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BY EMAIL ONLY

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Dear Energy Supplier,

Open letter to energy suppliers: The importance of improving smart metering appointment fulfilment and the rectification of failed installation appointments in parallel with the remobilisation of smart metering installations

As energy suppliers focus on the remobilisation of their smart metering installation capabilities following the disruption caused by COVID-19, it is essential that they also take the opportunity to improve consumer outcomes, particularly relating to install success.

Over the duration of the rollout to date we have seen significant developments in supplier capabilities and approaches across the smart metering customer journey. This has improved both the customer experience as well as supplier outcomes. However, to date, we have seen much less progress across the industry overall on operational fulfilment activities.

As a result of our engagement with energy suppliers and analysis of comparative performance we believe that there remains significant opportunity for further improvement both in failure rate reduction and in post installation failure rectification. This can be achieved through a more rigorous approach to managing the customer journey. It is our view that the current focus on installation processes taking place as part of remobilisation activities offers a unique opportunity to embed further changes and deliver improvements.

We also know that some suppliers are performing better in this area than others and that some had made significant progress in this area at the start of 2020 ahead of the COVID-19 ramp down. We now need to see equivalent improvements made by those suppliers who have historically been under-performing.

To support suppliers you will find, in the Annex to this letter, a digest of a range of activities that have been identified as contributing to delivering improvements in this area. This provides consolidated insights gained from our work with stakeholders to help support continued energy supplier capability building. This Annex has been prepared based on the collective experience and best practice identified by the Department through our ongoing engagement with suppliers, both bi-laterally, through our maturity model project, and via our ongoing programme of best practice sharing workshops.

The contents of this letter and the Annex should not be seen as an exhaustive or prescriptive list of activities, nor are we seeking to provide step-by-step guidance. Instead, the Annex should be used to identify potential areas of focus that may be useful for suppliers and their installation partners to consider as they reflect on actions to drive at pace improved performance during 2020 and beyond.

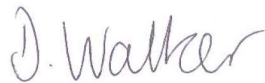
In line with our recommendations in the Annex we would like to see all suppliers:

1. Ensure they put the consumer at the centre of the end-to-end installation journey
2. Identify and deliver clear improvements to installation fulfilment outcomes
3. Make the necessary investments required to deliver the above outcomes

We are aware that not all suppliers are at the same stage of smart metering installation maturity, however, we believe the learnings outlined in the Annex to this letter to be relevant to all whether that be in making refinements to an already mature SMETS2 deployment model; informing the operational approach undertaken by a third party installation partner; or supporting the mobilisation of new functions for those SMETS2 deployment models that are less mature. Improvements in these areas are arguably even more important in the context of remobilisation of smart metering appointments and I recognise that many suppliers have been using the interruption to install activity to review approaches and reflect good practice.

We look forward to continuing to engage with stakeholders on this subject and the smart metering remobilisation as a whole and would like to support the further development of practices to boost successful installations of smart meters as the rollout returns to scale.

Yours Sincerely

A handwritten signature in blue ink that reads "D. Walker". The signature is written in a cursive, slightly slanted style.

Daron Walker

SRO, Smart Metering Implementation Programme

ANNEX to 25 June 2020 BEIS Open letter to energy suppliers

Smart Metering Installations: Failure Rate Reduction and Post Failure Rectification

The activities discussed in this document are part of the end-to-end appointment to install journey for smart metering installations. They draw on industry experience which has been shared with BEIS which is delivering positive results.

There are lessons within the following for all energy suppliers and their third-party service providers whether that be in the development of existing activities and approaches or in informing how those currently being mobilised should be set up. As a result, BEIS considers the following relevant for suppliers at all stages of smart metering deployment maturity.

We consider the current remobilisation an opportunity to make changes in processes and functions as training is refreshed, consumer approaches are re-opened in light of new requirements, and installs return to scale.

The guidance in this document was developed ahead of the COVID-19 ramp-down but we believe that the content remains relevant to supplier's operations both during the ramp up and at the point of a return to scale.

Introduction

We have split the journey into three core areas of focus as we believe these to contain significant improvement opportunity but are aware that there may be overlap between these component parts and initiatives that deliver across multiple areas. All of the below should be informed by an understanding within energy suppliers of the outcomes achieved and supporting management data, including the eventual end point of every installation appointment booked.

