



Performance Sales and Marketing

Advisor

Improving Customer Experience Through Innovation

Published January 2018

Background

A Retail Energy company launched a new sales channel that allowed customers to sign up for electricity at stores whereas store employees would be conducting the sale and energy enrollment.

The Retail Energy company provided training and an enrollment portal that the store employees were required to use to enroll customers.

There were a total of 700 locations across the market that were performing enrollments on the behalf of the Retail Energy company.

Regulatory guidelines required that customers provide a wet signature on a physical piece of paper called a Letter of Authorization (LOA). The LOA provides consent that the customer understands the energy plan details and the price that customer is selecting to switch to from their existing energy provider.

As part of the store sales process, each store must have the customer sign the LOA and then fax the signed LOA over to the Retail Energy company.

As well, regulations require that whenever a price changes for an energy plan, an updated LOA must be printed for any new sales from that point going forward until the next price change.

Issue

There were a few crucial issues with the current process that put the Retail Energy company at risk of being non-compliant with regulatory requirements.

When an energy company is found non-compliant for new enrollments, the company could face fines and is required to return the customer to their former energy provider, bearing any and all costs with moving them back.

During an internal audit exercise, the following issues were identified:

1. 50% of new customers signed an LOA
2. LOAs were not consistently faxed in
3. 50% of the signed LOAs were illegible
4. 30% of the signed LOAs were based on outdated pricing

Approach

In order to define a viable solution, the energy company needed to understand their customer. As part of the research, it was identified that these particular customers preferred communication about their energy via SMS texting over any other communication method.

The next challenge was to work with the energy company's Legal and Compliance to understand how to deploy a solution via SMS texting that met all of the Regulatory requirements, including any Consumer Protection laws around mobile phones and marketing.

This was a brand new idea for the energy company and for the energy industry as a whole. The idea had to be shared and gain buy-in throughout the various internal and external stakeholders.

Solution

The idea was successfully approved by all parties. The below are key highlights of the solution:

1. LOAs were digitized and were dynamically built with each enrollment to ensure the most current pricing is used
2. The enrollment system captures the outgoing texts to the customers requesting their reply to accept the switch
3. The enrollment system captures the incoming texts from the customers replying their acceptance of the switch

Results

The solution was a first of its kind in the industry and the Retail Energy company realized the below benefits:

1. 100% of all new customer enrollments were compliant with regulatory requirements
2. New customer conversions increased to 90%
3. Annual savings of paper shipping and process of \$500,000
4. Sales process was simplified thus enabling stores to sell more energy plans

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Philip founded PSM Advisor with the vision to create a new management consulting model that operates lean and takes a swat team approach by leveraging a network of specialized firms and consultants.

Philip has 20 years of experience delivering mission critical projects in various industries such as Retail Energy, Oil & Gas, Financial Services, Telecommunications, Environmental Services, Home Services and Retail Loyalty.

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