By BILL MAHONEY

ROI and the Internet

A MARYLAND UTILITY RAPIDLY expands its product and service offerings around multiple energy commodities, while the retail arm of a major Pennsylvania-based utility seeks to expand its customer base, in the eastern U.S, with an aggressive customer acquisition program. And a regulated Indiana-based utility increases revenues, improves service and reduces costs with personalized marketing and service programs.

So what do these successful energy/utility companies have in common? They've each quickly deployed an advanced, Web-based software platform to automate one or more critical business processes. In doing so, they've successfully leveraged the Internet to target new business opportunities, accelerate revenues, improve cash flows, streamline cost structures, increase productivity, and improve customer and value chain relationships.

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BURGEONING BURDENS

As restructuring continues to unbundle vertically integrated monopolies, the energy value chain is fragmenting and re-forming, primarily through electronic means. The demands of the new energy value chain continue to place extraordinary burdens on IT systems. The number of specialized-market participants in that value chain are expanding—or sometimes, contracting—rapidly. The buy-forward times, meter-data intervals and decision windows all are being compressed into real-time. As new and evolving business models proliferate, so do diverse software platforms, standards, protocols, languages, customer databases, transaction types, data-integrity and security standards.

LATE ADOPTERS

In part because of the daunting nature of the new demands on their IT systems, many energy/utility executives still are seen as late adopters of the new Web-based technologies. They often are very unhappy with the quality and performance of the platforms and applications they've deployed in the past. They've been saddled with legacy systems that rely on old technologies and programming languages—the same outdated software technology that most software vendors continue to offer them today. These often proprietary, non-Web-based systems are extremely slow to deploy, nearly cost-prohibitive to maintain and upgrade, and wholly unable to efficiently manage the new energy value chain without scores of dedicated staff to dote on them.

A quickly increasing number of energy/utility companies, on the other hand, are recognizing the value and return on investment associated with new open, Web-architected platforms. They are effectively and profitably leveraging the Internet to create and manage customer and business relationships—and the information exchanges that define them—up and down the energy value chain.

CASE STUDY: CUSTOMER ACQUISITION & BILLING

Today's competition for new customers demands a streamlined solution for prospect management and conversion. Ensuring a smooth prospect-to-customer transition relies almost completely on the first set of interactions. Yet traditional manual processes from prospect identification to enrollment can be error-prone and staff intensive, often leading to the creation of duplicate records and the re-entry of critical data. Prospect data also can interfere with existing customer-information, causing confusion for customer service representatives that could adversely impact both clients and prospects.

Web-enabled prospecting systems actually can turn these challenges into a competitive advantage for your company. They deliver automation of the entire customer acquisition process integrated with a powerful billing system. These advantages extend to online account inquiries and self-management, personalized billing and marketing messages, competitive and complex pricing packages, online service requests and multiple on- or off-line bill payment options.

CONCLUSION

Only software platforms and products created from the ground up using native XML, reusable open objects, and a Web-enabled component architecture can be quickly configured and deployed to automate business processes, solve business problems, and ultimately to achieve the revenue and margin opportunities companies require to grow the customer base and bottom line. ■

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