The key areas of focus are as follows:

	1. Cancellations	<ul style="list-style-type: none">• Suppliers cancel too many appointments that they make with their customers• Cancellations create a frustrating experience for consumers and result in waste as a proportion of appointments are not re-booked• There is improvement potential in the management of customer cancellations and the maximisation of re-scheduling instead of cancellation
	2. On Day Failure	<ul style="list-style-type: none">• Completion rates are, at an industry level, too low and high levels of variation between suppliers suggest significant improvements are possible
	3. Rectification	<ul style="list-style-type: none">• Despite high current levels of failure too few appointments are rectified• Capabilities in this area across the industry are nascent and should be mobilised and iterated quickly

As described above, no element of the consumer journey can be treated in isolation and when considering the focus areas above the following should be taken into account:

- **Customer experience and interactions:** How the customer experience can be optimised to create transparency for the customer and maximise the value from each customer interaction; for example, if a customer appointment needs to be rescheduled then communications are clear as to the reason and future contact is coherent in terms of the customer’s previous experience
- **System and process constraints and effects:** Which systems or processes might need to be improved or updated; for example, scheduling tools and processes may need to be upgraded to ensure the correct time is available for jobs that require it, based on intelligence gathered about the installation
- **Ownership and accountability:** Which actions need to be taken by senior management, customer services or field operative teams; for example, managers need to be able to prioritise the investments and effort required to drive performance improvement across the end-to-end journey

For many suppliers some activities may sit with third party service providers. Consequently, suppliers should work with their third parties to ensure that processes run smoothly end-to-end even when they span organisations, and that third parties are providing consumer centric service and improving outcomes. Suppliers should be clear that accountability for the rollout sits with them regardless of commercial arrangements.



Some of the activities that could be considered when optimising activities and prioritising change are as follows. These should not be treated as an exhaustive or prescriptive list but as options to be considered.



1. Cancellations

Many suppliers cancel too many appointments they have made with their customers prior to the installation date. This wastes valuable appointments, generates customer dissatisfaction with smart metering, and reduces the likelihood of future appointment uptake. Suppliers should prioritise minimising these cancellations and creating a “right first time” culture and approach. A high level of consumer detriment is not a reasonable price to pay for operational efficiencies. There is also additional opportunity to improve the management of cancelled appointments through ensuring that more are rebooked, ideally in parallel to the cancellation if that cannot be avoided.

The following areas should be considered when identifying performance improvement initiatives:




	<p>Supply & Demand Management Optimising consumer demand with field force capacity</p>	<ul style="list-style-type: none"> • Shrinkage: Field force capacity should be closely managed to minimise late notice cancellations due to field force capacity constraints on the day • Appointment Lead Times: Utilisation throttling can be used to control the proportion of appointments booked far out from the appointment date and subject to greater shrinkage risk • Overbooking: Field force optimisation should not be achieved through the overbooking of schedules resulting in cancellation and failure to attend
	<p>Cancellation Management Maximising rescheduling over cancellation</p>	<ul style="list-style-type: none"> • Keep Warm Journey: Optimised journeys can encourage customers to reschedule appointments earlier in the process to maximise ability to refill capacity • Channel Management: Rescheduling options may be offered across a range of channels whereas cancellation options might be only available via telephony • Objection Handling: Training, incentives, or specialised teams can be used to handle objections and save appointments/ reschedule where customers request cancellation



2. Failure Rate Reduction

The completion rate amongst many energy suppliers and their meter operators remains too low resulting in high levels of wasted bookings and overall customer dissatisfaction. Through clear improvement plans some suppliers have delivered dramatic improvements to install completion rates which, combined with the high levels of variability in completion performance between different suppliers, suggest there is significant opportunity for improvement across energy suppliers. For those suppliers who have not, to date, delivered improvements in completion rates we expect them to do so as we have not identified substantive reasons why the approaches of the top performers cannot be replicated by others.

