



Transforming an Organization Around Customer Engagement

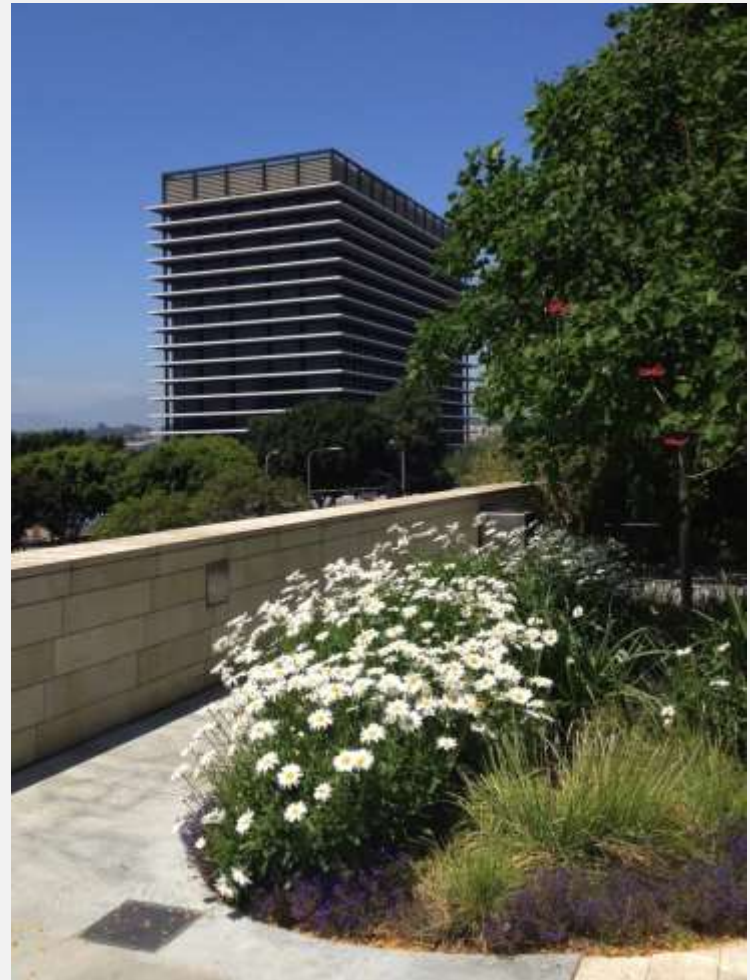
Sharon B. Grove

Los Angeles Department of Water and Power

May 14, 2015



The Top of Bunker Hill



Which movie?



LADWP: Who We Are



LADWP is the nation's largest municipal utility, having provided water and power service to Los Angeles residents and businesses for over 100 years. LADWP consists of over 8,800 employees, of which approximately 1,200 are in the Customer Service Division.



