

# ENECO ENERGIE



**ENECO** energie

**“WITH CPM, WE CAN MANAGE OUR ORGANIZATION USING FACTS AND FIGURES, ENABLING US TO OPERATE MORE EFFECTIVELY AND MAKE SIGNIFICANT SAVINGS”**

—TON VAN DEN DUNGEN, MANAGER, BUSINESS INTELLIGENCE & CONTROL

ENECO Energie supplies gas, electricity and heat to more than two million business and domestic customers. With sales in excess of 3.5 billion, ENECO Energie is one of Holland’s top three energy suppliers in terms of sales and market share. The company is based in Rotterdam and operates five autonomous divisions, each serving separate market sectors, Retail, Infra, Business to Business, Services and ENECO NetBeheer.

## CHALLENGES FACED

- Market liberalization
- Incomplete customer profiling and insufficient insight into processes
- Lack of an established planning and monitoring cycle
- Different versions of the truth.

With liberalization of the energy market on the horizon in 2002, ENECO Energie decided to carry out a thorough reorganization of its structure. This included replacing its regionally focused, horizontally oriented business units with nationally operating, vertical market oriented divisions each responsible for its own profit performance. ENECO Retail serves domestic and small business customers, and customer retention is presently one of this division’s strategic objectives. In order to manage the company on this basis, its management wanted to be able to monitor and adapt its operations

continuously. As Ton van den Dungen, Manager, Business Intelligence & Control, said, “We needed the best possible information on customer development: which customers were leaving us, which were we acquiring, and are they profitable customers? Linking this information to defined metrics gives you an early warning system that alerts you to the loss of good customers, giving you time to take positive action.”

At the same time, ENECO Retail wanted to be able to monitor and measure the activities of its fully outsourced front and back office processes. “To achieve a comprehensive picture of your customers and the operations focused on them, one of the areas you need to measure is customer satisfaction, the number of calls and how they are processed,” continued Ton van den Dungen. “We also wanted to optimize our processes, so debtor processing was a hot topic. All the data was there, but we were not using it in any way to structure the process.” There was also a real need for more cohesion in the organization. “We wanted to set up a predetermined planning and monitoring cycle and, very importantly, one version of the truth”, said Ton van den Dungen. “Therefore we wanted one system to produce all the reports and provide everyone with the same results.”

## STRATEGY FOLLOWED

- Balanced Scorecards as the basis for CPM
- Planning and monitoring based on financial, performance and risk management
- KPIs from a range of different perspectives
- Generate goodwill for the solution from within the business

- BUSINESS INTELLIGENCE
- SCORECARDING
- QUERY & REPORTING
- CORPORATE PERFORMANCE MANAGEMENT

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In 2003, ENECO Retail decided to use Balanced Scorecards as the foundation for its Corporate Performance Management (CPM) system. ENECO's intention was to manage the business using agreed rules and responsibilities, to base decision-making on facts and figures as far as possible, and to define targets from cohesive objectives. The company opted for a management philosophy using three pillars as the basis for setting up the planning and monitoring cycle: financial management, performance management and risk management. Scorecards constitute the channels of communication between the three pillars and various KPIs are used to indicate how performances compare with objectives. This is done from several perspectives: learning and growth, finance, customer and process, while there are three possible reporting levels: for the board of directors, division management, and department heads.

Initially, ENECO Retail started by using scorecards that had to be filled out manually. "To set this up, first we asked managers throughout the entire organization what information they needed to manage", said Ton van den Dungen. "So it was not a case of a solution imposed by the ICT department, but truly something from within the business. Subsequently, this became an important success factor." To generate a degree of goodwill, ENECO Retail also started two projects designed to yield rapid success, improving debtor processing and the Customer Contact Center's processes. After building a data warehousing infrastructure in early 2004, the company opted for the implementation of Cognos solutions for Scorecarding, Business Intelligence and Query & Reporting to flesh out its CPM strategy.

#### **BENEFITS REALIZED**

- Total customer profiling
- Transparent and efficient processes
- Goal-oriented management
- Substantial cost savings

Cognos CPM solutions enabled ENECO to combine a wide range of systems and processes, and to achieve a better and more comprehensive profile of its customers. The company will soon be moving over to a single Retail

Activity Monitoring system so that it can migrate to fully Information Based Marketing in early 2005. As Ton Van den Dungen confirmed, "We have achieved a great deal over the past year and a half. The fact that we can now manage using facts and figures enables us to operate more effectively. We have a comprehensive view of customer behavior, which products they buy, how they pay, whether they are likely to switch, etc. This will yield large financial rewards, since we know precisely which customers are the most valuable to us and how we can best adapt our activities to satisfy them." ENECO Retail has also succeeded in obtaining an overall view of and optimizing the front and back office processes. "We have even made it possible to distribute calls in the Customer Contact Center using Skill Based Routing. In particular, this routes specific types of inquiries to those of our employees best able to deal with them effectively and efficiently. But, for example, we have also examined middle management's knowledge and skills, and compared them with what we need to achieve our objectives, thus enabling us to take the necessary measures", added Ton Van den Dungen. ENECO Retail's financial processes have also been made transparent and manageable. As Ton Van den Dungen confirmed, "This will save us substantial sums of money. Improvements to our collections process alone will save us millions of euros. Our overall objective is to cut costs by thirty percent within four years."

#### **WHY COGNOS?**

Only Cognos delivers a complete range of integrated, scalable software for Business Intelligence, Planning and Scorecarding, in short Corporate Performance Management. Cognos products enable organizations to drive performance. They plan and budget activities organization-wide with Enterprise Planning. They monitor their performance on a daily basis with Scorecarding. They understand it with Business Intelligence reporting and analysis. Founded in 1969, Cognos now serves more than 23,000 customers in over 135 countries.



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