The following areas should be considered when identifying performance improvement initiatives:

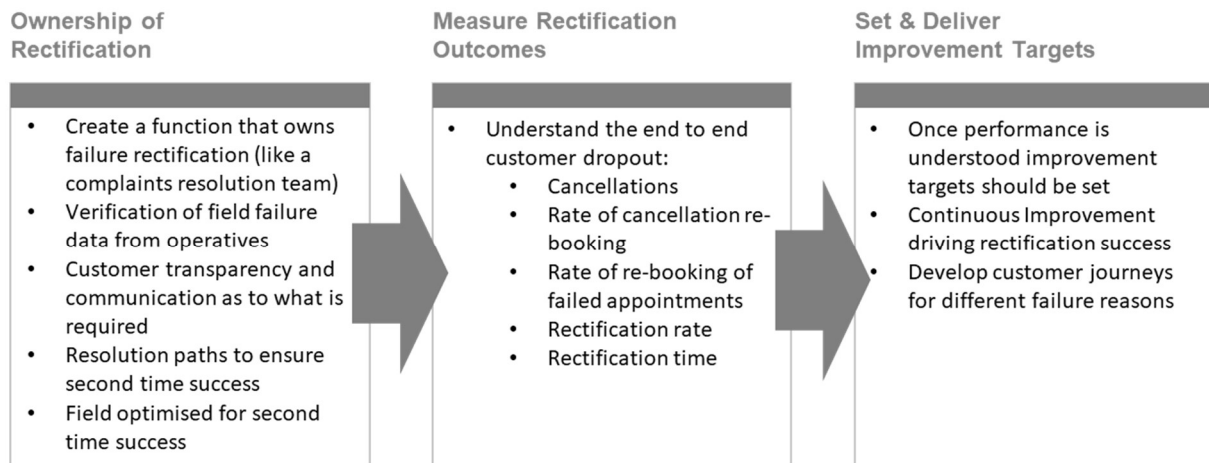
 <p>Performance Management Maximising individual operative performance</p>	<ul style="list-style-type: none">• Understand Performance: Build a clear understanding on the performance of operatives and the impacting factors (geographies, work type etc.)• Operative Performance: Clear processes to engage with individual operatives on performance with improvement plans where required, utilising management and mentoring to ensure installer training is continuous• Supporting Processes: Develop processes such as “no abort without support”, or flexible job times based on job data to minimise failure in the home
 <p>Pre-appointment Journey Optimising customer contact</p>	<ul style="list-style-type: none">• Iterative Approach: Optimising customer journeys using a range of channels and an iterative approach to reduce customer no access• Two way communications: engage in two way communications with customers during the keep warm journey, considering appointment pre-calls to maximise quality of interaction
 <p>Data Gathering Collecting and deploying data to maximum effect</p>	<ul style="list-style-type: none">• Pre-qualification Questions: identify the most effective point in the journey to ask pre-qualification questions whether that is at the point of appointment booking or during the keep warm journey (which may vary depending on the channel used), consider the effectiveness of each question and the trade off against securing the appointment• Other Sources of Insight: Maximise other sources of data that provide insight into possible failures such as outcomes to jobs close by, industry data items etc.• Use of Data: Once data is captured ensure that this is directed to the requisite teams to be actioned and made available to the operative where relevant



3. Rectification

While completion rates have significant opportunity for improvement by addressing cancellations and failure rates, post install failure rectification capabilities are in an immature state across the industry, although some suppliers are now leading the development of new activities in this area.

Below is an outline structure of activity that suppliers should consider when mobilising improvements to their rectification functions:



Next steps

BEIS expects all energy suppliers and their service delivery partners to continue to review their installation performance and the scope for applying the process improvements described above, particularly in the context of remobilisation. Suppliers should also have clear plans in place to deliver improvements to their fulfilment journeys and outcomes. It is likely that this can be done in parallel with re-mobilisation activities.

Those who are less mature in their smart metering journey should consider the learnings above when mobilising or iterating their activities.

BEIS will use its ongoing programme of energy supplier and meter operator bi-laterals, the Smart Metering Independent Suppliers Forum events during 2020, as well as our other governance forums, where relevant, to review progress in improving smart metering appointment fulfilment and the rectification of failed installation appointments, and encourage the continuing sharing of industry good practice.

BEIS Smart Metering Implementation Programme

June 2020