

# Customer Experience



## Negotiating position for the Customer Forum

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### Negotiating Scope

The customer experience proposal is in scope of the negotiations between AusNet Services and the Customer Forum. AusNet Services is seeking Customer Forum endorsement to include the proposed customer experience initiatives in our proposal for the 2021-25 period.

The Customer Forum has placed considerable emphasis on ensuring that we provide customers with a level of service that they value. We will not be waiting until 2021 to start delivering improvements to customer experience. Rather, AusNet Services is seeking to agree with the Forum a number of initiatives that it will undertake in the remainder of the 2016-2020 regulatory period.

Accordingly, AusNet Services is proposing a two pronged approach to delivering customer experience improvements in the 2021-25 period. This comprises:

- Specific customer experience initiatives for the remainder of the 2016-20 regulatory period, which will continue to deliver customer benefits during the subsequent 2021-25 period at no additional cost to customers; and
- Implementation of a customer satisfaction incentive scheme – this will provide an ongoing incentive for customer experience improvements and help embed a culture of customer centricity within the business, whilst ensuring that customers only pay where they receive service improvements they value.

Further, we are considering whether we can fund from our bottom line GSL payments within our control and commit to an additional payment to customers in the event that their complex connection exceeds a certain duration.

### Commitments for the remainder of the 2016-2020 regulatory period

As noted above, AusNet Services recognises there are things it can start doing, prior to the 2021-25 regulatory period, which will result in improved outcomes for its customers. To this end, we are proposing the initiatives set out in Table 1 below. We are seeking to agree with the Forum which of these initiatives should be prioritised and delivered during the 2016-20 period, having regard to the customer need being addressed and the cost impacts, which are ultimately shared with customers through the efficiency benefit sharing scheme.

Some of the initiatives reflect suggestions from the Customer Forum, including those made at the customer experience workshop facilitated by ThoughtWorks on 24 July 2018. Others have come out of other customer-focussed work programs being run by AusNet Services as part of its broader aspiration to become a customer-centric organisation.

The initiatives have been separated into strategic initiatives aimed at achieving customer-centricity and cultural change broadly across the organisation, and tactical initiatives aimed at validating and addressing more immediate customer needs. For all initiatives, progress will be monitored and reported on using the KPI/measure shown in the table.

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**Table 1: Proposed strategic and tactical customer experience initiatives for the 2016-20 period**

ID	Customer experience initiative	Description	Timing of implementation (calendar years)	KPI / measure
<b>Strategic initiatives</b>				
1	Review accountability for customer within organisation	Review current organisational structure to identify optimal business processes, staff skills and technology capability required to meet customer needs.	2018	Review completed and identification of changes needed to existing accountabilities
2	Link employee remuneration with customer satisfaction (CSAT) outcomes	<ol style="list-style-type: none"> <li>Develop CSAT baseline data</li> <li>Introduce corporate and individual employee remuneration KPIs that are linked to CSAT outcomes.</li> </ol>	2019	Use of customer satisfaction KPIs from FY2019-20*  <i>Note: This will require approval from AusNet Services Board. It retains full discretion regarding the implementation of this initiative from 1 April 2019</i>
3	Rolling customer research program	Outline and commence rolling customer research program, including ongoing, annual and bi-annual customer research activities.	2019	Rolling customer research program defined and commenced
4	Conduct further customer journey mapping	Conduct journey mapping of high priority customer journeys to identify pain points and test solutions.	2019-20	High priority customer journeys completed  Solutions tested with customers to address pain points
5	Ensure customer involvement in customer experience design	<ol style="list-style-type: none"> <li>Establish customer experience principles specifying, among other things, customer involvement in user experience design</li> <li>Gain acceptance of principles across business.</li> </ol>	2019-20	Customer experience principles developed and rolled out across company
<b>Tactical initiatives</b>				
6	Enhanced training of call centre staff	Ensure call centre staff are trained to: <ul style="list-style-type: none"> <li>Provide more empathetic customer service to all customers</li> <li>Effectively identify and address the needs of hardship and other vulnerable customers (e.g. refer customer to available assistance programs).</li> </ul>	2018-19	Successful completion of training by call centre staff  Call centre script modified to include questions relating to payment difficulty and, where applicable, referral to assistance programs

