

CASE STUDY: STAYING AHEAD OF THE COLLECTIONS CURVE IN A DEREGULATED WORLD

The Situation

Energy deregulation has been taking place in the United States since the late 1990's. As a result of this deregulation, many states have adopted this change in the energy industry to enhance competition between energy providers. This deregulation has divided the energy company monopolies by separating the production of energy from its distribution. The ability for customers to have a choice as to where they purchase their power has created a competitive landscape and has created a world in which Energy Service Companies (ESCO's), now have the ability to provide a number of choices. While the local utility company is still responsible for providing the distribution, the deregulated provider now able to sell the resource at a competitive rate, providing a more cost effective solution for the end customer. The customer still receives one bill (in most cases) and the face point to the end user is unchanged.

As this new model has evolved, it presents challenges for the deregulated provider on the back end if a customer becomes delinquent and doesn't pay on its obligations. The regulated energy provider, and home base utility can ultimately shut off the end user and pursue its debt through normal recover and collection practices. However the deregulated energy provider can often be saddled with a return debt that is charged back to the deregulated energy provider. The energy service company (ESCO) will pass back those debts and create a new challenge for the energy providers. This has created a new issue for the deregulated providers and a need to act to stay ahead of the curve. This new normal can leave deregulated suppliers with large amounts of outstanding "charged back" debt representing 3-4 months of unpaid services and if you don't have a plan, you can easily find yourself loaded with a reactionary late stage problem.

However, CCI partnered with a Midwestern deregulated energy provider to help solve the problem at hand. By implementing a "pro-active" approach, this energy provider was able to get ahead of the curve, and drive positive results on solving the issue around its own future log of projected bad debt.

How CCI Can Help

CCI worked with a Midwest deregulated electricity provider to build a solution that involved experienced agents, utilization of scripted technology all wrapped around a plan to stay ahead of the potential build-up of charged back accounts. CCI helped outline and build a process that integrated technology and communication with both the energy servicing company and the deregulated partner to create a seamless first party process. We targeted accounts that fell past due in the 30, 60 and 90 day buckets and set up a call "cure" plan to make pro-active soft outreach calls in order to help bring accounts back to current status.



By installing this plan, CCI actively called past due accounts daily and helped them understand their current status; while coordinating the payment process. Operating as a first party extension of the deregulated partner; CCI's operated on their hosted CIS system, updated accounts and helped facilitate a warm transfer back to the home servicing utility to help close the gap and submit payment. By using a consultative and care based approach, the results were dramatic and the program CSAT numbers went through the roof. As all utilities know, the new age of customer experience draws on being a proactive provider that offers many channels and approaches to supporting the overall customer experience.

While using CCI on this project this utility established the ability to recover revenue, treat customers with respect, and achieve less account churn; while reeducating their customers to their terms of service in concert with the regulated utility provider. It was a strong program that had tremendous results and the best thing is this program can work for any deregulated utility provider looking to stay ahead of the curve as it relates to charged back bad debt.



The Results

In this case, CCI started this customer outreach program when the deregulated partner was sitting on approximately 180,000 accounts that fell into the definition of 60 to 90 days past due. By employing the strategic and scripted outreach plan defined above, CCI was able to impact and cure 165,000 of the 180,000 accounts and stabilized the environment to roughly 15,000 accounts under 30 days over an 18-month period. The net effect was that the Deregulated Utility was able to re-educate their delinquent population to their terms and accept the process back into their captive call center environment.

If you would like to speak to this client directly about this business case and their results, please reach out to me and I will be happy to place you in contact with them:

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