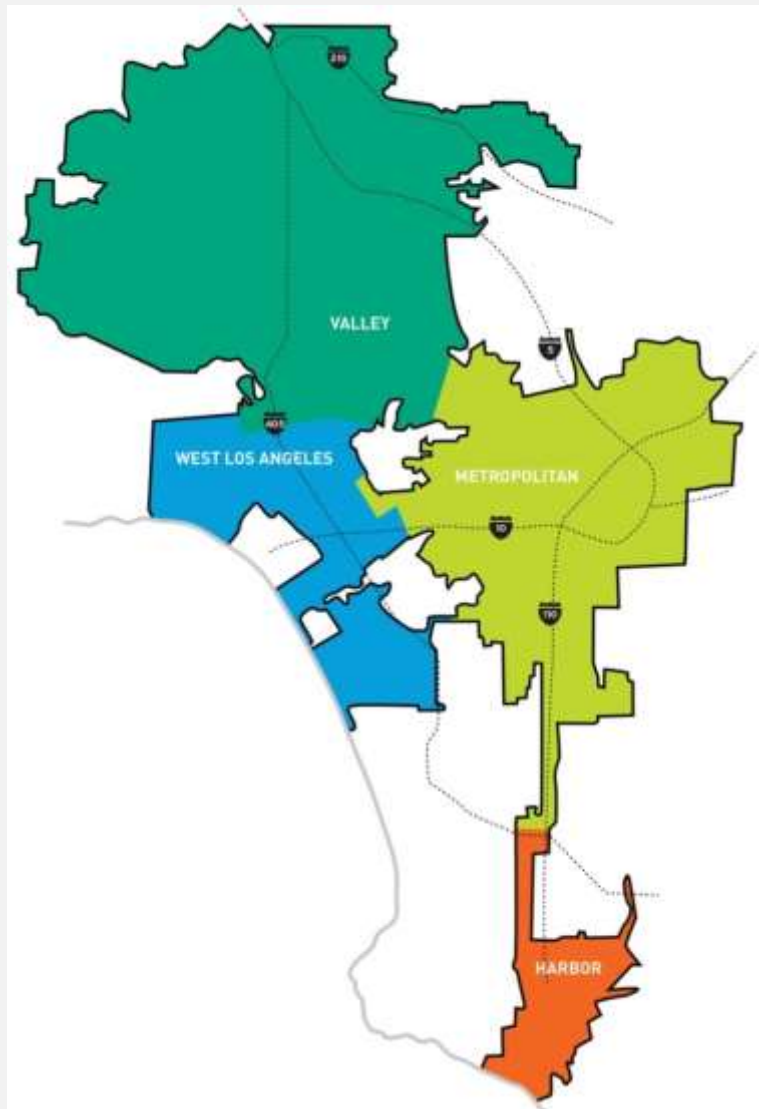
Power Customers:
1.6 million in Los Angeles
5,000 in Owens Valley

Annual Power Use:
23.5 million megawatt hours

Total Capacity:
Over 7,300 megawatts
(The record instantaneous peak demand is 6,177 MW, reached on September 27, 2010)

Water Customers:
700,000 active service connections

Annual Water Sales:
179 billion gallons



INDUSTRY TRANSFORMATION

15 years

LADWP TRANSFORMATION

Customer Expectations

State Mandates

1999-2000

Energy Deregulation
IOU POU



Chief Customer Officer
"Customer experience"
vs.
"Rate payer"

