

White Paper Customer Preference Management (CPM) for Utilities Industry using SAP CR&B



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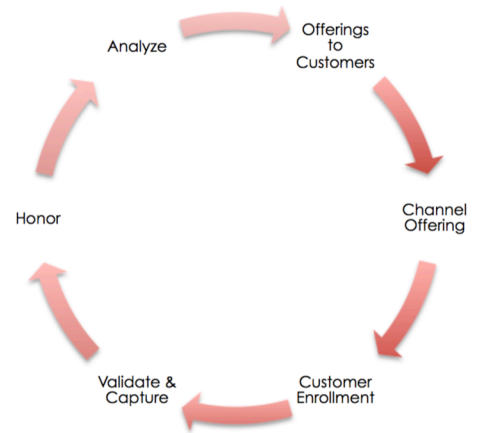
"The limited preference options that we provide are captured in disparate systems and through disparate processes that require almost continuous updates to the system of record. Every preference element is standalone and must be manually updated."

—Head of eCommerce, large credit card issuer¹

In an era, when technology is transforming the way people lead their lives, it's increasingly becoming important for companies to use state of the art technology to communicate with the customer. Effective communication can be a competitive differentiator for most companies. In order for effective communication to occur, it's imperative for companies to honor customer preferences with regard to the content, mode/channel, and timing of communication. However, companies are facing challenges in implementing customer preference management solutions due to perceived loss of control to customers, and disparate legacy systems. In response to this need, Tech-Net has developed a rapidly deployable, low-cost, and scalable solution built on an existing SAP CRM framework, making Customer Preference Management an integral part of SAP for Utilities and eliminating the need for expensive third party software. This solution enables companies to effectively communicate with the customer, thereby increasing customer satisfaction, as well as achieving better sales & marketing campaign results, and ultimately, an improved bottom-line.

Preference Management puts customers in control & improves customer experience

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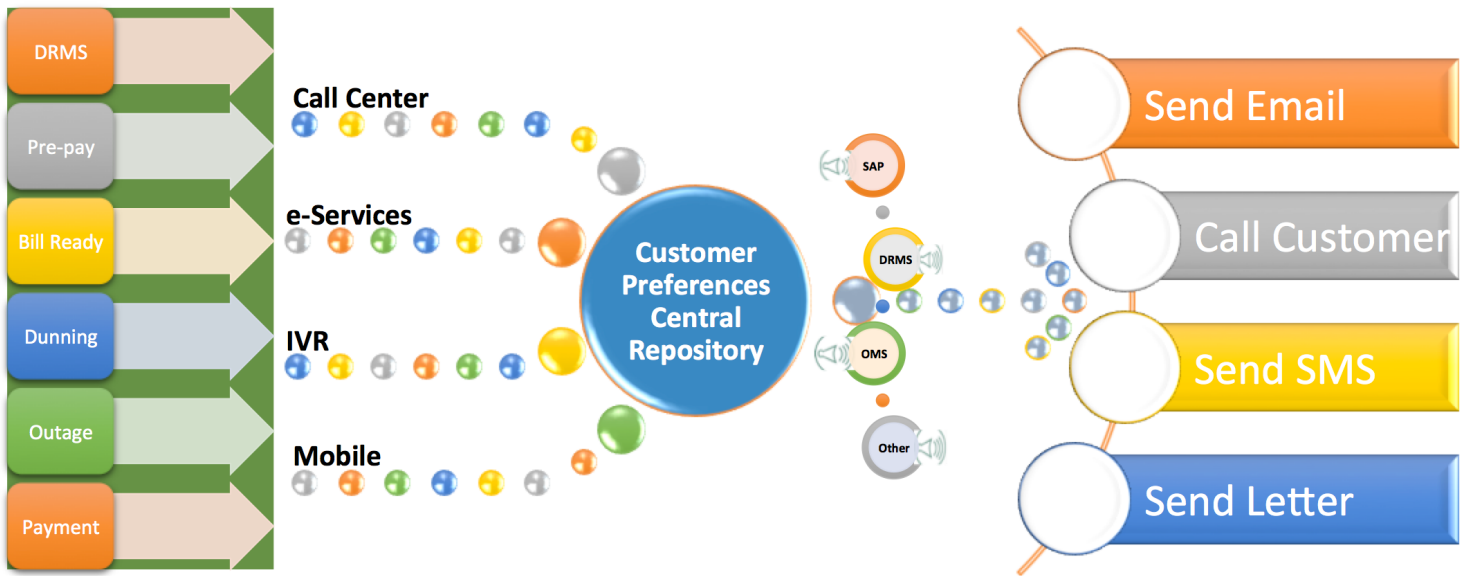
Why is communication with the customer important and what is a Customer Preference Management solution?

For most companies, and for Utilities in particular, customer satisfaction is the most important performance indicator. Higher customer satisfaction results in an improved competitive position, and favorable rate case outcomes for utilities. Customer satisfaction is not only a function of the quality of the product offerings, but also dependent on effective communication.

