



FUTURE OF
UTILITIES



Embracing next-level transformation on the Energy Transition journey



Today, the energy industry stands at a crucial moment in its history. With challenges at every corner, from meeting ambitious sustainability targets, to providing excellent customer service and remaining competitive; the opportunity for innovation and meaningful change is ripe.

In advance of March's Future of Utilities: Energy Transition Summit, we caught up with Alasdair Firth, Gentrack's VP Global Partnerships & EMEA Sales to dive into how technological transformation can support utilities businesses in achieving their Energy Transition goals.

1. The energy industry is changing at pace. What are key challenges you're seeing that must be addressed?

I believe that we are operating in the most exciting period that the energy industry has ever been through. The opportunity and scope for innovation is greater than it has ever been and the driver behind it, living more sustainably, never more critical.

However, there are significant challenges, we as an industry, need to work to overcome. Most critically, is that we need to bring the consumer on this journey, at a time when many consumers are particularly anxious or distrusting of the industry. Alongside this, we need regulation to enable innovation, with policy makers partnering with the industry to unblock the paths to new products and services.

Perhaps underlining all of this though is simply that our greatest challenge is the uncertainty of what tomorrow will realistically look like. We cannot predict for certain how electrification of

heat might impact the industry or what additional services might be possible as a result of greater settlement granularity.

It's not feasible to expect total clarity on the future or that the operating models of today will still be relevant tomorrow, but that is what makes it so exciting. However, what the industry can do is have flexible operating models and agility in deploying new propositions meaning that they can react to such a rapidly evolving industry.

2. When it comes to the **Energy Transition, how can** **transformations help the industry** **achieve its ambitious goals?**

Today's current commercial and operating models are no longer fit for purpose. What it takes to create, to market, and to deliver products and services that decarbonise homes and businesses look nothing like the old commodity only models. A transformation needs to enable energy providers to reimagine their business strategies, commercial models and operations around the energy transition.

However, it's important when transforming a business to be clear on the outcomes you expect. For the energy industry there are essentially 3 core goals: higher revenue, lower costs and happy customers. Any transformation should ultimately be about excelling in these 3 core KPI's.

A transformation can support an energy provider to take advantage of new revenue stream opportunities, through the capability to create and deploy new products rapidly. Optimised processes throughout the product to profit lifecycle, from forecasting to settlements, will reduce costs and if done well will lead to less complaints and happier customers.

3. What are the key criteria for remaining profitable and competitive, and what role can digitalisation and automation play?

Ultimately being competitive is about giving consumers what they need and want, and by adding value to their lives. The challenge is doing this in the optimal way, which is achieved through highly automated, digital self-serve customer experiences, all consolidated across multiple channels. The consumer shouldn't need to talk to you unless it is most needed and truly adding value.

A critical component to consider in ensuring this all works is guaranteeing strong foundations are in place to manage and maintain data. Underlying data quality and well maintained digital records are paramount to success, as the digital experience layer will only ever be as good as the data and records which feed it.

4. Given the current energy climate, it's critical that suppliers provide excellent customer service. How do you think the relationship between supplier and customer will evolve?

I think the days are gone where customers accept poor service levels in exchange for cheap prices. In some regions, regulatory intervention has completely removed any

competition on commodity costs. The impact of global gas prices on consumers has been hard, but I think it has also started to change some of the conversations. Technologies like solar and battery are not just for the eco-minded but are a way to significantly reduce costs.

In the future, supplier and customer relationships need to evolve beyond the commodity, into more of a partnership with a deeper understanding of what each customer needs and wants. This will enable suppliers to have more valuable interactions with their customers and create much more personalised propositions and experiences.

Getting there will be difficult, there is work to be done to rebuild trust which will be particularly important as younger generations begin to make up more of the customer base. They will have higher expectations from their suppliers as they will compare experiences not just between energy suppliers, but across all their suppliers in all sectors (e.g., banking, telco, etc).

5. What are the innovations driving the future of the energy industry and how can digitisation provide an outstanding digital experience to their customers?

One of the biggest challenges we face, is that for all the renewable and clean energy generation we install, the actual percentage of electricity generated from those sources has hardly improved in the past 2 decades. In 2021 36.7% electricity was generated from low-carbon sources while in 2000 this figure was 35.2%. The main reason for this, is that global electricity demand has gone up at the same time – nearly doubling in that 20-year period.

For me it says that reaching net zero through replacing older fossil fuel plants alone is not possible. We need the end consumers to embrace flexible technology and services, such as Virtual Power Plants and Demand Response, in order to lower the amount of centrally generated electricity required.

Truly excellent digital experiences are going to be critical to unlocking consumer engagement. Customers will want to know how their low carbon assets are performing and how much money they have saved. Suppliers will want to use real time, agile, time of use tariffs to incentivise customers to change their energy consumption behaviour. Apps and digital channels will play a crucial part in engaging with customers and will be key to the future success of energy flexibility.

6. In your experiences what are the most important aspects to consider in order to be successful on this journey

It is unlikely that 1 technology partner will be able to do everything you need in the future sustainable era. It's likely that an ecosystem of partners will be needed, but a strong base platform is the foundation for this.

At Gentrack we have over 35 years' experience transforming utilities and we have unpacked some of our learnings from transformations into 4 key areas.

1. Firstly, make sure you pick the right partner and have the right scope from the very start. You need to be clear on your business strategy and how the transformation will enable this. You need to know what the outcomes you expect are, and ensure that the partner you work with shares this vision.

2. Secondly, know where to invest in expertise. Consider what capabilities your business needs to manage a transformation successfully and make sure the programme has access to all the knowledge in your business.

3. Keep a tight control on your value drivers and go steady but not slow. Building on point one this is all about ensuring the scope is tightly controlled to ensure timelines do not slip.

4. Data, data, data. It's not just excellent digital experiences which are underpinned by data, but good transformations too. We'd recommend testing new solutions with real data and ensuring data quality is high prior to any migrations.



Alasdair Firth

**VP Global Partnerships &
EMEA Sales, Gentrack**

With over 18 years' experience in the utilities industry, Alasdair started his career at British Gas and has consistently demonstrated success in managing complex business relationships and delivering positive outcomes for partners and customers.

Based in Leeds, Alasdair first joined Gentrack as Account Director in 2018 and was responsible for working alongside key UK Customers. He has a deep understanding of the market and business models having been Director of a niche start-up energy supplier in the UK and a consultant/ Non-Executive Director to a number of tech companies focussing on flexibility to help suppliers drive towards Net Zero.



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Through our series of digital content and events, including webinars, reports, roundtables and conferences, we deliver the necessary thought leadership, shared experiences and networking opportunities to prepare for, and determine, the future of utilities.

For more information, please visit: marketforcelive.com/future-of-utilities



Utilities are at the forefront of an exciting and dynamic market, operating businesses in a period of unprecedented change, while implementing programs for a more sustainable tomorrow.

For over 35 years Gentrack has been partnering with the world's leading utilities. More than 50 energy and water companies rely on Gentrack. Our g2.0 solution combines this wealth of experience with Salesforce's unbeatable CRM, Gentrack's leading meter-to-cash platform and a composable architecture on AWS. g2.0 ensures high performance, security, scalability, and rapid prototyping for innovation at pace.

When it comes to transformations, you can count on us.



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