Case Study: The Hong Kong and China Gas Co. Ltd. (Towngas) Optimizes Customer Care and Field Service Operations by Leveraging CRM Technology

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Agenda

- Towngas Company Introduction
- IT Business Challenges and Project Objectives
- CRM Vendor Selection Criteria
- CRM Project Description
- Lessons Learned and Recommendations
- CRM Benefits and Conclusion
Towngas: Leading Provider of Gas Distribution and Related Services in Hong Kong

• Founded in 1862: first public utility in Hong Kong and first gas utility in the Far East.

• More than 3,000 km of pipeline network and over 1.5 million residential and business customers in Hong Kong

• Core business:
  Ø Production and distribution of gas
  Ø Marketing of gas appliances
  Ø Comprehensive sales and after-sales services: design, installation, maintenance, safety compliance
Towngas’ Customer Oriented Strategy

Customer is key: a long company tradition aimed at achieving the highest level of customer service:

• 1993: Customer Focus Team established - to meet, listen, and gather suggestions from customers to drive best customer practice
• 1994: Towngas Service Pledge established – for customer service, reliability, and safety
• Quantified yearly objectives for service quality
• Independent customer survey to review performance

➤ Support for Brand Awareness
➤ Maintain Customer Loyalty
Recognition for Superior Customer Service and Management Excellence (Selection of Awards)

- Company of the Year award from the Institution of Gas Engineer, U.K., 1999
- Best Utility Call Center award from the Hong Kong Call Centre Association, 2000
- Top 10 Overall Best Managed Company award from Asiamoney magazine, 2000
- Environmental Performance Award in the Hong Kong Awards for Industry, 2001
- Top 10 Leading Companies in Hong Kong award from Far Eastern Economic review, 2002
- Customer Service award from the Hong Kong Retail Management Association, 2002
- Innovation Grand Award at Hong Kong Awards for Services, 2003
- First Utility to obtain the Q-Mark Certification from the Federation of Hong Kong Industries for high quality of services, 2004
Towngas: Growth and Diversification Strategy

- Eco LPG Filling Stations
- U-Tech Engineering
- TGC Brand of Appliances
- Fiber Cable Network and Broadband Services
- Customer Advisory Services and Support
Towngas Expansion to Mainland China

- 28 Joint Ventures as of November 2004
- West-to-East gas transmission pipeline project
- Guangdong Liquefied Natural Gas Project
- City piped gas with Shenzhen Gas
Towngas IT Systems Prior to CRM Deployment

- Legacy System for CIS/Billing
- Legacy Appointment Booking
- SAP for Asset/Inventory Management
- Other ERP:
  - Meter Data Management
  - Network Management
Company’s Technology Business Challenges

- Aging custom-built CIS system, lacking superior CRM functionality, not economical to maintain and difficult to change
- Need a single multi-channel system accessible in the call center, customer center, web, and outdoor sales point
- Need support for promotional pricing
- Need support for future system expansion (fully automated solution for field service operation and dispatch, marketing and personalized campaign management)
- Need scaleable and flexible system to adapt to company growth
Replace the CIS with a CRM solution for Sales and Service; Keep only the billing functionality of the CIS

CRM to support all Sales functions:
- Opportunity and account management
- Offer, order, and contract management for all products and services (gas supply, appliances purchases/rental/leasing; appliance installation and maintenance);
- Personalized product bundling and promotional pricing;
- Up- and cross-selling

CRM for all Customer Service functions in the Call Center, Customer Centers, Outdoor Sales points:
- Billing inquiries
- Transfer of services (Move)
- Appointment booking and dispatch for field service (installation, maintenance, meter reading)
- Trouble reporting (emergency calls, repair work)

Seamless integration of CRM with Billing and Inventory Management systems

Project Objectives: Phase 1 (Live)
Project Objectives: Phase 2

- CRM to support fully-automated field service processes:
  - Dispatching of in-house technicians and external contractors
  - Field service activity management
  - On-site invoicing and receipt printing, electronic signature capture

- CRM Service PDA and wireless deployment for real-time, closed-loop Field Service process
CRM System Selection Criteria

- Vendor’s market leadership and financial strength
- Vendor’s ongoing commitment to research and development
- Vendor’s ability to assemble a team of Towngas IT and vendor service professionals to jointly design, configure, and deploy the CRM Solution
- Comprehensive, multi-channel utility-specific functionality for sales, marketing, customer care, and field service
- Built-in best practice business processes
- Ease of integration with back office systems
- Ease of use and configuration
- Flexible UI and configurable workflow - ability to react to market changes

➔ CRM Market Leader Selection
Customer Service (Phase 1): Resolve, Follow, Track and Manage All Customer Requests

- Call Received and Routed to CSR Automatically
- Complete Customer Information Obtained
- CSR Addresses all Customer Issues utilizing Standardized Processes and Workflows
- CSR Utilizes CRM to complete Tasks
  - CRM integrates to various other systems and shows critical Information
  - CSR may choose to Up/Cross Sell or provide Proactive Service based on Complete Customer Information
- Call Completed with Customer Issues Addressed
  - Historical Service/Activity Record Created

