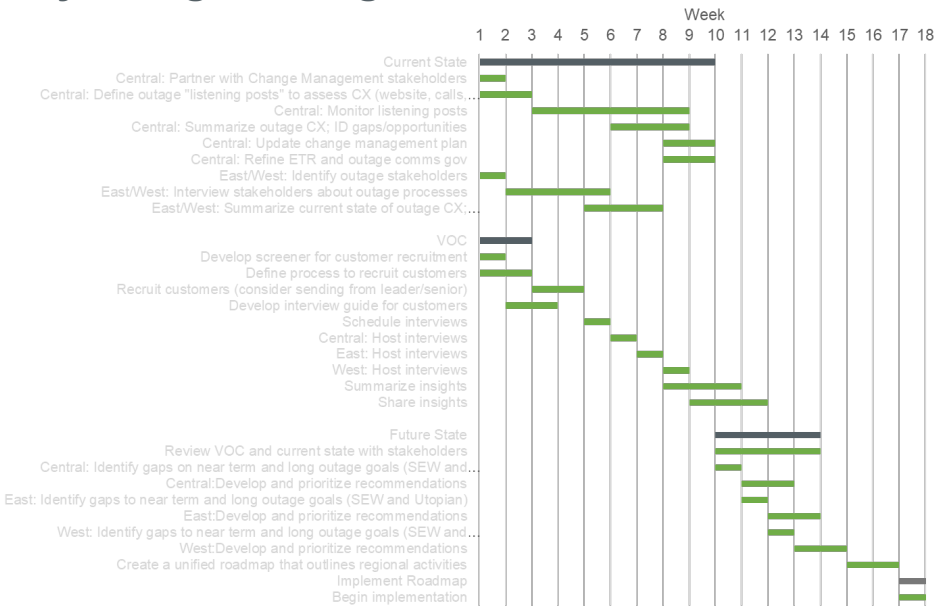
Detailed actions plans developed a consistent CX across all areas of the company

Key VOC program tasks and timeline

Key outage management tasks and timeline

What Liberty is building in CX

E Source started Liberty on a journey

- **Customer-centric culture**
  - Customer intent statement
  - CX governance council
  - Customer moments
- **Capturing the voice of the customer**
- **Customer journey mapping**
- **Customer solutions**

Questions?

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For more information

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