

Optimizing Customer Communication Processes

Integrated OpenText solution powers customer engagement and billing processes at SourceGas

SourceGas is a natural gas local distribution utility headquartered in Golden, Colorado. SourceGas and its affiliates serve nearly 410,000 customers and operate 17,940 miles of distribution, gathering, and transmission pipeline, as well as storage facilities, in Arkansas, Colorado, Nebraska, and Wyoming. SourceGas and its affiliates also provide gas transportation, in-home HVAC and appliance service and sales, as well as gas commodity sales services to its natural gas customers.

Fueling Business Model Innovation

Communicating with a diverse customer base across regulated and non-regulated businesses in four states presents challenges that SourceGas sought to overcome by creating a more efficient process for managing customer communication and billing. The billing process is complex because SourceGas is required to tailor bills based on different State requirements and differentiate messages based on a number of factors including their customer's profile and products or services being sold. Incorporating rate changes, new messaging, and bill redesigns was time consuming, unpredictable, and at times resulted in billing issues.

In addition to improving multi-channel bill presentment and customer communication processes, SourceGas wanted to incor-

porate targeted marketing to help grow their business, a strategy that is especially important when selling products and services through their non-regulated business.

SourceGas leverages their ongoing utility customer relationships to sell additional products such as appliances. SourceGas runs targeted advertisements to their customers in the relevant service territories leveraging their billing documents and other media to advertise. They not only sell appliances ranging from kitchen, laundry, furnaces, water heaters, and gas grills, but also offer appliance service contracts and other services that are all presented on their customer's utility bill.

In order to efficiently market, sell, and bill this mix of products and services to their customers, SourceGas deployed an integrated suite of solutions from OpenText and SAP. SAP CRM and Billing applica-

INDUSTRY

Utilities

CUSTOMER

SourceGas

CHALLENGES

- Complex communication requirements for diverse customer base
- Optimizing target marketing efforts to fuel growth in non-regulated business
- Improving customer service

SOLUTIONS

- OpenText StreamServe,
- OpenText Document Access

BENEFITS

- Integrated solution speeds user adoption and simplifies IT landscape
- Ability to quickly incorporate changes to customer communications
- Annual decline in number of customer complaints
- Billing accuracy of 99.78%
- 17% decrease in billing inquiries to their call center
- Billing inquiries handled 20% faster
- 40% sales increase for Spring tune-up service
- 160% increase in seasonal barbecue grill sales

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RYAN ESCH, SAP ANALYST,
SOURCEGAS

tions are integrated with the OpenText StreamServe solution to more effectively consolidate information from the various business systems into smarter, more cost-effective customer communications. As a result, SourceGas is now better able to manage their core billing processes and improve customer satisfaction, while also extending their marketing mix strategy to sell new products and services.

One source of the truth – technology landscape supports all customer-facing processes

The OpenText StreamServe solution integrates seamlessly with existing systems from SAP and OpenText deployed at SourceGas. Instead of a point solution requiring the team to build and maintain custom interfaces to other systems, StreamServe works in tandem with SAP and OpenText Document Access, a solution that enables users to archive and retrieve business documents used in multiple SAP applications. This helps SourceGas manage all customer communication and billing aspects directly from SAP, including providing multi-channel communication and a 360 degree view of all customer documents.

The pre-integration of the SAP and OpenText systems helped the company accelerate their implementation timetable and enabled them to maintain a smaller support organization moving forward. “The fact that we’ve moved everything in-house allows the IT department to focus on process improvements and react more quickly to internal requests,” says Ryan Esch, SAP Analyst at SourceGas.

SourceGas went live with their entire SAP platform, including the new OpenText functionality and a new call center, within only 11 months of the start of the project. Four months later, they successfully migrated off all the external, third-party providers that were formerly supporting the SAP project in their billing and call center departments. As part of the project, the implementation team worked extensively with business users throughout the project to create over 100 different letters and other pieces of customer correspondence. Each correspondence differs by State as well as by function. “Our business users had a significant impact on document presentation and were critical in the redesign of that overall process,” says Esch.

Since the OpenText applications reside within the SAP environment and users do not need to switch between multiple windows, the IT team had little trouble training new users. With customer data and documents accessible on one screen, users are more productive and in a better position to answer customer inquiries in a timely manner.

