Question everything.

7 keys to successfully implementing a modern CIS

"WHAT QUESTIONS SHOULD I ASK TO MAKE SURE MY NEXT CIS IS SUCCESSFUL?"

Going live with a CIS that works is a huge success for any project team. But as anyone who has ever completed an implementation knows, success doesn't end at go-live. True success accounts for the future, along with the present. So the real question is, "How do I select a CIS that successfully reduces risk during implementation and successfully flexes to meet my shifting needs over time?"

If you don't know all the answers, or even the right questions to ask, you're not alone. With the significant shift in customer expectations, and the ever-expanding list of new technologies promising to "change everything," you're living in a very different world now than when your utility last implemented a new CIS. It's a world with many new options, which also raises many new questions.

It's not easy to balance a utility's ability to deliver critical services with ever-changing regulatory and environmental issues, and increasing customer expectations. By nature, these demands drive a conservative approach to the implementation of advanced technologies. Finding equilibrium can be a monumental task, because implementing a new CIS is one of the most important things you will do as a utility professional. It's a decision that involves significant costs, effort and potential for unexpected circumstances. As most utilities live with their CIS for at least 15 years, it's a decision no one should take lightly.

To help you get started, we created this easy to understand guide. Our hope is it will make you aware of the key items to look for, new options that may benefit you, and the questions you should ask to reduce risk and ensure your utility can adapt and thrive in an ever-changing world.

Because the CIS you choose will play a critical role in making your utility work better for your customers, we think you both deserve an upgrade to happier.

- The VertexOne Team

1. DATA MIGRATION: HOW CAN I ENSURE A SMOOTH TRANSITION TO THE NEW SYSTEM FOR MY CUSTOMERS?

A poor data migration can make it hard for your call center agents to identify and authenticate customers. It can increase returned mail, or worse, send statements to the wrong address, collect payments from customer accounts early, make back billing an almost impossible task, and severely disrupt average and budget bill calculations.

The secret to a successful data migration is simple: Start early and practice often.

The challenge? With a traditional implementation you know where the data is coming from, but the destination remains uncertain until the last few months of the project, forcing you to start data migration late and limiting your ability to identify and fix issues ahead of the big day.

So, if you want to ensure a smooth transition to the new system for your customers, and you don't want to extend project timelines and cost, here are the questions you should ask your technology provider:

How soon in the project will we be able to start data migration?

How many full data migration cycles will be performed before go-live?

Do you have a data migration toolkit that can be used on the project?

2. INTEGRATION: HOW CAN I GET MY NEW SYSTEM TO SPEAK FLUENTLY TO ALL MY OTHER SYSTEMS?

Your new system must be integrated with a plethora of other applications used by your utility, including: general ledger, IVR and telephony, work and asset management, mobile work management, web and mobile self-service, bill print and payment providers, geographical information systems, automatic meter reading or advanced metering infrastructure, and more.

Issues associated with deficient integration can include unreconciled financials, increased average handle times, late and/or unnecessary truck rolls, increased job durations, higher call volumes and inaccurate customer statements.

The secret to successful integration? Just like data migration, start early and practice often, and proactively manage your internal stakeholders and third parties.

The challenge? With a traditional implementation, until the system design and build is fairly well advanced, it is hard to be precise about interface requirements. This creates pressure on timelines and limits the window in which specifications can be completed, interfaces developed, and testing performed with significant volumes of realistic data.

So, if you want your new system to speak fluently to all your other systems, and you don't want to extend project timelines and cost, here are the questions you should be asking your technology provider:

Does your solution have a pre-built library of common interfaces?

Where you don't have an existing interface, do you have reusable services and adaptors that can be used to develop one?

What experience do you have in working with and managing third parties when developing and delivering interfaces?

Can we save time and money by taking advantage of pre-integrated best-of-breed solutions?

3. TESTING: HOW CAN I AVOID STARTING THE REAL TESTING AFTER WE GO LIVE?

With a limited window to thoroughly test every possible scenario with realistic data, too often the real testing of a new CIS only begins after you've gone live. The consequences can be severe. Inaccurate bills can flood your back office with mountains of exceptions, hurting cash flow and leaving customers without their bills. Worse, inaccurate bills can go out the door, upsetting customers who flood your call center with inquiries just as your agents are trying to get used to the new system.