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ID	Customer experience initiative	Description	Timing of implementation (calendar years)	KPI / measure
7	Enhanced measurement of call centre staff performance	Introduce mechanism to measure customer satisfaction with call centre interactions (e.g. voice recording, follow up SMS to customers).	2019-20	Capability introduced to measure customer satisfaction with call centre interaction
8	Disaggregate CSAT data into region-specific data	<ol style="list-style-type: none"> <li>Disaggregate CSAT data into region-specific data to allow location-specific view of customer satisfaction</li> <li>Use location-specific CSAT data to set KPIs for regional field staff.</li> </ol>	2019-20	Location-specific CSAT KPIs set for regional field staff
9	Provide information to customers on unplanned outages post-resolution	<ol style="list-style-type: none"> <li>Test feasibility of customer-friendly register or database of recently resolved unplanned outages showing relevant information (e.g. location, duration, cause, number of affected customers)</li> <li>Subject to outcomes of feasibility testing, trial on appropriate channel (e.g. website, outage tracker)</li> <li>Measure uptake from customers</li> <li>If uptake is positive, roll out on ongoing basis.</li> </ol>	2019-20	Tested feasibility of register or database and, if feasible, trial conducted on appropriate channel
10	Use smart meter data to help customers manage bills through usage related (i.e. "bill shock") alerts	<ol style="list-style-type: none"> <li>Test feasibility of analytical tools to identify abnormal household energy usage patterns</li> <li>Subject to outcomes of feasibility testing, trial customer notification methods (e.g. myHomeEnergyPortal, SMS, email) with appropriate sample of customer base</li> <li>Measure perceptions of value from customers involved in trial</li> <li>If perception and uptake is positive, roll out across broader customer base.</li> </ol>	2020	Tested feasibility of analytical tools and, if feasible, trial conducted with customers
11	Use smart meter data to help customers manage bills through appliance related alerts	<ol style="list-style-type: none"> <li>Test feasibility of analytical tools to identify inefficient energy appliances</li> <li>Subject to outcomes of feasibility testing, trial customer notification methods (e.g. myHomeEnergyPortal, SMS, email) with appropriate sample of customer base</li> <li>Measure perceptions of value from customers involved in trial</li> <li>If perception and uptake is positive, roll out across broader customer base.</li> </ol>	2020	Tested feasibility of analytical tools and, if feasible, trial conducted with customers
12	Make the myHomeEnergyPortal more user-friendly	<ol style="list-style-type: none"> <li>Continue to identify and explore opportunities to refine the myHomeEnergyPortal to improve customer experience</li> <li>Test customer perception of value from potential refinements</li> <li>Implement refinements where perception is positive.</li> </ol>	2019-20	Refinement opportunities identified and, where customer utilisation is positive, implemented

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ID	Customer experience initiative	Description	Timing of implementation (calendar years)	KPI / measure
13	Identify gaps in customer base regarding hardship program eligibility and concession eligibility	<ol style="list-style-type: none"> <li>1. Obtain data from retailers showing customer numbers on hardship programs in each postcode</li> <li>2. Compare this with data we have showing how many customers may be eligible for concession programs (e.g. Census data) to identify gap</li> <li>3. Raise awareness of gap with customers in these areas and other stakeholders, including advising customers of additional concessions that they are likely to be eligible for.</li> </ol>	2018-19	<p>Data obtained from retailers and comparisons made with AusNet Services' knowledge/data of hardship customers to identify gap</p> <p>Awareness raised with customers and other stakeholders where gap is identified</p>
14	Public commitment to share data with consumer advocates for research purposes	<ol style="list-style-type: none"> <li>1. Develop principles to govern data provision to consumer advocates (e.g. consistency with privacy laws, prioritisation of highest merit research)</li> <li>2. Make public commitment to share data in accordance with principles.</li> </ol>	2018-19	Public commitment made via appropriate channel (e.g. website, media release).
15	Become active member of Thriving Communities Partnership	<ol style="list-style-type: none"> <li>1. Join Thriving Communities Partnership (TCP)</li> <li>2. Actively participate and contribute to TCP initiatives</li> </ol>	2018-19	<p>TCP joined</p> <p>Active participation in TCP initiatives</p>
16	Establish energy literacy program	Develop and establish an energy literacy program in partnership with Consumer Policy Research Centre (CPRC)	2018-19	Energy literacy program established with CPRC
17	Improve restoration times for life support customers experiencing an outage	Utilise information received from smart meters to identify life support customers off supply and improve timeliness of reconnection of these customers	2019-20	Improved response to life support customers experiencing an outage
18	Enhance communications to vulnerable / life support customers	Enhance and expend communications to vulnerable and life support customers in advance of network events, to include SMS, social media and community messaging channels	2018	Improved customer information and ability to prepare or avoid interruptions.
19	Develop a consistent and "plain language" compensation and claims fact sheet easily accessible by customers.	Develop and publish "plain language" information on AusNet Services website.	2018	Improved customer access to information, leading to reduced complaints and processing times.

## Guaranteed Service Levels

Many of the GSL payments that AusNet Services makes are triggered by large weather events and so whilst we can optimise our response, they are largely unavoidable and outside of AusNet Services' control. However, there are several GSL payments that are generally within AusNet Services control.