- Amazon -
- Google -

Recession
Furloughs
Hiring Freeze

2013-2015

CIS + MWM + much more
(1974 legacy)
\$\$\$

No hiring lists MR / CSR,
Customer Service Strategy
or Centralized Training



Hired for Inflow
Created Academy
Call Center Expansion

CSD Staffing

Where We Are On This Customer Journey

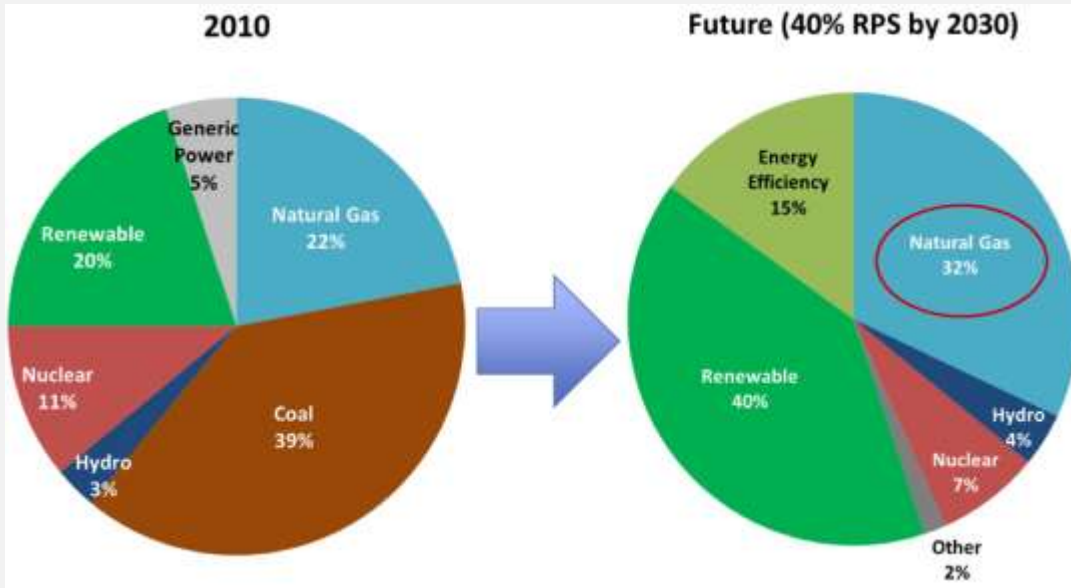


- **Last in J.D. Power Customer Satisfaction Ratings**
- **Customer mistrust due to several high profile events**
- **Organizational momentum to change still stuck in first gear – risk averse culture**
- **“No good deed goes unpunished”**

Changes Keep Coming



