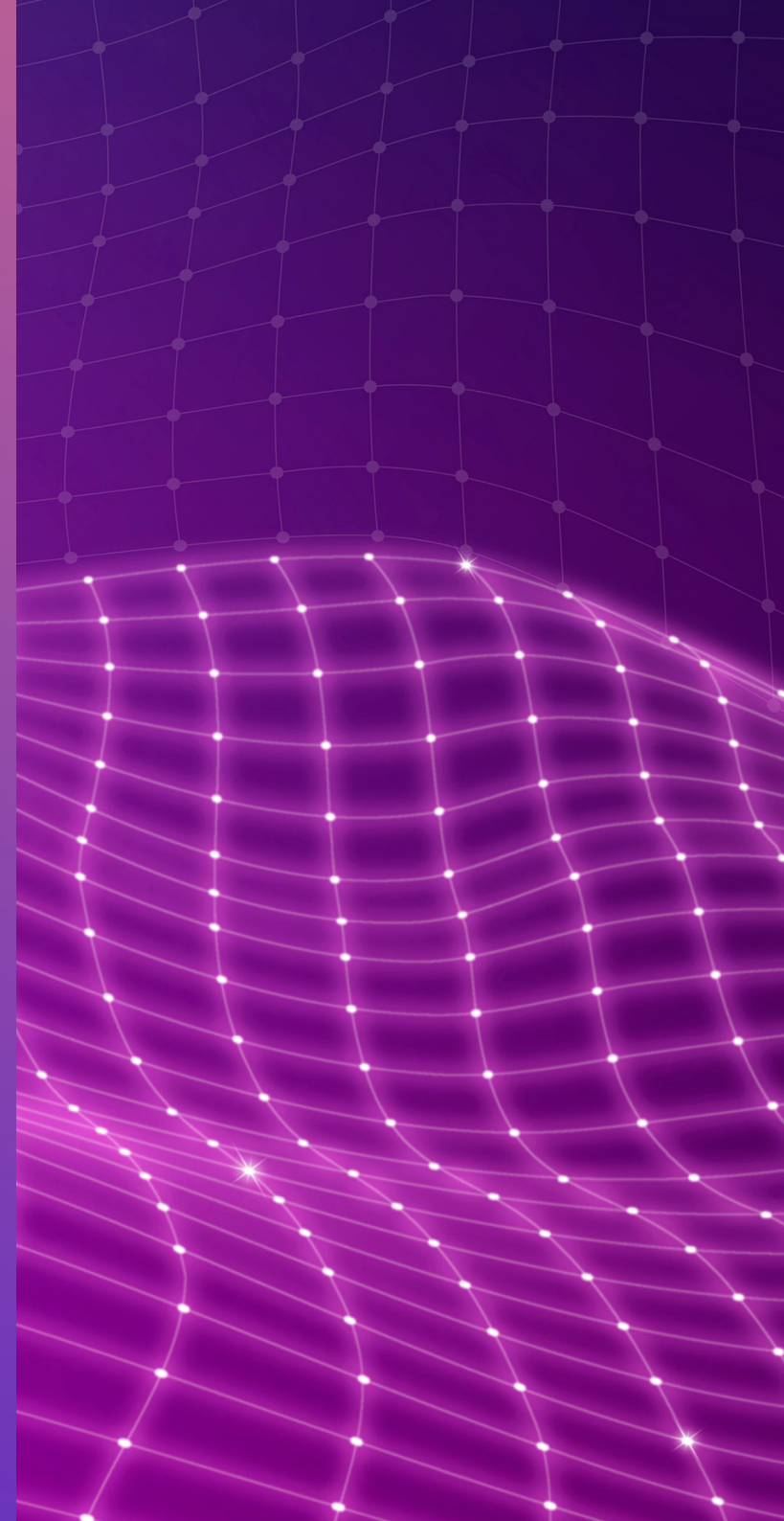


# Efficiency Guide

## – Energy

How you can use your internal resources smarter  
– and improve the customer experience at the  
same time



