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British Gas: Fueling Customer Loyalty with SAP® CRM

British Gas
Looking after your world

Company
British Gas Ltd.

Industry, products, and services
Utilities – leading energy and services provider for residential and business customers in the United Kingdom

Revenue
£20 billion (US$31 billion)

Web site
www.britishgas.co.uk

SAP® solutions
SAP® Customer Relationship Management (SAP CRM) application

Creating a better climate for customer service and value

Not so long ago, people got their electricity from their local electricity company and gas from their local gas company. With energy monopolies in place customers were not offered a choice of supplier. Fast forward to today where nearly 30 companies sell electricity and gas and customers can easily change supplier if they feel they will offer a **better service and greater value**. British Gas understands that to grow their business they need to continue building trust with their customers while taking every opportunity to improve the delivery of their services.

That's why British Gas is engaging in a company-wide transformation to break all of its information and process barriers to provide better service and better value to customers. It's using the SAP® Customer Relationship Management (SAP CRM) application to power its vision. SAP CRM provides 8,000 customer service agents with the tools they need to do more for customers.

Agents take care of customers faster, and they have better conversations, so people can make the right energy choice. Customers can use mobile applications to track usage and savings, and they can get even more value for their money by enrolling in a new rewards program.

More improvements are in store for customers as SAP software continues to help reshape British Gas. Change is nothing new at British Gas. In fact, when you've been changing to meet the needs of your customers over the last 200 years, you start getting used to it.

Read more

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A single view of the customer across the company

Maintaining customer loyalty is critical for British Gas, and it's driving the company's current transformation. A key challenge is the fact that although British Gas is a single company, it operates as three different business units: British Gas Energy for residential energy demand, British Gas Business for business demand, and British Gas Services for contract maintenance and repair.

The energy provider launched the "One British Gas" initiative to bring all three business units together and operate as a single company. From a technology perspective, that means consolidating hundreds of different solutions into a single enterprise software solution. From a customer service perspective, it means providing agents with a complete view of the customer along with the productivity tools to complete transactions quickly. "We recognized an opportunity," says Adrian Heesom, CRM Product Owner at British Gas, "that with the right solution we could deliver great value to each customer while reducing our own operating costs."

"To run as 'One British Gas,' we need to have all of our information in one place, including our customer information. If everyone can see that information, a customer with different services won't have to call different parts of the company."

Adrian Heesom, CRM Product Owner, British Gas Ltd.

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The right choice to manage growth and reduce cost

To replace its legacy CRM solutions, British Gas conducted a six-month evaluation of solutions from software vendors that included Oracle Corporation and Siebel Corporation. "Overall, SAP CRM aligned better with our IT strategy," says Heesom. "We will have to maintain fewer independent systems, and it's scalable enough to handle our rapidly growing data volumes."

SAP CRM takes advantage of the SAP software already deployed at British Gas to reduce configuration time and complexity. At the same time, the application has the flexibility to work with the diverse software landscape at British Gas. "The Web user interfaces in SAP CRM are a big draw for us," says Heesom. "We configured those along with the process wizard functionality to make workflows faster and easier for both agents and customers."

The CRM solution also helps reduce its operating costs. SAP CRM eliminates the costs associated with maintaining multiple systems, and by shortening call resolution times, the software helps British Gas achieve significant savings at the customer call center.

> "Other solutions may have been cheaper up front, but SAP CRM saves us a lot more in terms of implementation, maintenance, and customer service costs."
>
> Adrian Heesom, CRM Product Owner, British Gas Ltd.

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Phased to deliver key benefits fast

British Gas is in the final phases of its three-year implementation of SAP CRM. "It's a massive project, involving up to 40 million customer records," explains Heesom. "We need to do it in discrete phases to ensure a smooth transition without any disruption to customer operations." This phased approach enabled Heesom and his team to deploy SAP CRM user interfaces to thousands of agents long before the rest of the implementation was complete. "We built and deployed the entire front end of SAP CRM, including all of the new agent user interfaces and workflow functionality, in the first phase of the project," says Heesom.

Heesom's team is using SAP NetWeaver® Process Integration technology to connect the business user layer of SAP CRM to the legacy CRM back end. "Our agents can get familiar with using the front end, and we can complete the actual SAP CRM deployment in subsequent phases," he says. Today, as British Gas completes the project, Heesom appreciates the overall strategy. "By doing all of the business user changes up front," he explains, "we have minimized any disruptions when we replace the legacy back end with SAP CRM."

> "We were able to deliver the business benefits of SAP CRM to our call centers and our customers in the first year of the project while completing the full implementation over the next two years."
>
> Adrian Heesom, CRM Product Owner, British Gas Ltd.