- State mandates environmental targets
- Transforming energy resources
- California Drought



Drought continues to plague much of California; winds raise fire risk



Area	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Central Valley	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
South Coast	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
North Coast	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sierra Nevada	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

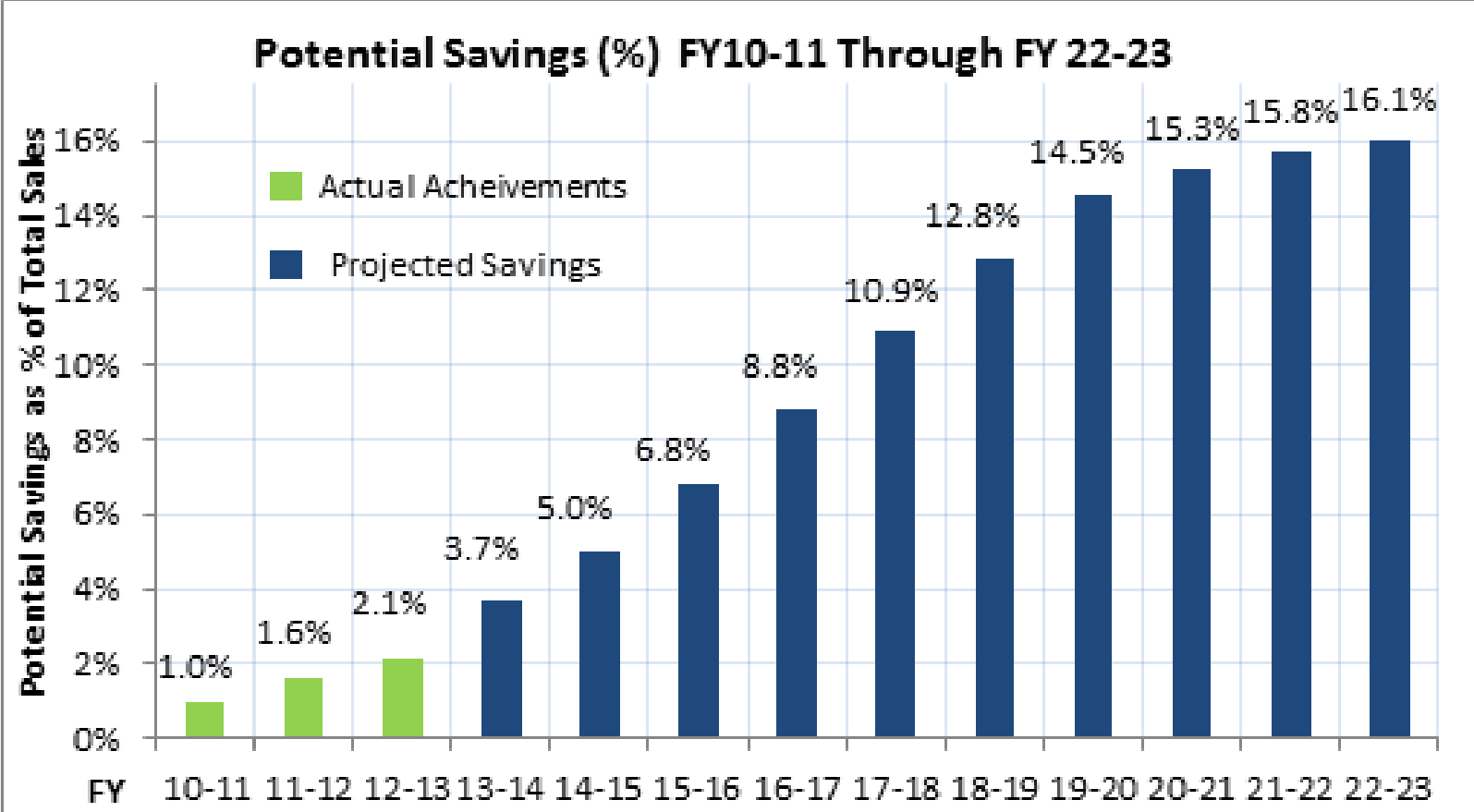
Some communities may have to cut water use by 35%, regulators say