Adapting quickly to new communication requirements

SourceGas is required to quickly change the format and messaging of outbound correspondences whenever new customer or regulatory requirements are introduced. Before implementing StreamServe, it would take one to two weeks to get it done. “We have a much more expedient process now for all types of corrections and enhancements that come up. Our billing system was formerly handled by third party companies and changes could take weeks to implement. Now any required change is handled with our internal group and can be set up within a 24 hour period,” says Esch. This not only applies to making changes to the content and format of a document but also affects SourceGas’ ability to get new documents out to customers much faster, either electronically or via the external print shop. By streamlining the document generation and distribution process, SourceGas improved the timeliness of billing cycles, leading to improved collections and better customer service.

SourceGas also has the ability to easily reformat billing processes to accommodate customers that have special requirements. “For example, we have customers that own apartment buildings and want their bills separated for each unit. We can accommodate that request by creating rules in StreamServe to process those bills differently,” notes Esch.

SourceGas also uses StreamServe functionality for “manual trigger letters” that allow the company to send out letters and notifications to customers in a number of different scenarios. Customer service representatives manually “trigger” letters right from the SAP CRM screen. “We have dozens of different letters that can be triggered. For example, if it’s discovered that a customer isn’t paying their CAPP [Customer Appliance Protection Plan] fees, we can disconnect them from the program and

then trigger a notice that will automatically be sent out to that customer," says Esch.

Clear and concise communication improves customer satisfaction

StreamServe enables SourceGas to standardize the appearance and delivery of all their outgoing electronic and printed documents, including dynamically assembling the content and format of their invoices. The result is billing statements that are more accurate, leading to far fewer reverses or re-bills than under their previous billing application. "Our billing accuracy is now at 99.78% and has been above 99.5% for some time now," says Esch.

A more accurate billing process improves the overall company image, but also reduces customer inquiries into their call center. For example, from 2010 to 2011, the number of call center interactions relating to billing inquiries decreased by 17%. There has also been an annual decline in the number of customer complaints. In 2010, their total complaints were 399 and by 2011 this number dropped to 165. This trend is continuing with an even slower pace of registered complaints in 2012.

Having easy access to electronic documents also speeds up the time needed to address customer inquiries. Customer service reps have easy access to electronic copies of customer documents right at their fingertips. When on the phone with a customer, they are able to see exactly what the customer is looking at to discuss their concerns or issues. "Our customer service reps handle billing inquiries 20% faster as a result," says Esch.

Increasing reach and relevance with targeted marketing

Increasing revenue for their non-regulated business is a key growth strategy for the company. SourceGas projects an 11% increase from 2011 to 2012 and a 23% increase from 2012 to 2013 in this market. Competing in this market means finding new products and services to sell and



also discovering new and effective ways to reach these customers. Using the OpenText platform, SourceGas can engage in better target marketing campaigns to increase sales of appliances and other services they offer to their non-regulated customer base.

Integrating StreamServe with SAP allows SourceGas to better segment their customer base and ensure the right messages reach the right customers. Campaign management, formerly outsourced to third parties, is now managed in-house through the integrated SAP CRM and StreamServe solutions. One of the ways SourceGas can effectively market to customers is by including advertising with bill runs. This is done through marketing flyers included in mail packages (inserts) and messages included right on the customer's bill (onserts). "It's an easy, inexpensive way to advertise and a great addition to our overall advertising mix," says Esch.

The company uses inserts and onserts to advertise a number of active programs, such as their CAPP services program. Some of their campaigns target specific

geographic areas, such as their "Excess Is Out" energy efficiency program that only goes to customers in Colorado and Arkansas. The company also plans to narrow their campaign focus even more by sending mailings and email campaigns based on certain customer criteria such as on-time payments, customers who've purchased products and services from them before, electronic billing customers, and more.

Adding billing inserts and onserts to their marketing mix has led to some notable results. Before 2010, the company did not do any special advertising for the sale of barbecue grills during the spring and summer months, but in 2011, using StreamServe to manage their outbound campaigns, SourceGas began advertising the sale of grills via billing inserts and onserts. "If we look at the month of April as an example, in 2011 we increased our revenue from grill sales by over 160 percent compared to the previous year," says Esch.

SourceGas also runs seasonal campaigns, particularly to promote their heating check campaign during the fall and their air conditioning tune-up service during the spring. More focused advertising in 2011 led to a jump in services and unit sales of fireplaces and air conditioners. In particular, the company sold significantly more air conditioning units and increased revenue by 40% for their spring tune-up service.

Conclusion

Using a seamlessly integrated OpenText and SAP solution, SourceGas can now better manage their overall billing and customer service processes and increase their ability to target new customers to sell additional products and services. "The OpenText solutions are an extension of our enterprise applications and will allow us to scale along with SAP as we continue to grow. It's highly customizable as well as extremely stable and has given us the ability to better manage the creation and delivery of customer communication across all four states that we operate in," concludes Esch. ■