DONG Energy: Targeting Messages and Increasing Response Rates

DONG energy

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Company

Vision

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Company

DONG Energy A/S

Industry

Utilities

Products and Services

Producing, procuring, and distributing energy and related products across northern Europe

Web Site

www.dongenergy.com

SAP® Solutions

SAP® Document Presentment application by OpenText
SAP for Utilities solution portfolio
SAP Customer Relationship Management application

DONG Energy A/S faced increased competition when industry deregulation in northern Europe gave gas and electric consumers a wide array of suppliers to choose from. The pressure was on to **deliver more tightly targeted messaging** with lower resource usage. DONG Energy responded by integrating the SAP® Document Presentment application by OpenText into its existing SAP software landscape. Now the marketing staff can counter a competitive campaign overnight and post impressive direct mail response rates.

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Operating all along the energy value chain

Denmark-based DONG Energy A/S is a leader in the European utilities industry, posting US$10 million in annual revenue and employing 6,000 people throughout the Scandinavian countries, Germany, and the United Kingdom. The 2006 merger of six regional players created the current entity, which offers expertise in oil exploration, electricity generation, gas and electricity distribution, and sales and energy consulting.

DONG Energy operates at every link in the energy value chain. It produces oil and wind power, and it brokers, sells, and distributes these resources from diverse locations to diverse customers. Its general ledger catalogs 1 million electricity customers and 250,000 gas customers in both business-to-business and business-to-consumer trade. Retaining current customers and winning new customers are equally essential to success in today's complex global economy and especially in DONG Energy's challenging deregulated market.

1 million

DONG Energy electricity customers

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Seeking effectiveness and speed in marketing

DONG Energy's long-term vision is to provide clean, renewable energy across its region. To advance its strategies in this emerging and capital-intensive arena, the company must fine-tune its tactics for securing a healthy share of the existing market. Because margins are notoriously tight at every link in the utilities value chain, effectively targeted and timely messaging is a must.

Early in the past decade, DONG Energy identified two key objectives: to improve the success rate of its direct marketing campaigns and to get defensive campaigns out the door in record time. The company set itself the immediate specific goal of responding to competitive forays into its territory with personalized counteroffers within 24 hours.

IT sales and services manager Torben Christiansen had a project team design a solution that would help business users manage direct mail on their own. The team wanted the solution to integrate cleanly with DONG Energy's existing SAP for Utilities solutions and the SAP® Customer Relationship Management (SAP CRM) application.

"Today's IT departments don't have the resources to manage targeted direct marketing campaigns. DONG Energy needed a new process that would get personalized messaging out effectively without any intervention from my staff."

Torben Christiansen, IT Sales and Services Manager, DONG Energy A/S

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Choosing products from a trusted partner

Sales and distribution functions were running well at DONG Energy in the SAP for Utilities environment. And the company was using a product called StreamServe from OpenText to manage billing and archiving processes, interoperating with the customer history management functions in SAP CRM. This already-successful integration led DONG Energy to investigate adding what is now the SAP Document Presentment application by OpenText to its portfolio for the direct mail function.

"Since we already had SAP for Utilities, SAP CRM, and OpenText StreamServe in the mix, we were comfortable with what they could do and what they felt like," explains Christiansen. "It was a logical choice to expand the OpenText StreamServe solution to include SAP Document Presentment."

"The composition center in SAP Document Presentment by OpenText promised to make the marketing folks more efficient at creating targeted messages. It would allow them to get mail out to customers and track the results independently of IT."

Torben Christiansen, IT Sales and Services Manager, DONG Energy A/S

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Implementing quickly and effectively

The DONG Energy IT staff and the OpenText project consultants had considerable experience with the existing SAP infrastructure. With that background and with tight project management, they brought SAP Document Presentment online in just one month. Christiansen's team was pleased with that speed and with the overall affordability of the integration.

Within weeks after the solution went live, the marketing department was ready to respond immediately to competitive threats with personalized, targeted mailings. And business stakeholders could now develop an independent initiative in the morning and have the corresponding messaging out the door by the evening – without any delay that might have resulted from an IT bottleneck.

1 month

To implement DONG Energy's direct mail solution

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Personalizing quickly and intelligently

The SAP Document Presentment application at DONG Energy helps marketing teams be more efficient. They can increase customer satisfaction, measure the results of marketing campaigns, develop targeted communications, and generate personalized correspondence. They use the application to automate document generation and personalization for direct mail campaigns, facilitating the flow of communications to multiple channels from applications in the SAP landscape. And the application helps DONG Energy reduce its communications costs through the use of high-volume document processing and printing functionality.

"The solution is already surpassing our expectations. The hit rates in our first campaigns were unexpectedly high. I think it's because customers simply feel we're talking to them personally."

Torben Christiansen, IT Sales and Services Manager, DONG Energy A/S

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Showing impressive benefits

Segmenting the customer base to allow for targeted messaging has delivered up to 20% response rates so far. This compares to an expectation of 3% and an industry average of 5%. "We can't tell yet how much the overall increase will be or how much it will raise our revenues," says Christiansen, "but higher hit rates should translate into cash."

And the SAP Document Presentment application by OpenText in use at DONG Energy is designed for scalability. "We're pleased to have constructed a process that we can expand and diversify," says Christiansen.

"By deepening our segmentation, we can keep getting better at offering the right products to the right customers at the right time."

Torben Christiansen, IT Sales and Services Manager, DONG Energy A/S

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