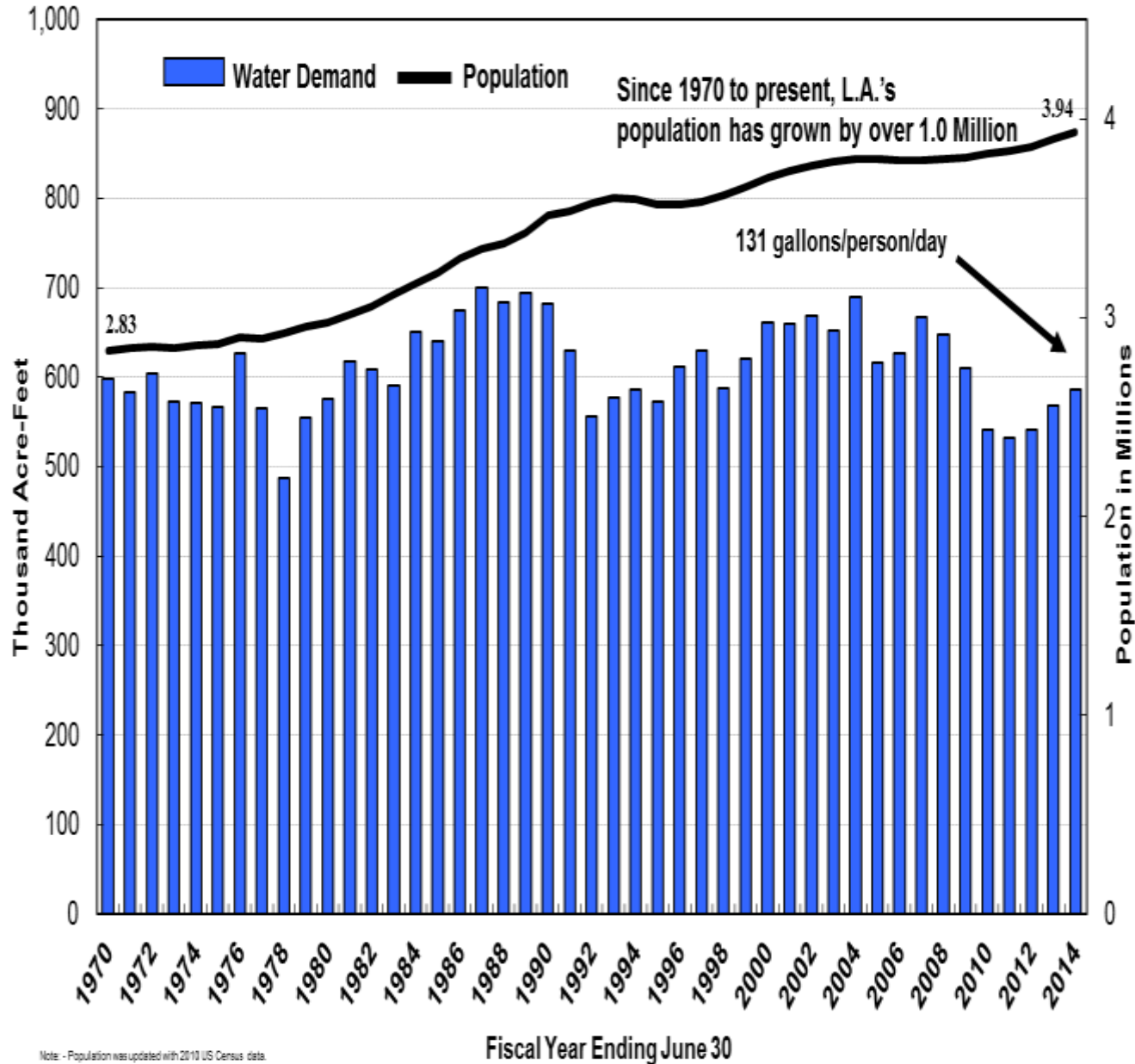
Energy Efficiency



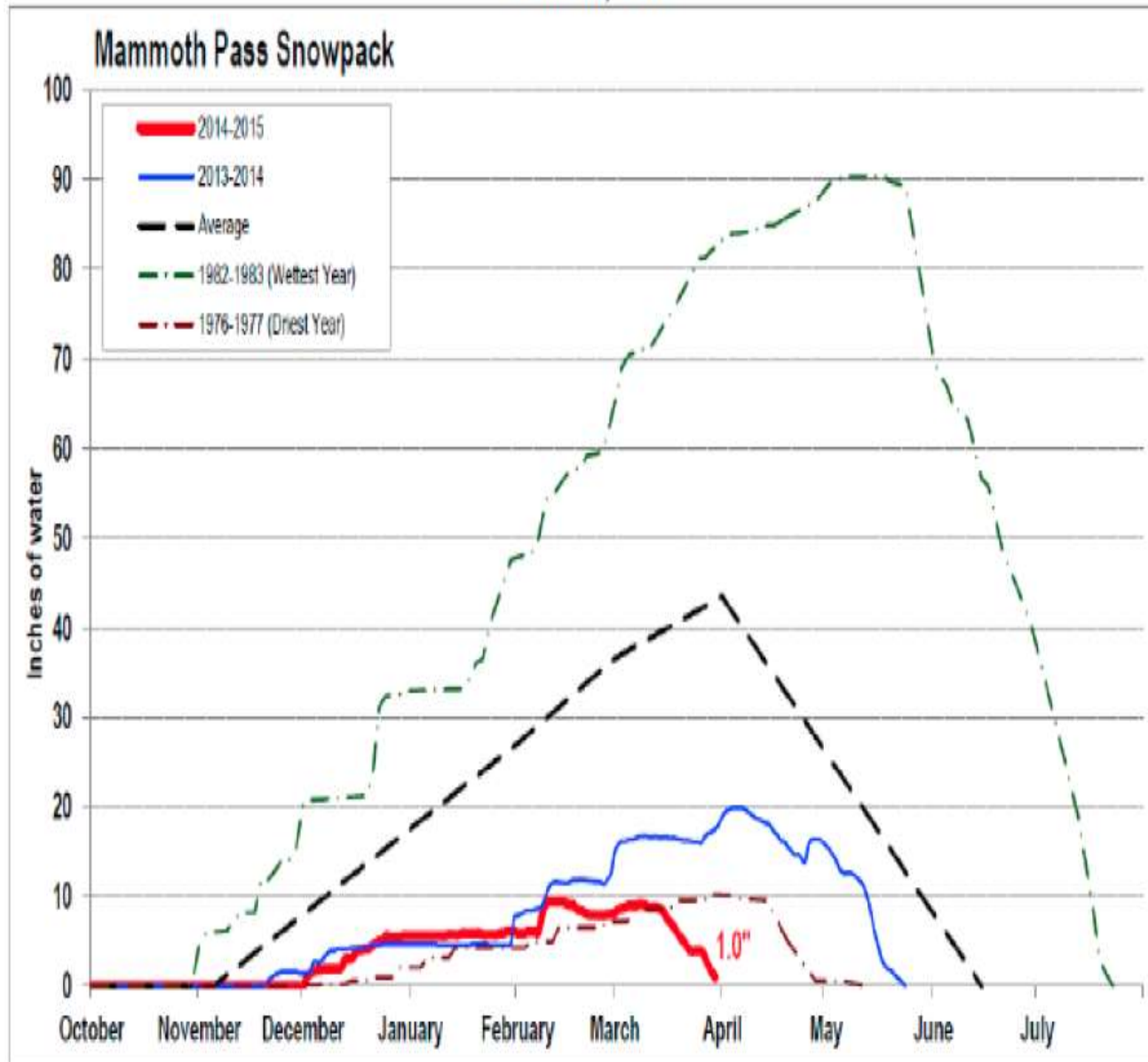
Annual EE Goals: 2013 - 2023



CITY OF LOS ANGELES WATER USE AND POPULATION



EASTERN SIERRA CURRENT PRECIPITATION CONDITIONS March 30, 2015



Is it any wonder many of our customers are overwhelmed?



A reliable customer




- Margaret
- 76 years old
- Lives alone in a house she has had for 40 years with a nice long
- Always paid her 'city' bill (electric, water, sewer and trash) on time and in full
- Lives on social security and a small pension
- Has a really cute cat



One day things changed



- Her son and his wife moved back
 - Her car broke down
 - Her cat was fine
- 
- Her 'city' bill for utilities starting going up each year
 - She couldn't always pay the full bill

What she did



- She took shorter showers
- She stopped watering her lawn
- She started taking the bus everywhere or asking her son to drive her
- She turned her air conditioner setting higher
- The bills kept going up and she fell further behind



What she did next



- Called her utility and said she couldn't pay the bill
- The customer service representative said “do you want a payment plan” or “Can I extend your due date” or “do you need a payment arrangement”?
- Margaret was overwhelmed
- But then.....



The Good Part



- The Customer Service Representative explained that there were many different programs that Margaret would benefit from