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Faster and better conversations with customers

Eight thousand customer service agents are able to access both the legacy solution and the new SAP CRM application. With the two CRM solutions running in parallel, the differences are clear. "SAP CRM drastically reduces the number of different screens our agents need to consult when helping customers," says Heesom. He also describes how the process wizard functionality in SAP CRM makes complex customer transactions faster and simpler. "Moving to SAP CRM, taking care of a customer's home move is significantly simplified and the agent is guided through the entire process."

SAP CRM pulls together all of the information and transaction history of a customer and displays it on a single page. Whether it's an electric bill or a boiler maintenance contract, the agent has the information to help the customer immediately. "We've reduced average call times with SAP CRM," says Heesom, "which is great for our customers – and our operating costs." Heesom also describes how SAP CRM breaks down the information barriers between different British Gas business units for the benefit of customers. "We no longer see our customers as separate accounts," he explains. "So customers don't have to repeat themselves in multiple phone calls."

"SAP CRM helps our agents build a complete mental picture of the 'One British Gas' customer, so they can have better conversations. Because customers are taken care of more quickly, there's more time to talk about service improvements and energy savings."

Adrian Heesom, CRM Product Owner, British Gas Ltd.

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A new pipeline for loyalty and savings

The transition of customer service agents to SAP CRM is under way, with over 40% of the call volume handled exclusively by the new application. So far, the results are impressive. "We are seeing at least a 30% reduction in call times with SAP CRM," says Heesom. "Home move calls are 40% faster, and from just the improvement in home move transactions, we've cut operating costs by £14 million [US$22 million]."

40%

Faster completion of home service transfers

As a way of thanking customers for using British Gas, the company is using the application's loyalty program functionality to launch a new partnership with the Nectar rewards program. "It's been a massive success," says Heesom. "Over two million customers have enrolled through our Web site in just the first six months."

SAP CRM is helping the company deliver more services to customers online, including mobile apps for devices running the Android and iOS operating systems. These apps allow customers to easily submit gas and electricity meter readings, view account information and energy usage, and even compare their own usage with other customer segments.

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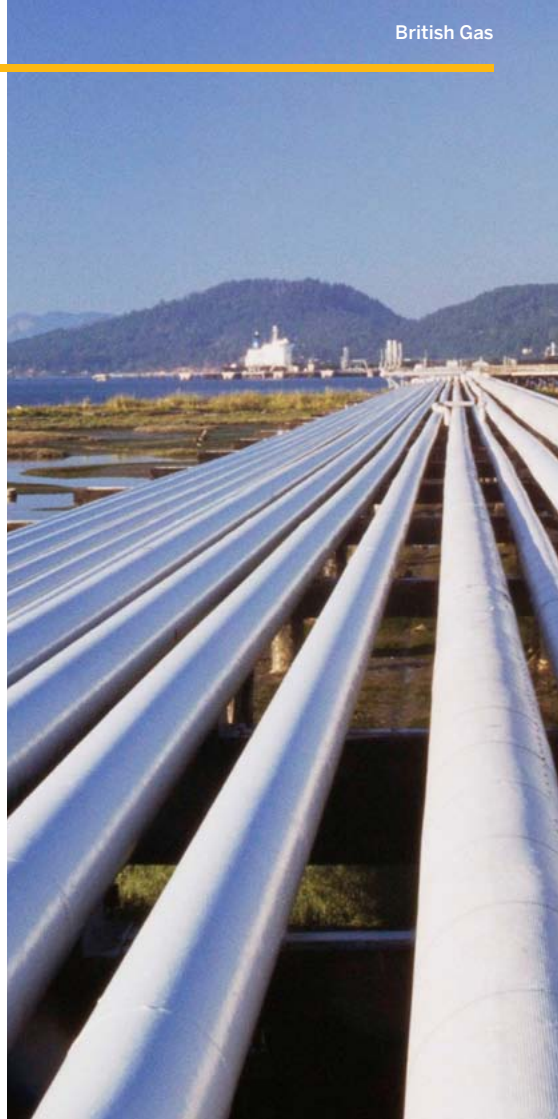
More services and savings to come

British Gas is in the last year of the SAP CRM implementation. In the final phase, the legacy CRM back end will be replaced by SAP CRM. "Today, agents can see all of the indicators in the customer dashboards; but with the legacy back end, less than half of them are lit up with information," says Heesom. "When SAP CRM replaces it, everything will light up."

With more information available to agents and other critical teams across British Gas, the energy provider is also evaluating mobile solutions from SAP to consolidate the different systems supporting the company's mobile workforce. "Once we complete the full SAP CRM deployment, we expect savings and benefits of £180 million [US$279 million] over the next 4 years," concludes Heesom. "More important, it's proving to be an even better investment in earning and maintaining loyalty with our customers."



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