Activity Request
- Gas Service Connection/Disconnection
- Contract Management, Transfer of Services (Move)
- Account Opening/Closing
- Appliance Ordering
- Schedule Installation, Maintenance or Inspection
- Change a planned visit
- Meter Check
- Meter Change
- Emergency or trouble report

Customer Concern
- Visit unattended
- Meter reading adjustment
- Disagreement with suspension notice
- Disagreement with bill amount

Information Request
- Advice about installation /building
- Safety compliance information
- Information about pending meter readings
- Information about the payment process
- Information on bill charges
Bill Inquiry Process Example

Customer
- Billing Inquiry
- Verify Meter Read
- Make Payment

Call Center Agent
- Query Bill Header and Detail
- Check Consistency of Bill
- Check Meter/Usage Data
- Create Adjustment Request
- Cancel-Rebill Request
- Accept Payment

Billing
- Provide Bill Data
- Provide Usage Data
- Update Usage Data
- Process Adjustment Request
- Cancel-Re-bill
- Process Payment

Field Service
- Field Investigation
Quote-to-Contract Process Example

- Automated & standardized processes
- Minimal error rate in order entry
- Status monitoring capability
- Accelerated provisioning and billing

Understand Customer Needs
CRM Sales

Setup Account
CRM Account Mgmt

Configure Solution
CRM Quotes & Products

Price Solution
CRM Pricer

Verify Provisioning
CRM Orders to Assets

Auto Order Creation
CRM Quotes to Orders

Auto Contract Creation
CRM Contracts

Offer Approval
CRM Workflow

Personalized Offer
CRM Contracts
CRM Business Process: End-to-End Field Service Process (Full Automation in Phase 2)

Closed Loop Intervention from the customer call, to the Field, and back to the CC in Real-Time
Consideration for Future CRM Deployment Phases: Marketing and Analytics

Marketing and Campaign Management

- Marketing Analytics
- Campaign:
  - Creation
  - Planning
  - Execution and follow-up
  - Opportunity generation

Business Intelligence Analytics

- Transactional Reporting
  - “Here are your reports”
- Query, OLAP/DW
  - “Explore my data”
- Performance Management
  - “How am I doing vs. goals?”
- Fact-Based Actions
  - “What should I do now, at the moment of contact?”
- Intelligent Interactions
  - “What is my best opportunity?”
  - “What should I do next?”

Operational Analytics

- Point & Click Analytics Creation
  - Reacting to Market Opportunities
  - Measuring Effectiveness
  - Flawless Marketing Execution
  - Knowing Your Customers

Increasing Value

Generational Step
CRM Application Users

Customer Service and Sales:

- Call Center Sales and Service: 300
- HotLine: 90
- Customer Service Centers/Point of Sales: 20

Field Service:

- Field Service Technicians and Contractors:
  - Maintenance: 180 for Residential (1800-2400 daily visits) and 45 for Businesses (170 to 200 daily visits), excluding Contractors
  - Installation: 80
  - Safety: 110 (3000-3500 daily visits)
  - Emergency: 18 (100 to 500 daily visits)
CRM Master for:
- Accounts, Contacts, Addresses
- Quotes, Orders, Provisioned products and services
- Product and Service Configuration and Eligibility, Promotional Pricing and Discounts

Billing Master for:
- Individual Gas rates
- Billing calculation and invoice generation

Inventory Management Systems Master for:
- Parts and equipment

- Siebel DB: Oracle
- Resonate
Project Deployment: Lessons Learned & Recommendations

- Secure executive sponsorship
- Ensure close collaboration between the users, the business, and IT
- Get user feedback at an early stage of the project
- Leverage out-of-the-box functionality
- Allow for modifications of existing business process
- Manage change and user expectations
- Allow time for sufficient testing
- Use Siebel deployment experts at key project milestones
Benefits of the CRM Solution

- Enhanced quality of customer service
- Increased quoting, ordering, contracting, and invoicing efficiency
- Increased call center and sales effectiveness
- Enhanced cross-selling and up-selling
- Improved marketing flexibility
- Optimized field service processes
- Reduced system maintenance costs and training time for call center agents
- Flexible, easy to configure solution to adapt to business evolution and process changes
- Scaleable, multi-channel platform that can adapt easily to company expansion and growth
CRM in Utilities:

- More than simply a Marketing or SFA application
- More than a supplement to CIS for enhanced customer service

- **CRM is a multi-channel and integration platform that enables a company to realize its business strategy and core values** (superior customer service; brand management; customer loyalty; flawless execution)

- **CRM is a mission critical operational system that efficiently manages end-to-end business processes, across front and back office**

- **CRM in utilities is a comprehensive suite of utility-specific solutions for Sales, Customer Care, Field Service, Marketing, Operational and Business Intelligence Analytics, Partner Management.**

**CRM is a Strategy that involves Processes, People, and Systems. CRM is more than a product.**
Thank You!