- She could get solar panels on her roof to reduce her electric costs, we could come to her home and give her an energy audit to identify efficiency savings, she could apply for a Low Income discount, she could take advantage of special rates for customer with electric vehicles, she could get a rebate if she replaced all or part of her lawn with California friendly plants.
- This conversation went on for 20 minutes, and the CSR then offered to mail Margaret more information for her to review.



We no longer deliver a commodity

- We deliver a service
- Customers want a relationship with us
- Those that want a transaction utilize many other channels
 - IVR
 - Website
 - Mail
- Those that want a conversation – Average handle time in utility call centers has increased
 - Call us
 - Social media

How do we respond

- Use customer **research** for segmentation specifically around program adoption
- **Identify** new programs from the customer point of view and work backwards
- Create several **communication** vehicles – and channels
- Keep your technology **offerings up to date** and consider using your CRM systems for all customer classes

Employees as engagement consultants

Hired to transact business fast and efficiently -

Now we are asking them to quickly assess and have multi-part conversations with prospective enrollees to various programs

- Train employees

- Consider specialized teams for start up program offerings

Customer Loyalty



***Quality goals,
driven by quantity goals.***

Customer Loyalty



- **Build Trust**
- **Easy to Do Business With**
- **Have the Customer's Best Interest at Heart**