## Contents

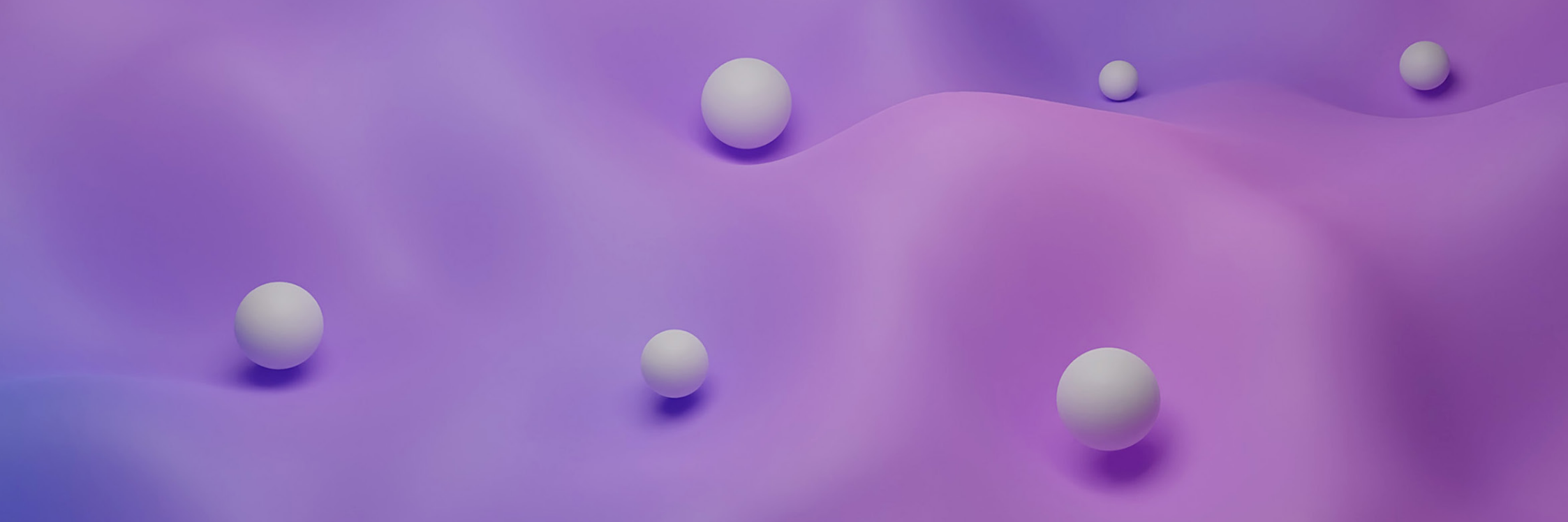
- p. 3 Introduction
- p. 4 Why invoicing and payment are essential to the customer experience
- p. 5 Where is so much of the time and resources disappearing to today?
- p. 6 What could the resources be used for instead?
- p. 7 7 tips for smarter payment processes – both internally and for your customers

# Introduction

Despite the trend of higher digitalization in recent years, many energy companies are still burdened by inefficient process and working methods, not least when it comes to invoicing and payment. The biggest players in the market have reason for being self-critical. Because electricity has long been a relatively invisible product for private customers, energy companies have lacked incentives for investing in new, digital solutions that could both free up internal resources and improve the customer experience. But the days of being able to continue in the same rut and maintain profitability are coming to an end. There are several reasons for this, like the attention electricity prices are getting in the media and public debate. More and more customers are finding the incentive to review

their agreements and compare suppliers with each other. Smaller companies have also started recruiting customers from the more established ones by, for example, offering a better customer experience, lower prices and a more distinct sustainability profile. There is also a generational shift occurring among consumers, which is putting new requirements on seamless, digital customer experiences. But which processes need to be made more efficient? And what will have the greatest impact? This guide offers many practical tips on how to free up internal resources and provide your customers with a better overall experience at the same time.

We hope you'll enjoy reading it!



## Why are invoicing and payment essential to the customer experience?

A large survey<sup>1</sup> has revealed that for 83% of energy customers, the invoice is the only contact they have with their energy company. It is primarily when your customers receive their invoice and make payment that they reflect on, and possibly question, their choice of you as their provider. Around half of all customers actively evaluate their supplier when the invoice arrives. The figure rises to a whopping 80% for those under the age of 30.