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As requested by the Customer Forum, AusNet Services is considering whether it can commit to funding the controllable GSL payments from its bottom-line.

These GSL payments are:

- Connections not met on agreed date – 1-4 day delay
- Connections not met on agreed date – 5+ day delay
- Appointments not met on agreed date and time
- Abolishment of connections past 20 working days

Additionally, we are considering whether we can commit to a connection timeframe which is below the legislated requirement of 65 days for complex connections, as requested by the Customer Forum.

## Customer Satisfaction Incentive Scheme

The CSAT survey results show that the main drivers of low customer satisfaction across a range of experiences, including planned and unplanned outages and new load connections, are:

- Communications; and
- Duration.

This is explained in the 'Relevant Customer Research' section below.

AusNet Services faces incentives to minimise the duration of planned and unplanned outages through the reliability incentive scheme. It faces incentives to reduce the duration of new connections through the GSL scheme, as explained above.

AusNet Services is proposing an incentive scheme to encourage improvements in satisfaction with connections, planned and unplanned outages and complaint handling. Our customer engagement indicates improved communications will improve customer satisfaction across all interactions that our customers have with AusNet Services.

There are some low-cost actions that can be undertaken to improve these metrics, however to make a measurable difference investments will be required. One funding option that can allow AusNet Services to drive these improvements would be through the expenditure allowance. This provides funding certainty to AusNet Services and customers will be aware of specific projects that AusNet Services will undertake. The projects would be selected on the basis of the anticipated benefit to customers, however our customers fund the project regardless of whether there is a reported change in customer satisfaction.

We consider the implementation of a new Small Scale Incentive Scheme is a preferable option and as such, AusNet Services seeks the Customer Forum's agreement to propose to the AER a small scale incentive scheme focused on customer satisfaction and experience. This is an alternative to including the costs of service improvement measures in the proposed expenditure allowance. We consider the key advantages of an incentive scheme are:

- The scheme provides an ongoing incentive for AusNet Services to improve customer satisfaction. This would assist in embedding a focus on customer satisfaction within AusNet

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Service and also ensure that projects that deliver long term or enduring changes in customer experience are prioritised.

- The incentive scheme will require tracking, validation and publication of AusNet Services customer satisfaction performance. This will increase transparency and provide customers a mechanism to monitor our performance over time.
- Customers will only pay for the improvements AusNet Services invests in where they have measurable benefits. Conversely, if customer experience deteriorated, then customers are compensated through lower bills.

## Incentive Scheme design

We consider the Small Scale Incentive Scheme could be designed as follows:

- Performance targets are set on historical averages, and are updated annually.
- Rewards or penalties are symmetrical for improvements/declines in performance.
- The rewards/penalties are incorporated into prices annually.
- Incentive rates will be calculated to ensure the penalty/reward is commensurate with the value customers place on the service improvements.
- Between \$3m and \$6m of revenue per annum is tied to this incentive (between 0.5% and 1% of AusNet Services' revenue requirement).

We note that the customer satisfaction parameter in the STPIS has revenue at risk of 0.5% and only relates to the proportion of telephone calls answered in 30 seconds. This parameter could be removed, which would require AER agreement.

## Incentive Scheme Parameters

We have identified a number of parameters that we propose could be measured in the small scale incentive scheme.

**Table 1 – Small Scale Incentive Scheme Parameters**

Performance metric	Comment
Customer Satisfaction – unplanned outages	This measure relates to the experience of customers who incurred a planned interruption and so would incentivise AusNet Services to handle notification and customer interactions better.
Customer Satisfaction – planned outages	This would measure a customers satisfaction with a planned outage they recently experienced so would incentivise AusNet Services to handle notification and customer interactions better.

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Customer Satisfaction – New Connections	This would measure a customer's satisfaction with the connection process. This would incentivise AusNet Services to improve the customer facing process.
Customer Satisfaction – Complaints	This would measure a customer's satisfaction with the complaint process (if they have made a complaint).

## Relevant customer research findings

### Customer Satisfaction Survey

AusNet Services has implemented a quarterly Customer Satisfaction Survey. We propose to use this survey as the basis of the parameters for the customer satisfaction scheme. The survey collects data on our customers:

- Satisfaction with unplanned outages
- Satisfaction with planned outages
- Satisfaction with connections
- Satisfaction with complaints process

The key drivers of customer satisfaction in these areas appear to be:

- The duration of the interruption to the electricity supply
- The tidiness of the site upon completion of the works
- The professionalism of the workforce that carried out the work at the property
- The communication whilst the work was being carried out
- The overall quality of work carried out
- The advance notification about the work that needed to take place

We note that this survey has only been recently implemented and we have not published results from the survey. This is to allow us to ensure the robustness of the process and resolve any methodological issues prior to commencing publication of these results.