Build Trust



Examples

- **First Contact Resolution**
- **Easy to Understand Bill Format**

Easy to Do Business With



Examples

- **Average Speed of Answer (ASA)**
- **Choices on Website**
- **Multiple Channels**

Easy to do business with



amazon Log In

Shop by Department - Your Amazon.com Today's Deals Gift Cards Sell Help

Get Ready for Summer

Help Sign In Your Account - Try Prime - Wish List - Cart

Get Ready for Summer

Find all your summer needs, including toys and games, outdoor gear, patio and barbecue sets, and athletic clothing.

Kick Back and Relax this Summer

Shop Patio Furniture

- Patio Furniture**
Kick Back and Relax this Summer
- Grills & Outdoor Cooking**
Fire up the Grill
- Sports & Outdoors**
Get Ready for Summer
- Outdoor Play**
Up to 25% Off Outdoor Products & Toys

Summer Deals

All Available Upcoming Missed Deals

Sort by Category All

Wilson Soccer Ball, Neon Green Hoodie, Surfboard, Purple Football Jersey (PETERSON 28), Blue One-piece Swimsuit, Black Two-piece Swimsuit

Courtesy of: www.amazon.com

CCC+	English	Spanish	Overall
Calls in Q	12	4	16
SL	99.7	93.6	99.0
ASA	0:14	0:22	0:15
Handled	284	35	318

CCC	Agents	Spanish	Leads	Supervis or
Logged On	65	18	10	5
Not Ready	25	7	3	0
Idle	2	0	3	4

Have the Customer's Best Interest at Heart



Examples

- **Consumer Education**
- **Energy Efficiency Programs**
- **Turf Replacement Programs**



Engaging Large Customers



Tours



Sustainability Partnering



Partnership with Large Business Customers

- **35 Premier customers are Sustainability Partners with LADWP at this time**
- **Customers pledge to serve as leaders in modeling methods to minimize global warming through sustainable design and efficient practices**
- **Customers engage in LADWP's programs to install water and energy efficiency equipment and renewable generation, and implement conservation practices**

Sustainability Partnering



- **LADWP offers incentives to help customers offset their efficiency investments**
- **Customers are recognized as Sustainability Partners on LADWP website and materials**
- **LADWP help customers with monitoring their usage**

Engaging All Customers



Recent Customer Service Improvements



People

- **Mass hiring of CSRs to handle customer billing issues and decrease call wait times**
- **Mid-market Commercial Customer group established**

Technology

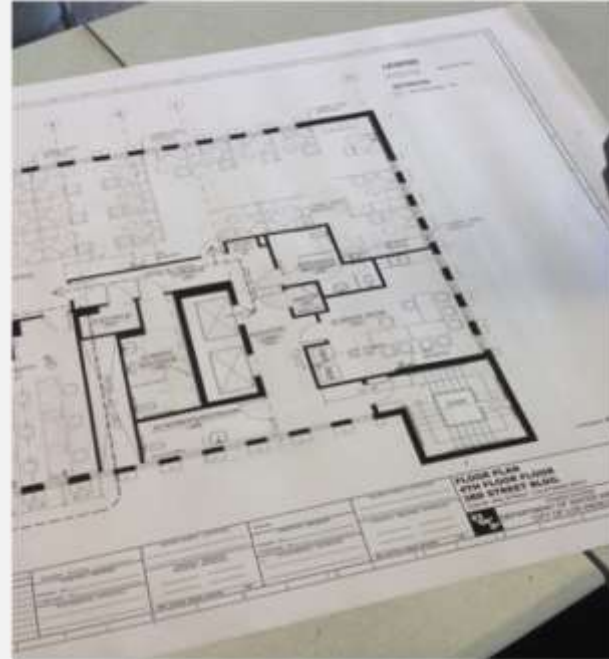
- **New Customer Care & Billing system implemented, replacing a 40+ year Customer Information System**
- **LADWP website redesign based on customer feedback and online needs, including a mobile version**
- **Bill redesign in easier-to-understand and user-friendly format**