Younger customers are not only more prone to question their choice, but also have higher expectations when it comes to seamless digital experiences compared to older generations, regardless of what service is being offered. Thus, the importance of having efficient digital processes for invoice processing stretches far beyond that of just saving resources internally. In fact, if you want to have a large, satisfied customer base in the future it's actually a necessity.

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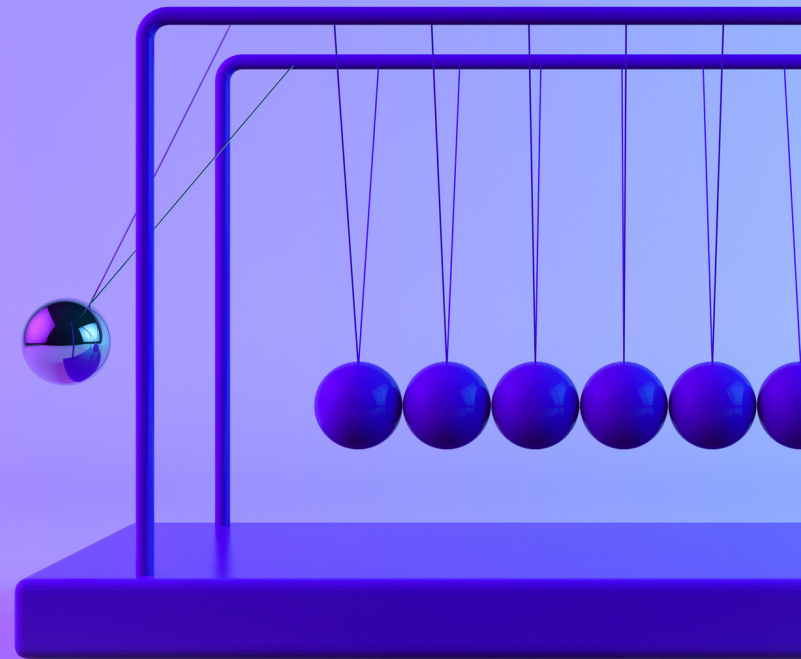
<sup>1</sup> [Novus Energy](#)

## Where is so much of the time and resources disappearing to today?

Invoicing and payment are partly handled by a company's accounting department. But it is also closely related to customer service, not least because such a large percentage of customer service tickets have something to do with billing. Using digitalization to help automate several of the steps in the payment process could thus save both time and resources in many parts of your organization.

### 5 examples of administrative time thieves for invoicing and payment:

- Paper invoices
- Erroneous payments
- Reminders and delays
- Setting up direct debit
- Handling failed transactions







## What could the resources be used for instead?

If your company could free up the time and resources taken by these time thieves, how might they be used instead? There is huge potential here for prioritizing new, value-creating activities that can benefit your business overall. With more proactive, rather than reactive working methods, you can prevent time-consuming customer service tickets, increase customer satisfaction, reduce churn and become more attractive to potential new customers.

### 3 ways of utilizing freed-up resources:

- Shortening the response times of customer service
- Communicating more proactively with existing customers
- Creating better, more customized offers

# 7 tips for smarter payment processes – both internally and for your customers

## 1. Make it easier to set up direct debit

Despite the increase in digitalization, the number of paper invoices remains high for many energy companies. Having more customers switch to direct debit can lead to major savings due to lower paper consumption and postage costs, fewer transports and less manual invoice processing. A higher percentage of customers paying by direct debit also reduces inquiries to customer service. Furthermore, an analysis by Billogram of more than 20,000 end customers<sup>2</sup> revealed that churn is twice as high among those paying manually compared to those

that choose an automatic method of payment. In other words, there is much to be gained by making it easier for your customers to set up direct debit. Customers can easily connect a bank account if they want to pay their bills using automatic payments. With the right digital tools, the process can take less than a minute.

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<sup>2</sup> [How customer loyalty is impacted by the way in which you process payments and invoices](#)

## 2. Minimize the task of manually matching customer and invoice

Having to manually process erroneous payments caused by, for example, the customer omitting part of the reference number, frequently takes a lot of time. A digital payment platform makes it possible to correctly match customer payments with invoices based on the existing information, even if one of the details is incorrect.

