



Transforming utilities into a connected hub for customer experiences

KPMG Connected Enterprise
KPMG Global Energy Institute



Utilities ensure there is a reliable source of power. They respond quickly to outages and provide easy-to-understand bills. These services have always been at the core of market expectations for utilities. But today's customers are more empowered, conscious, demanding and connected than ever before. They certainly want more from a utility than just 'keeping the lights on'. Utilities must rethink how they work and how they engage — because customer expectations are so much more than what utilities currently deliver.

In their new role as a 'Network Integrator' or 'hub' for customers, utilities will provide more meaningful transactions between customers, enable on-system storage and distributed generation, and begin to operate a digital economy between customers and new service and product providers. They will also provide overall grid automation and enhance data collection and analysis. In all these ways, utilities will transform into a customer 'hub' within a new power ecosystem.

In order to be effective in this new role, utilities will connect customers to third-party product and service providers through their infrastructure and more directly through their operations and services. More and more, they will need to evaluate and re-imagine how their operating models are defined. In doing so, they can transform their processes, technologies and data analytics with the delivery of innovative goods and services to their customers.



Connection is key

High-performing utilities recognize the need for connection and transformation. They are slowly starting to connect to their **customers** with new technology and opportunities for more meaningful interactions. Plus, by also connecting with their **employees**, they are empowering delivery of their customer promise through their day-to-day interactions. Connecting the **front, middle and back offices** will enable utilities to execute the customer growth agenda, and connecting the wider ecosystem of **business partners** improves upon the delivery of commitments and 'value-adds' to customers. Finally, connecting to the **digital ecosystem** will enable

utilities to meet customer expectations for a wider range of products and services, improved responsiveness, and more flexible pricing.

Previous transformations have focused on digital engagement and digital operations. Building on these developments, as organizations become connected enterprises, they will develop all-encompassing customer experiences and break down the barriers between customers' digital and offline engagement. As the 'connected enterprise' emerges, barriers between customer-facing, middle, and back office functions will also disappear.



Core capabilities of connected enterprises

As connected enterprises, utilities will be **insight-led**, **innovative**, and **intentional**. Data and analytics strategy will provide insight and understanding, and as customers embrace automated technologies, they will influence consumption and contribute to new customer service. There will be links between automated analytics and communication infrastructure, smart meters and digital infrastructure, and connected smart devices and related new services and products such as electric vehicles. In order to support the right products for customers, strategic planning will consider disruptive technologies, and customer experience design will consider all perspectives, ensuring that a human-centric understanding of what customers value and how they engage with the utility is in place.

Utilities will also be **integrated** and **responsive**. Customers will be able to use grid-edge technologies and services to produce, consume, store and sell

electricity, both to and from the grid and in peer-to-peer transactions. Organizations with flexible and resilient procurement and logistics operations will be best-placed to support these different channels.

Finally, utilities will be **empowered, digitally-enabled** and **extended**. Utility leaders will model change, championing the connected enterprise and supporting a culture that focuses on the entire customer experience. Utilities will be flexible with an agile mindset and practices, allowing them to support established and emerging technologies such as solar power, electric vehicles, and distributed generation and storage. And these utilities will have strategies in place to identify the partners, alliances and vendors who can fill existing capability gaps. As they continuously improve, they will leverage technology to drive profitability, effectiveness and flexibility. This is what will define the leaders in a local and global utility marketplace.



Why does being a connected enterprise matter?

KPMG International’s research shows that companies that invest in all these capabilities are twice as likely to be successful than those that don’t¹. There’s an absolute value in these investments, and they will, in turn, help the organization be connected, fully aligned and customer-centric.

In today’s world, the hub of the power system is the utility. But it’s not just the hub for power. It’s the hub of communication, the hub of relationships, the hub of process, the hub of everything. As that hub, the utility must change its paradigm of how it connects customers to its processes. Instead of connecting solely through a call center or a work order, utilities now facilitate customer connections with a range of other

products and providers. The relationship is about service. It’s about providing what customers want and giving them information. The relationship is seamless.

Utilities can use infrastructure and operations to embed themselves in the market. They are at the center of all modern relationships. It’s about more than just delivering the power, it’s electric vehicles, communications, and data centers. It’s distributed energy and demand-side management. This allows customers to develop peer-to-peer relationships in the energy marketplace and transform into an innovation hub for customers.

What good looks like

How can you get into action? Keep in mind that becoming a connected enterprise is an ongoing journey — not an end state. To learn more about being a connected enterprise in the utilities industry visit www.kpmg.com/energy or www.kpmg.com/connected.



¹ Competing for growth, KPMG International

How KPMG can help

KPMG member firms' Power & Utilities experts advise across a broad-spectrum of issues. From M&A in the renewables sector to traditional utility companies, our solutions deliver today, while anticipating the challenges of tomorrow. Our dedicated team of consultants can help your organization with program transformation, supply chain strategy, data analysis and workforce optimization. From smart metering roll out planning, to understanding legislation and incentives for renewable energies, our integrated services will help you distinguish the opportunities from the obstacles.

For more information, visit kpmg.com/energy or kpmg.com/connected today.



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There are significant changes underway in the energy sector and organizations must adapt and transform in order to survive and capitalize on the opportunities these changes present. As part of our online energy community, you'll be able to read today's most important topics, access content affecting your industry or organization, share your perspectives on critical business topics and industry issues, post comments, and more.

Click **here** to follow the showcase page or visit us at kpmg.com/linkedinenergy



Stay connected and follow the KPMG Customer First LinkedIn showcase page

KPMG's Global Customer page brings insight and information for anyone interested in learning how to become a customer-centric organization. We share the importance of becoming a connected enterprise — and how, by aligning your front, middle and back office functions you can create a truly customer first approach.

Click **here** to follow the showcase page.

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Todd, a principal in KPMG in the US' Power & Utilities Management Consulting practice, has more than 20 years of consulting, business transformation, strategy, planning, and program management experience. He is passionate about working in the rapidly transforming power and utilities industry as it evolves into a more dynamic technology-led industry with diverse market participants. He works with utility executives and leaders throughout the world with strategy, transformation, and technology projects related to grid modernization, utility operations, metering and billing, and customer operations. In addition, he is excited to lead KPMG's Agile Utility thought leadership development around the Network Integrator platform.

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Julio focuses on helping organizations think about how to engage the marketplace and attract, convert and keep customers to fuel profitable growth. He also works with businesses from across the globe to help them design and deliver relevant customer experiences that drive engagement and result in sustainable customer relationships.

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Ted is a leader in the energy and resources sector and a specialist in the key areas of technology, energy transition, and business transformation. Ted champions cross-functional teams serving multinationals and global organizations to find the right consulting, deal, tax, legal and audit solutions needed to meet their goals. Ted is also recognized for his ability to help leverage innovative technologies and transition to a less-carbon intensive economy.

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