New Customer Service Division Training Academy



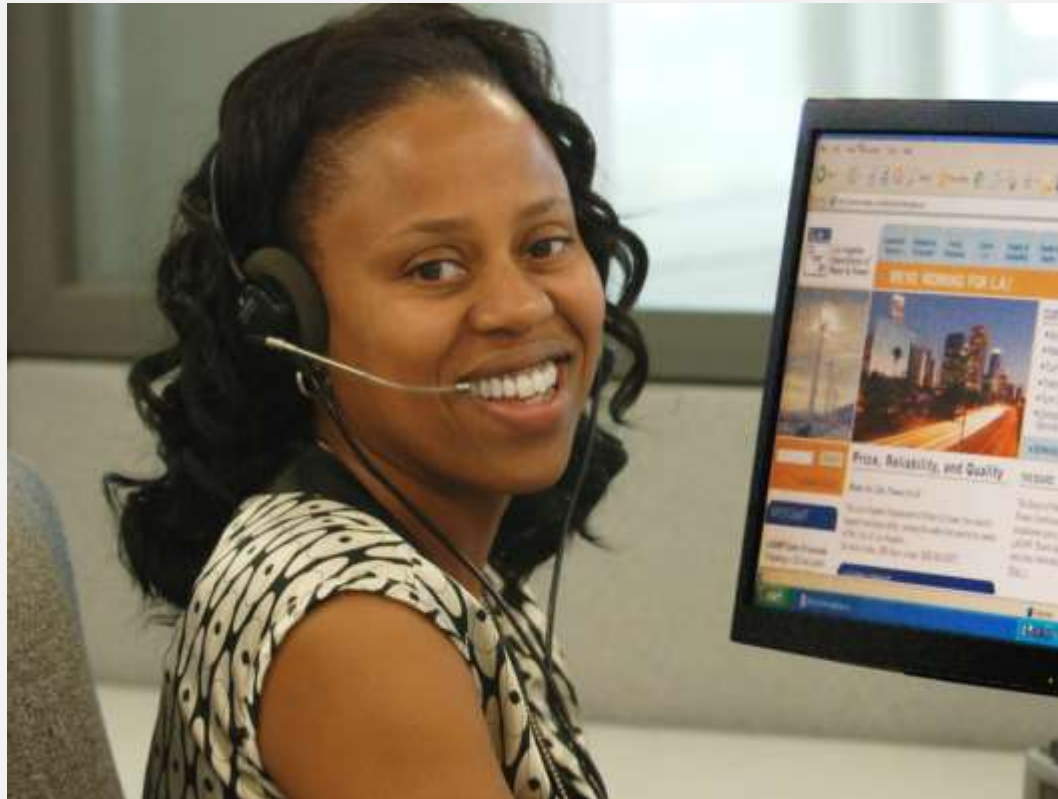
**Small classrooms allow for
hands-on training**

**Training classes take
live calls during peak
periods after five
weeks of initial
training**





VOE to VOC





We want customers to feel comfortable doing business with us



What's Next



Employee focus to better help them fulfill customer expectations

- New Training Academy curriculums evolving with more marketing focus
- Wellness program
- Incumbent employee retraining
- Expertise in specific programs solidifying

Communications across all customer engagement starting to converge with more consistent look and feel (EE, Solar, EV, Customer Billing, etc.)

What's Next



Customer engagement and focus becoming more integrated

- **Customer Service Centers focus more on the holistic needs of our customers**
- **Community service outreach more visible**
- **Smart website integration with social media to learn customer preferences**
- **Self serve utilization programs being expanded**
- **Transactional calls to relationship-building opportunities**

All you need
is faith, trust
and a little bit of
pixie dust.

- Peter Pan





Questions?