## 3. Make it easier for customers to pay on time

Improve both cash flow and customer experience by making it easier for your customers to pay their invoices on time. It also saves time internally, since a higher incidence of late payments typically means more reminders (and more inquiries to customer service). There is also a clear correlation with customer loyalty: data shows that churn is nearly three times higher among customers who miss payments than for those that pay on time<sup>3</sup>.

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<sup>3</sup> [Debt management report](#)





### Two ways of succeeding with this are:

- Sending a due date reminder by email or SMS on the same day that payment is due for customers who have not yet paid. A “soft” reminder like this feels much friendlier to customers than the “hard” reminder when the invoice is already overdue (and when they might even have already been charged a late fee).
- Dynamic distribution means that whenever a communication or payment method fails, a new attempt in a different channel will automatically be made, before the invoice turns into a reminder case. For example, if a customer neglects to open an email containing the invoice within a certain period of time, an SMS will be sent out instead. And if that’s not opened either, a paper invoice will be sent out. The same thing happens if an email message bounces back because of incorrect address. And, if a direct debit payment fails due to unavailable funds in the customer’s account, they will be sent an email prompting them to pay manually.



## 4. Dare to let go of late fees

There are many reasons why a customer might not pay the invoice on time. They might, for example, have simply forgotten. If you compare the revenue from charging and collecting reminder and late fees to what the administration of it all costs, including angry calls to your customer service department, is it still worth it? Charging a reminder fee that the customer feels is unjustified, may also come with the risk of them starting to look around for a new supplier<sup>4</sup>.

And, if the case winds up getting sent to debt collection, you will be outsourcing part of the customer experience to a third party. Collection agencies are good at collecting payments, but how do their processes impact the customer's long-term relationship with your company?

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<sup>4</sup> [Novus Energy](#)