Given the wide array of communication channels available, such as mobile, email, text, and social media among others, customers are bombarded with a wide variety of information. However, information overload without regard to the customer preferences on how they would like to be communicated which can negate the effectiveness of such information. An effective Customer Preference Management solution, will take into consideration customer preferences with respect to what, when and how they would like to receive information. By employing such a solution, a company can tailor its communication strategies to deliver personal, relevant, and engaging messages. An effective Customer Preference Management solution will have the following elements:

- What to receive – content type: Alerts, promotions, new products, problem situations etc.
- When to receive – frequency and time of the day: Daily, weekly, monthly, yearly, or never; Time of the day to receive such messages
- How to receive – Mode/Channel of communication: Email, text, voice messages, snail mail, social media etc.





Companies sensitive to these preferences will likely lead the way in gaining excellent customer experience going forward.

How are companies managing customer preferences currently and what are the limitations of such strategies?

Despite the widespread belief that preferences management helps the customer experience, there is a substantial gap between vision and execution of preferences management. The reasons for this gap are both institutional and technology related. A perceived loss of control to customers and data residing in disparate legacy systems are slowing down the adoption of preference management solutions. Those companies that have implemented preference management software have typically resorted to one or the other of the following solutions:

- Custom data storage for each preference type, which suffers from the limitations in terms of,
 - Customer data sits in disparate systems throughout the organization leading to multiple views of the customer
 - Synchronization between customer preference data and the customer's communication data has to be established manually.
- A third party system to store all preferences, the limitations of which are:
 - Customer data is stored in a 3rd party hosted server and hence cannot be used for data analytics
 - Needs daily synchronization of master data and transaction data with 3rd party system
 - High maintenance costs due to multiple interfaces

“Leaders define not only how data will be gathered but where it will reside in the enterprise to ensure suitable ongoing management and availability to users for the execution of preference management programs.”

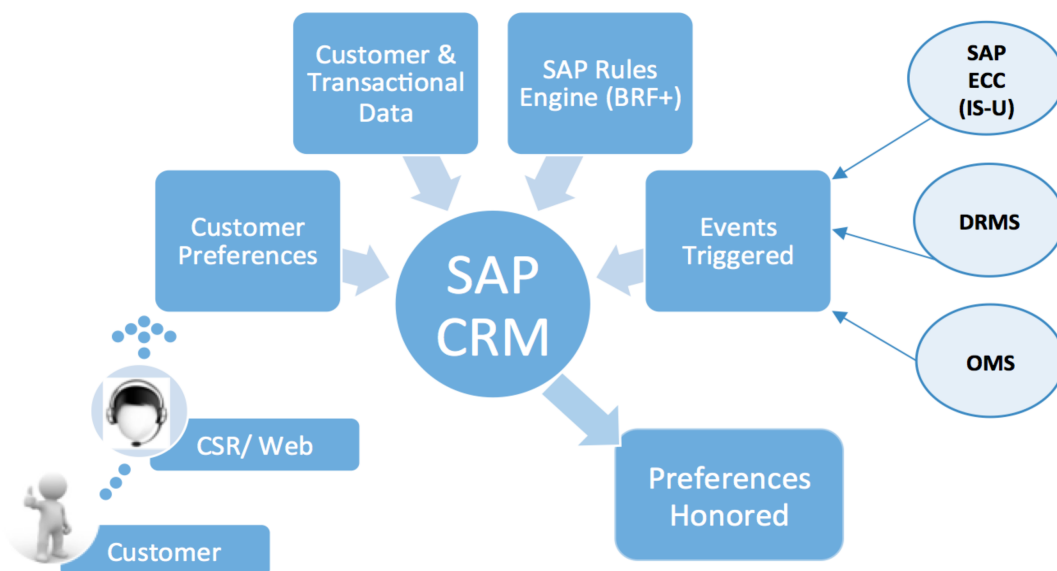
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Given the limitations associated with each of the existing solutions, there is clearly a need for a solution that provides a central repository for all the customer preferences, and yet be a part of the existing systems infrastructure, eliminating the need for third party independent systems.

How is a Tech-Net enabled solution better than the existing solutions in the market?

