

E.ON POWERS TO A SUCCESSFUL DIGITAL TRANSFORMATION



Source: E.ON

In many of my analyses, I talk about the digital transformation of businesses and how various digital trends are shaping this new era of business. While I can talk about the implications of these new technologies and digital transformation all day, real-world case studies show the true impact of digital transformation.

This case study is the story of how a well-established energy supplier with millions of customers transformed itself into an enterprise start-up while maintaining its robust sustainability legacy and creating an innovative operating and technology model. While this story is specific to the energy industry, I believe it shows how any company that needs to adapt its business and operating model to scale could innovate and work more efficiently.

E.ON UK is part of the E.ON Group, one of Europe's largest energy companies. At the start of the global pandemic, E.ON UK announced it would be migrating customers of both the E.ON and npower supplier brands to a new supply brand called [E.ON Next](#). This migration came after E.ON had taken over its former rival npower in an asset swap deal between their respective parents in late 2019.

In 2019, E.ON became the first major UK power company to switch all its domestic electricity customers entirely to [renewable electricity](#) as standard and at no extra cost. In the fiercely competitive UK energy market, E.ON wanted to improve its service and the variety of offerings to customers, to grow its customer base, and increase its speed in reacting to an ever-evolving regulatory environment.

Digital transformation was vital to keeping the business strong, which led E.ON to partner with [Kraken Technologies](#), part of Octopus Energy Group, and [Infosys](#) to create a new digital-led business – E.ON Next.

Upon reflection, the fundamental approach of the transformation project deployed by E.ON can be broken down into a number of workstreams which could serve as a blueprint to help guide other organizations facing similar challenges.

BUSINESS READINESS – STREAMLINING BUSINESS PROCESSES TO WORK WITH THE NEW PLATFORM

E.ON's chosen technology platform was [Kraken Technologies](#). Kraken is an advanced future energy customer-to-cash cloud platform and the backbone of E.ON's large-scale digital transformation.

I can see the value in more vertically aligned software. Other big players lean this way, such as [Microsoft Industry Clouds](#) and [Amazon Cloud Solutions for Industries](#).

E.ON decided to completely change its business and operating model for its supply business, and this change was made possible through Kraken's proprietary BOT approach – Build, Operate, Transfer. To put into perspective the challenges of this transition, it was akin to creating a start-up within an enterprise that required a digital-first culture and mindset with solid leadership.

Alongside the need for a digital-first culture, the new model required a shift in action, focused on acting in customers' best interest. The culture at E.ON Next became action-orientated, data-driven, forward-thinking, collaborative, and agile. Digital development and creative talent were insourced to help drive speed to market, consistency, and efficiency.

TARGET OPERATING MODEL – SERVE THE CUSTOMER THROUGH THE ENTIRE LIFECYCLE

For E.ON and most other energy suppliers, the traditional business model involved managing discrete tasks across specialist – and often separate – areas of the organization. The new target operating model, designed and implemented by Kraken Technologies, was a radical change where the same specialists now handle all interactions with a defined group of customers.

Krak's industry-first 'universal agent' model unlocks visibility of the entire customer journey and lifecycle. It is designed to improve efficiency and transform the customer experience while stepping away from more traditional models where customers are passed between departments and individual specialists cannot see the complete picture. These changes better meet the customer's expectation of an effortless experience where they speak to the right person and get a response the first time. As a result, E.ON Next has been consistently rated 'Excellent' by its customers on Trustpilot.

CUSTOMER MIGRATION – A SEAMLESS JOURNEY FOR THE CUSTOMER

Migrating customers from a number of different brands and service platforms with minimal disruption to both the customer and to normal business practices was a key plank of the strategy. There was a risk of customers leaving if the migration was not done right.

The integrated copy-design-digital team played a key role in the success of this workstream, with the ability to - rapidly and efficiently - develop hundreds of communication assets like never before, while ensuring consistency across platforms and channels.

END-STATE ARCHITECTURE – REMOVING THE LEGACY SYSTEMS

The final workstream involved the end-state architecture. Once the customer migration to E.ON Next was complete, attention turned to decommissioning existing legacy systems successfully.

Here are a few choice quotes I pulled from the interviews.

Michael Lewis, E.ON UK Chief Executive, said: "This must be the largest and fastest customer migration ever undertaken in the UK, and the fact we've achieved such success during a global pandemic and whilst delivering 'Excellent' customer satisfaction scores is a massive achievement.

"Customers are what this move is all about and that's even more important given the current cost of living crisis. We're still focused on the energy transition and getting the UK to a zero-carbon future, and our work with the Kraken and Infosys teams means we can build more effective and responsive relationships with our customers, understanding their needs and responding in a more effective way."

Greg Jackson, CEO and founder of Octopus Energy, said: “I couldn’t be more proud of the teams at Kraken Technologies and E.ON UK for completing this migration in what can only be seen as record time. It’s an extraordinary example of the level and speed of transformation that can be achieved by using our technology platform Kraken. If more energy companies took the same approach as E.ON, we’d see tremendous improvements for both the people and the planet.”

Saurabh Jain, Infosys Client Partner for E.ON, said: “The creation of E.ON Next is an inspiration for energy companies on how to rethink themselves in order to remain successful in a competitive market by maintaining a focus on shifting customer needs. E.ON is decisively driving forward the energy transition and Infosys is proud to support their ongoing digitization in innovative and meaningful ways for a more sustainable tomorrow.”

WRAPPING UP

Completing the migration process took approximately two years. The steps to success are clear: build a solid platform that is fit for the future, migrate customers efficiently and effectively, communicate to customers at every stage, and ramp down the previous operating model. Lastly, ensure you take your people, culture, and customers on the journey with you.

So far, it is clear that customer service has improved, the organization has become leaner, and decision-making is often swifter and closer to the customer conversation. The technology platform and target operating model are built to be flexible and scalable, along with the ability to respond faster to regulatory changes and shifting customer needs.

Several companies across the UK energy industry have foundered during migrations from large legacy systems – losing customers, money, and their reputations in the process. This transition is the first time in the UK energy industry that a customer migration of this scale has succeeded – kudos to E.ON, Kraken, and Infosys.

IMPORTANT INFORMATION ABOUT THIS PAPER

CONTRIBUTOR

[Patrick Moorhead](#), CEO, Founder and Chief Analyst

PUBLISHER

[Patrick Moorhead](#), CEO, Founder and Chief Analyst at [Moor Insights & Strategy](#)

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