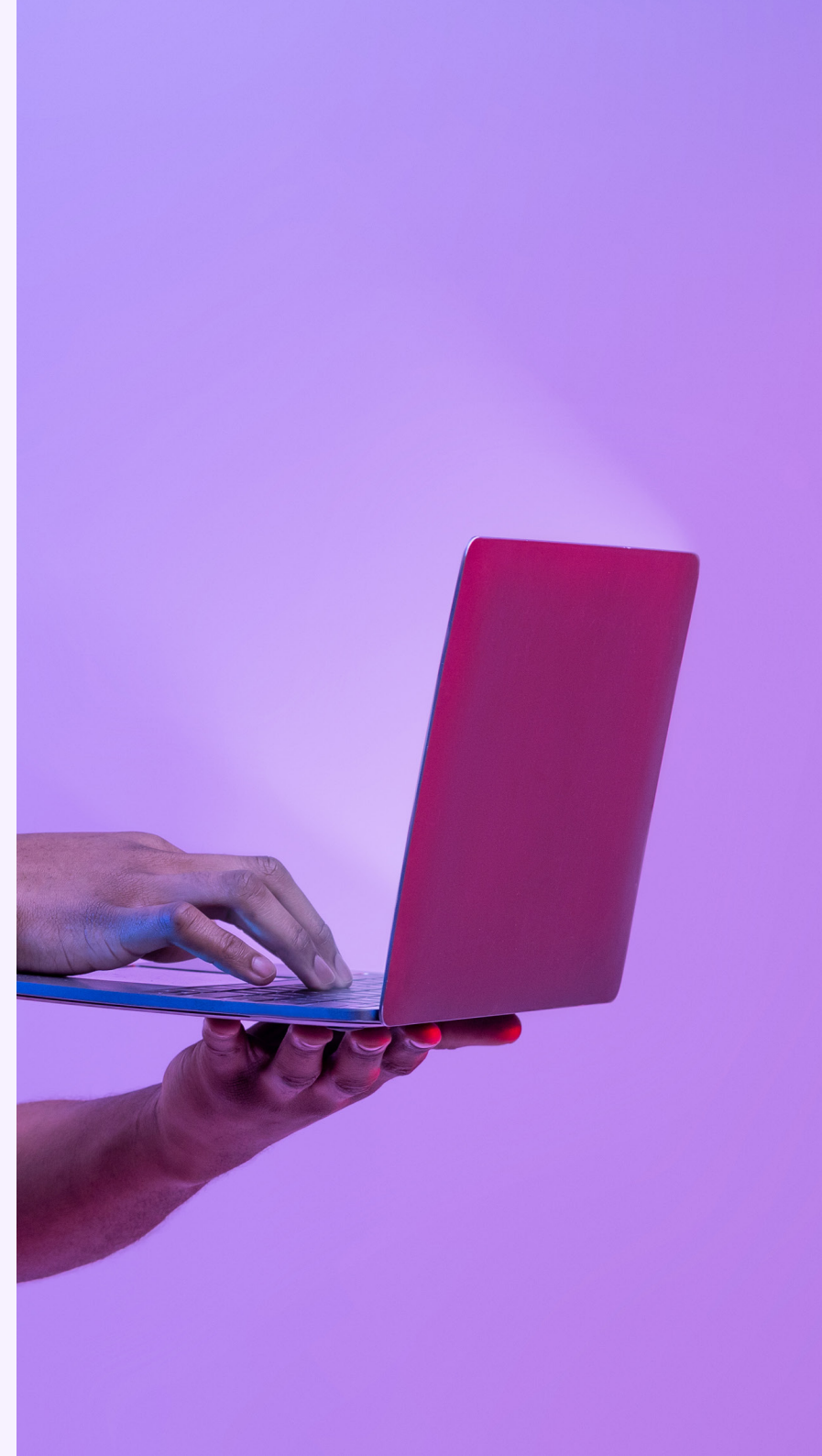


## 5. Offer customers interactive invoices

Admittedly, a PDF invoice sent out by email is “digital”, but it still involves several manual tasks for both the customer and your employees. Take digitalization a step further by offering an interactive invoice, in a digital platform.

### Three advantages of an interactive invoice:

- Updates in real time if, for example, the invoice amount or due date is changed. And, if the customer makes partial payment on the outstanding amount, the invoice will be updated as soon as that payment is received. Doing so minimizes follow-up questions from the customer. All of the history is saved too, so that your employees and the customer can see everything that has happened, and when.
- Enables two-way communication in the form of messages between the customer and customer service directly on the invoice.
- Provides an opportunity for conveying value-creating communication to the customer, who can act directly and move on with a simple click. This may include, for example, tailor-made offers, information about current customer service response times, or links to the FAQ. Or, why not give them tips about functions in your app or on “My Pages” to increase the use of these channels?





## 6. Use data to optimize the customer experience

The more digitized that both customer management and invoice handling are, the more customer data you will have access to. It can give valuable insight into such questions as:

- When and how do customers prefer to pay their invoices?
- Which channels do they prefer to use when contacting your company (e.g. phone, email, chat, SMS or messages directly on the invoice)?
- When and in which channels do you reach them the best with information and offers?
- Which type of information and offers generate the greatest interest in various customer groups?

You can then use this knowledge to increase the impact of communication with your customers, remind them about timely payments and better plan internal resources, such as the staffing of customer service.



## 7. Communicate proactively in several channels

For most companies, invoicing and payment issues are the cause of a high percentage of the inquiries to customer service. Quantifiable data enables you to learn which specific parts tend to raise the most questions with your customers and how you can reach them most effectively. Ensure that you always have current contact information and more than one way to contact each customer. You can then use knowledge about your customers to lower the pressure on the customer service function via proactive communication that helps customers find information themselves.

As mentioned in item 3, due date reminders are an excellent example of proactive communication. Here are some other situations where you can give customers the right expectations and prevent issues:

- If prices increase sharply or are expected to do so later on: tell your customers well in advance, ideally directly on the invoice, and explain the reasons for the increase.
- If price increases are getting a lot of media attention: give customers smart tips on what they can do themselves in daily life to lower their electricity consumption and thus reduce their costs.
- If the wait for getting through to your customer service is longer at certain times: provide information on peak hours in the same place where you have contact information for your customer service, along with links to FAQs or tips on things that customers can solve themselves by logging in to their personal account.

## About Billogram

Since its inception in 2011, Billogram has renewed an outdated billing process by offering companies with recurring payments an intelligent digital platform for payments. At the same time, we improve the customer experience around the payment process with easy interactive invoices.

With the help of smart technology, we help companies strengthen their relationships with their customers, at the same time that we automate processes, reducing costs, increasing revenues, and reducing losses of customers. The result is a payment that benefits everyone.

Read more about us at [billogram.com](https://billogram.com)

