



Essent invests more time in customers thanks to automated invoicing



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Essent, energy supplier, wanted the invoicing for its industrial customers to be thoroughly automated. Preparing invoices was mainly a manual process, which involved people keying in immense quantities of data. Inevitably errors were occasionally made. To avoid these errors and be able to guarantee this segment a better customer service, Essent sought a solution. IT partner Itineris proposed its B2B utilities solution, which is based on Microsoft Axapta. Thorough preparation and innumerable tests ensured that the complex implementation and migration to this new environment was completed in six months.

All the staff were closely involved in this big IT project right from the start. Since Essent automated the invoicing for its industrial customers, the latter have been regularly receiving a correct invoice that contains much more detail. This has freed up time for Essent to invest in improving services and taking a dynamic approach to its customers. Now the energy supplier can also anticipate changes in the market more quickly and secure an extra share of the market. In the future Essent will further increase the automation.

Summary

Country: Belgium

Sector: Energy

Profile

Essent supplies gas and electricity in Belgium, Germany and the Netherlands, both to private individuals and to companies. In Belgium Essent is the biggest alternative energy supplier, with more than 200,000 households and 2,000 companies in its customer file. Some 135 people work at Essent Belgium.

Challenge

Essent wanted to completely automate the back office system for the B2B segment and so free up time for customers. In fact, Essent wants to double the turnover for this segment within three years. The migration of millions of pieces of data had to run smoothly and be guaranteed to be flawless.

Solution

IT partner Itineris installed its utilities modules, including Xellent, which is based on Microsoft Axapta. After a faultless migration, Essent is investing the time gained in additional time for the customer and more analysis.

Advantages

- Invoices guaranteed to be correct
- Better customer service
- Clear and detailed invoices
- All the data are entered into a central system
- Customers can check their invoice history
- Much faster tenders in the near future
- Flexible and reliable solution
- Hardly any support required
- Customer knows the period and amount on the invoice in advance
- Payment arrears are reduced by 40%
- Less data input and more analytical work motivates staff
- Exponential growth possible with the same number of personnel

Essent wanted to thoroughly automate the invoicing for its industrial customers for two reasons. For one thing it had to guarantee invoices that were completely correct, which had not always been the case in the past because of their complexity. Secondly Essent wanted to further improve the customer service for this segment. Thanks to the automation, the staff at Essent who were previously responsible for the manual input of data during invoice preparation should now have extra time for this.

“For a short while now all our invoices have had to comply with GridFee, a series of specific standards for the deregulated energy market in Belgium,” says Jan Verbieren, Business Support Director at Essent. Preparing invoices was 90% a manual process, which involved keying in immense quantities of data into tables in Microsoft Excel and Access. Inevitably errors were occasionally made. Advance invoices were sometimes less than accurate and clear, which led to disputes. That’s why we wanted to automate the whole process.”

Essent wanted to begin with the automation of the B2B market, a target group that currently accounts for half of Essent Belgium’s turnover and consists of some 2,000 customers. Essent aims to double this number within three years, hence the investment in IT to support this growth. Jan Verbieren: “When we started in 2003 we chose a solid solution that could manage the volumes required: Microsoft Axapta and Xellent 3.10. Today this system is sufficient for invoicing the residential customer segment, more than 200,000 families in total. The invoicing for the B2B market is much more complicated. That’s why we asked our IT partner Itineris for a solution that they could deliver quickly.” Itineris proposed its B2B utilities solution, which is based on Microsoft Axapta. The complex implementation and migration to this new environment was completed in six months.

Tons of information processed with one system

Preparing an energy invoice for companies involves a complex calculation and entails much more than the multiplication of kilowatt-hours and the tariff. While consumers have just two tariffs (a day and night tariff), for companies there is a distinction between the different kinds of consumer profiles. On top of that, various taxes also play a part and the distribution costs for Elia and Fluxys have to be passed on in subsequent calculations. You also have to take into account regulators and legislators, who all have their own rules depending on the region, the province and the city. Finally, the meter

readings of companies are calculated in quarter-hour values, which taken all together generates masses of data.

“During the migration we had to convert as many as 120 million pieces of data,” says Jan Verbieren. “All this information arrives electronically at one and the same system and this is exactly the great advantage. As soon as an irregularity arises, one of our experts receives notification. This happens if a figure hasn’t arrived, or if a certain value is exceeded. It used to be almost like looking for a needle in a haystack trying to trace such errors, since 90% of the work happened manually. Now we can send the customer a correct invoice that is much more detailed and where he can even check his invoice history.”