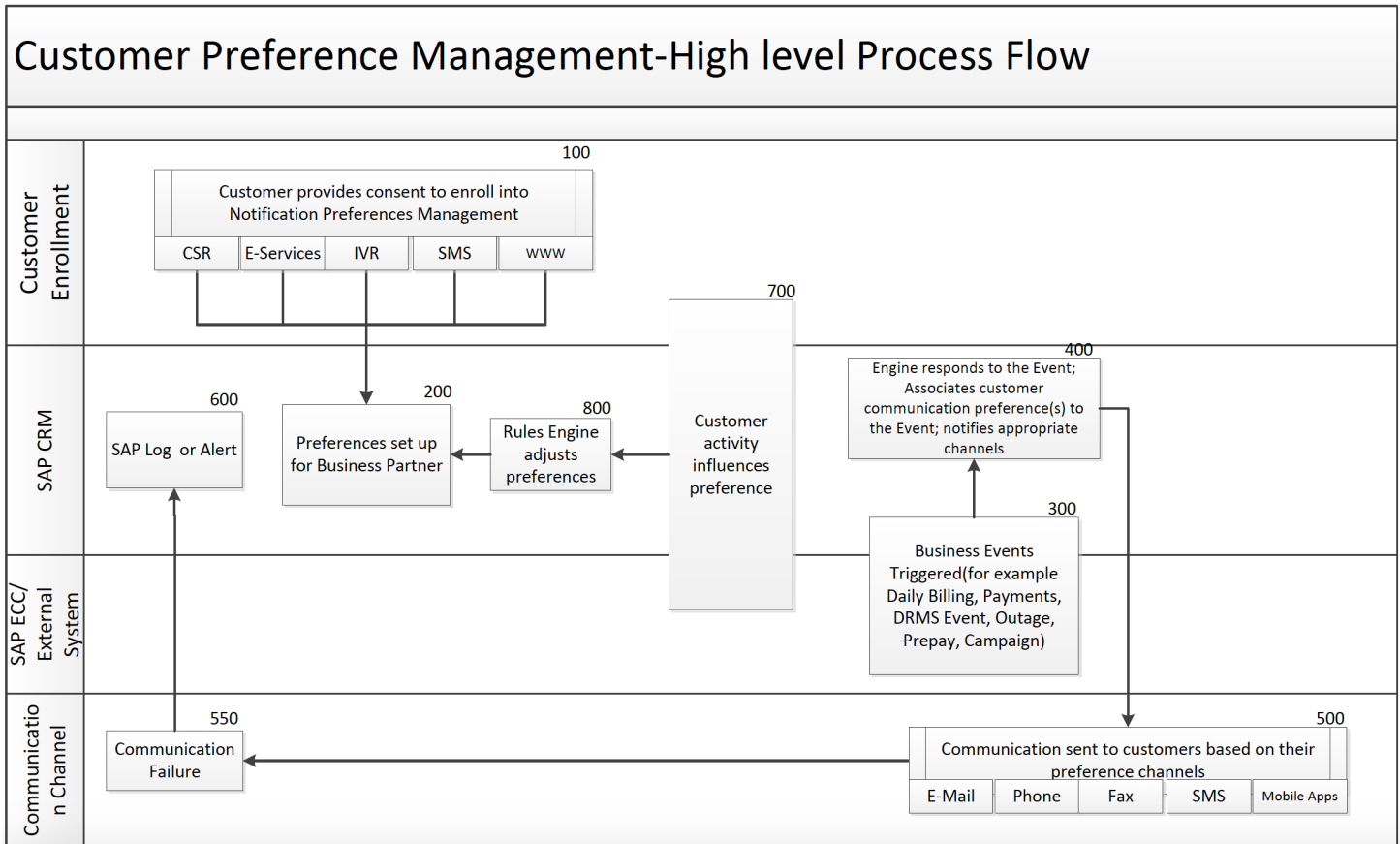
Tech-Net has developed a rapidly deployable, low-cost, and scalable solution built on existing SAP CRM framework making Customer Preference Management an integral part of SAP for Utilities and eliminating the need for direct and indirect costs like data synchronization with third party software. The advantages of Tech-Net’s solution are as follows:

- From a customer point of view:
 - Puts customer in control of his preferences
 - Provides an easy to use interface that allows the customers to manager their preferences through their chosen medium.
- From the company point of view:
 - Less custom code; built on existing framework
 - Provides central repository for all customer preference data, allowing for a single view of the customer
 - Reduces Call Volume by providing flexible web interface
 - Since data is native to CRM, it is available for other purposes like marketing, backend processes and BI integration
 - Allows for customer experience auditing and tracing
 - Allows for Statutory compliance (Do Not Call etc.)



Can you provide a high level process flow of Tech-Net's Customer Preferences Management solution?

Tech-Net's Customer Preference Management solution uses the established SAP CRM framework to make Customer Preference Management an integral part of the SAP for Utilities. A high level process flow is shown below:



Conclusions

"Sophisticated Utilities need sophisticated solutions". Tech-Net's solution is one such. Low-cost and built entirely on the existing SAP CRM framework, this solution minimizes custom code, provides a single view of the customer, and integrates seamlessly into existing channels of customer communication.

Notes

¹Forrester Consulting report titled "Overcoming the Barriers to Preference Management"

About Tech-Net, Inc.

Headquartered in Folsom, CA, Tech-Net specializes in SAP Implementation and Business Integration. The leadership team has a combined experience of over 45 years in SAP implementation with a focus on utilities.



Tech-Net Inc.

101 Parkshore Dr. Suite 100
Folsom, CA 95630

Phone: + 1 888.666.6568 x 301

Mobile: +1 916.595.1389

Fax: + 1 866.299.6847 (fax)

E-mail: Prasad@tech-netinc.com

Web site: www.tech-netinc.com

