

Electricity 4 Business's Cost of Customer Acquisition 30 Percent below Industry Average using Salesforce



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— Graham Paul
Sales & Marketing Director

Industry

Energy

Geographies

UK

Challenge

- ❑ Reduce the cost of targeting, acquiring and managing business electricity customer relationships
- ❑ Effectively manage multichannel sales teams, including Field Sales and energy agent/broker network, as well as inbound and outbound telemarketing
- ❑ Maximize sales productivity

Solution

Leading UK business electricity provider deploys Salesforce SFA to 30 users, using comprehensive Salesforce functionality including lead, opportunity, account, contract and activity management and today has more than 500,000 sales leads in the system.

Results

- ❑ Cost of customer acquisition is 30 per cent lower than the industry average
- ❑ Eliminated many paper-based processes involved in sales management and automated many others
- ❑ The 'on cost' involved in switching customers from their incumbent electricity supplier to E4B is now an average of £4 per customer, compared with an industry average of up to £40 per customer.
- ❑ Cost of managing the channel network of 140 energy agents and brokers is one fifth of E4B's competitors
- ❑ Provided near real-time straight through processing, from sale to order provisioning, via integration with the bespoke back office EDW Energy Retail Suite billing system
- ❑ Integrated with the website, enabling online switching with customer capture straight into Salesforce
- ❑ System went live just three weeks after being chosen

Electricity is a commodity product, with competitive advantage invariably passing to providers offering the most compelling prices. Electricity 4 Business (E4B) is targeting the UK market with that message, together with great service—and using Salesforce to minimize its cost of operation and grow its customer base. By building the business around its business electricity customers and automating key processes, E4B's cost of customer acquisition is 30 per cent cheaper than the industry average. The 'on cost' involved in switching customers from their incumbent electricity supplier to E4B is now almost ten times lower than the industry average and by introducing a more efficient means of managing the network of 140 energy agents and brokers, the cost of managing the channel network is one fifth of E4B's competitors.

Cheap business electricity

Cheap business electricity is E4B's mantra. Electricity 4 Business is Britain's independent business electricity retail company specializing in the supply of electricity to small and medium sized businesses (SMBs). All electricity suppliers use the same transmission and distribution companies for safe and reliable electricity. So E4B cannot make customers' electricity better, but it can ensure that customers pay less, because the service the company provides is efficient, simple to use and easy to understand.

When E4B was established, the company needed a flexible and cost effective means of supporting its multichannel sales strategy, comprising Field Sales, the Internet, an energy agent/broker network, as well as inbound and outbound telemarketing teams in the UK and abroad. The opportunities were certainly lucrative: from a universe of 1.4 million business retail customers in the UK market, E4B's aim was to capture 150,000 of those. The other challenge facing E4B at its launch was to efficiently manage the processes involved in transforming closed sales into provisioned energy orders.

“We were conscious of the lead time and complexity involved in deploying a complex on-premise CRM system like SAP or Siebel,” says Graham Paul, Sales and Marketing Director, E4B. “Salesforce.com was a compelling proposition for E4B because it allows the company to capture all the benefits of a large scale, cost effective CRM system without the headache of a long, drawn out implementation. Salesforce's runaway market success is the benchmark for other on demand CRM providers. We didn't consider any other alternatives.”

More than 500,000 sales leads in the system

That decision to standardize on salesforce.com has had a fundamental positive impact on E4B's business. The company deployed Salesforce SFA to 30 users, is using comprehensive Salesforce functionality including lead, opportunity, account, contract and activity management, and today has more than 500,000 sales leads in the system. When the sales team has arranged a sales appointment in Salesforce, or an opportunity is derived through the Web, the system then tracks the opportunity through its sales cycle right up to closure and contract. Salesforce has been customized to validate the electricity tariff with the customer and – through integration with a bespoke back office EDW Energy Retail Suite billing system – process and provision the order. The result is near real-time straight through processing, from sale to order provisioning.

Salesforce has also been integrated with E4B's website—which enables online switching with customer capture straight into Salesforce. Further integration using web to leads functionality means that customer registrations go from the website straight into Salesforce and then automatically onto the telemarketing team. E4B anticipates user growth this year of an additional 20 users by the end of the first Quarter and roll out to an additional 50 field sales executive by the end of the second Quarter.

The important indirect network of agents and brokers have not been forgotten either in the multi-tenant system. Using the popular and easy customization capabilities of the Apex platform, E4B has created a 'Web to Case' support enquiry system. This allows agents and brokers to log an enquiry regarding a contract or fiscal commission due. E4B's support team then review one of 250 pre- defined standard support responses to help accelerate enquiry resolution.

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Sales & Marketing
Director

The software-as-a-service (SaaS) solution has been taken to new levels of success with the recent adoption of the Vertical Response AppExchange application. Viewed, trialed and downloaded at will, this business web application enables E4B to create new mailing lists of any size, design professional email campaigns and track reporting and statistics in Salesforce. “As you can imagine, it would have taken us a long time to design a bespoke solution ourselves,” says Paul.

Live just three weeks after choosing Salesforce

But the benefits go far beyond ease of use, straightforward customization, seamless back office integration and the on demand CRM model. According to Paul, there is significant metric evidence of the success of Salesforce at E4B. “The fact that we were live just three weeks after choosing Salesforce only scrapes the surface in terms of the benefits we have received,” he says.

“By integrating Salesforce with our back office energy billing system and creating a straight through processing environment, our cost of customer acquisition is 30 per cent lower than the industry average. The main reason for this is that we have been able to eliminate so many paper-based processes involved in sales management and automate many others. Better still, the ‘on cost’ involved in switching customers from their incumbent electricity supplier to E4B is now an average of £4 per customer, compared with an industry average of up to £40 per customer.”

It doesn’t stop there either. By introducing a more efficient means of managing the network of 140 energy agents and brokers, the cost of managing the channel network is one fifth of E4B’s competitors. Again, the reason for this is that many of the interaction processes—such as contract management—have been automated or are managed via Web to Case. “Salesforce is simply brilliant,” says Paul. “Electricity is a commodity product, so being cheaper than the competition is a major advantage in the market. E4B’s mission is to cut the cost for British business by offering lower prices—and that’s exactly what Salesforce is helping us to achieve...besides growing our customer base of course!”

For More Information

Contact your account executive to learn how we can help you accelerate your CRM success.

The Americas
The Landmark @ One Market Suite 300
San Francisco, CA 94105
United States of America
1-800-NO-SOFTWARE
www.salesforce.com

Japan
Ebisu Business Tower 18F
1-19-19 Ebisu, Shibuya-ku
Tokyo, 150-0013
Japan
+81-3-5793-8301
www.salesforce.com/jp

Asia/Pacific
Suntec Tower Two
9 Tamasek Tower
Singapore, 038989
+65-6302-5700
www.salesforce.com/au

Europe, Middle East & Africa
Ch. de la Dent d’Oche 1B
1024 Ecublens
Switzerland
+353-1-2723-500
www.salesforce.com

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