In the deregulated market energy suppliers have to exchange customer and meter data if someone changes suppliers. Itineris has modules specifically for this in house, which means that now the transfer of data happens in accordance with regulations much faster and more accurately. “Previously if you changed suppliers you had a one in four chance of an error in the data transfer,” says Piet Ysabee of Itineris. “This is fairly typical of the sector because your data have to be adapted by innumerable parties. We have kept this error problem to an absolute minimum. After all, in our module the regulations are completely automated and don’t require any human intervention.”

Good preparation and a competent partner: the basis for a successful migration

“We have been working with Itineris since the beginning and so we knew them well,” explains Jan Verbieren. “We were convinced by their proposal both in Belgium and in the Netherlands. In the meantime they have finished a number of projects at other energy companies. Itineris is at home in our market and knows the processes inside out. They have the expertise like no one else, both in the business sphere and technically. Microsoft Axapta gives the flexibility and reliability that we needed for our industrial customers, where every situation is different. The combination of a standard solution with specific energy modules from Itineris was the ideal solution that we were urgently seeking. The actual implementation had to happen in two parts: a technical implementation component and the data migration, which took about eight weeks. At the start of this project we created a very clear process-oriented plan, not beginning with the IT department but with the people who work with the invoicing every day. We first wanted to think about what they wanted and



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whether this was feasible. They created the framework: this must be like this and that must be like that. More than 90% of their comments or requests were implemented. For the remaining 10% we talked openly about why we couldn’t carry these out. Then we began a prototype phase, followed by a correction phase and ultimately ten final test phases. The thorough preparation bore fruit. During one of the tests we calculated a few invoices manually. Itineris made up the same invoices but using the new automated system. The result was as it should be: the two versions agreed to the nearest euro cent. We had faced a huge challenge and we had succeeded wonderfully.”

Freed up time invested in customers

In the last test phase 96% of the invoices were complete



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Jan Verbieren, Business Support Director at Essent

and correct straightaway. For the remaining invoices the correct data were missing. Itineris wrote special scripts for recurring incorrect data. At the end of August Essent sent out the first invoices to emerge automatically from the system to all its industrial customers. At the time Itineris was still present in the background, but since then Essent has continued by itself. Everything is running smoothly. "In fact, amazingly little support is needed," says Piet Ysabee. "Occasionally we still get a question from end users but the budget provided for support appears to be way too high. Essent doesn't mind, of course."

Since the invoicing for industrial customers has become automated, Essent can now invest more time on improving services. Some 80% of the invoicing process has now been automated, a percentage that will rise even further. Essent is using the time gained to take a

dynamic approach to customers. "For the first invoices prepared using the new method we notified the customers about what had changed," says Jan Verbieren. "We asked if everything was clear and whether they had any questions. We received a lot of really positive reactions. In the past the customer received his invoice some time during the month. One month he would sometimes receive no invoice, the next month a correction and then an advance invoice as well. This led to a complicated state of affairs. Now he knows almost to the day when he will receive it and what the amount will be. The invoice also contains details that some companies need, for instance for calculating certain costs for internal departments or customers. The customer can plan his payments better, which also improves his payment behaviour. Payments arrears have fallen by 40% because, among other things, the payment reminders are completely integrated into the new system. And we have to go back to older invoices a lot less than in the past. We now call the customer ourselves some time before the contract has to be extended. Consequently we can retain more customers. But obviously we have also looked in the department itself to see how people feel about the modernisation. Their motivation has shot up by 300%. Now they do much more analytical work instead of purely inputting data and they are proud of "their" system. An additional benefit is that we will be able to manage many more customers with the same workforce in the department, about ten people. We also have a head start on our competitors because we can work very flexibly, so that almost anything is possible. The time for getting new products and services onto the market is much shorter. Now we can anticipate the needs of our customers much faster and secure an extra share of the market."

Plans for the future

From the beginning of next year the tenders will also run automatically and be integrated into the new application. So people will no longer have to transfer data manually from the current tender system to Microsoft Axapta. "This means we will be able to make tenders much faster," says Jan Verbieren. "That immediately solves the multi-site problem as well: sometimes customers have branches at different locations. One wants invoices according to the group, another by region, and yet another by branch. With this system making a tender will be quick work, even though it will still be a complex issue where you have to take account of discounts, bonuses and the regulations of two energy carriers, four regulators and 26 distribution net managers. From now on, setting up a new tariff structure for a (potential) customer

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will be no more than half a day's work. With other comparable systems this can take months. This flexibility is crucial for reducing our working costs."

Meanwhile discussions have started in the Netherlands about following the Belgian example. In the long term Essent Belgium is also thinking about extending this system to the residential segment and it has already begun automating and standardising processes in the current application. The process is 98% the same for the two markets, so the path has been more than cleared. In the longer term it may even be possible to develop a true self-service option for the customer via the website, but that's something for the future.

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