The secret to successful testing? Again, it's all about starting early and practicing often. But more specifically, you need to be able to test large volumes of realistic data encompassing the multitude of different scenarios your utility will face in real life.

The challenge? With a traditional implementation, you can't start testing until functionality is designed and built. And when data migration also starts late, this testing can only be performed with limited volumes of manufactured data that all too often fails to accurately replicate all of your real world scenarios.

So, if you want to avoid testing your new system after go-live, and you don't want to extend project timelines and costs, here are the questions you should ask your technology provider:

- How soon in the project will we be able to start testing core functionality?
- How long will it be before we can migrate our data and start parallel testing?
- How many parallel test cycles will we perform before go-live?
- How much time will we have to test the newly developed functionality that supports our unique requirements?

4. BUSINESS READINESS: HOW CAN I GET THE BUSINESS READY TO PUT MY NEW SYSTEM TO WORK ON DAY ONE?

Your users already have a very important day job: Serving your customers. But soon they will also have to free up time to learn the new system in order to hit the ground running and maintain or improve customer service. Furthermore, everyone learns at a slightly different pace and retains differing amounts of information the first time around.

A lack of business readiness can seriously undermine your investment in a new system. An increase in average handle time in the call center will lead to increased hold times for your customers. A drop in first call resolution will increase call volumes and hold times. Agents struggling to come to terms with a new system, and dealing with increased call volumes and irate customers, can become increasingly dissatisfied and cause attrition to rise.

The secret to business readiness? Allow users to learn incrementally and repetitively, give them an environment where they can practice their skills, and offer self-learning opportunities where they can work at their own pace.

The challenge? With a traditional implementation it's hard to take meaningful steps to business readiness until functionality is designed and built. So the window for training gets compressed, putting pressure on those serving customers, and forcing users to learn at a pace dictated by the project and not the one that works best for them.

If you want to be ready to put your system to work from day one, and you don't want to extend project timelines and costs or face an uncertain period of bubble staffing, here are the questions you should ask your technology provider:

- How soon will we be able to see what key business processes will look like on the new system?
- Do you have a library of pre-built training materials that can quickly be adapted to our specific requirements?
- How soon into the project can we begin training, and how can I minimize the impact of training on normal business activities?
- Will we have access to a sandbox environment where our team can get familiar with the new system?

5. SKILLS AND EXPERTISE: HOW CAN I ENSURE WE HAVE A TEAM THAT CAN OPERATE AND GROW OUR NEW SYSTEM IN THE FUTURE?

Not only will your team need to understand and configure your new application, they will also have to support your users, execute the batch schedule, monitor system performance and availability, prepare backups, keep the system secure, and plan what to do in case of a disaster or a data breach. And that's just for the core CIS. They will also need to be up to speed with web and mobile self-service, business intelligence, mobile work management systems, and more.

Without the right team, users won't get the support they need. System performance will deteriorate as data volumes grow. The version of your software may no longer be supported, which means you'll miss out on critical new features and functions necessary to adapt and thrive. You'll generate a backlog of requests as you strive to meet changing customer expectations and regulatory requirements. And when something breaks, you'll pay a premium for a third party to fix a system they are unfamiliar with.

The challenge? New CIS platforms are a lot more complicated than they used to be. People with the expertise to operate and grow them are in short supply, and those who acquire the necessary skills see their market value grow exponentially. It is hard for a utility to employ a team with all the expertise needed to efficiently manage the peaks and troughs you'll experience over the next 15 to 20 years.

The secret to getting the skills and expertise you need? Be prepared to look beyond your own walls for help. This enables you to free up your internal resources so they can work more closely with the business to better understand and plan for the future. And, of course, it frees your utility to focus on its core business of serving customers.

If you want to ensure that you have access to a team that can operate and grow your new system in the future, but don't want the headache of attracting and retaining scarce resources in the market, here are the questions you should ask your technology provider:

- What types of skills and expertise are needed to operate and grow a modern CIS?
- How can we ensure that we have access to the best resources when we need them most—during the first days, weeks and months after go-live?
- How can I prevent key individuals from leaving and taking critical knowledge of my new system and processes with them?

6. STAYING CURRENT AND AGILE: HOW CAN I BE CONFIDENT THAT OUR NEW SYSTEM WILL RESPOND TO CHANGING REQUIREMENTS?

If the average lifespan of a CIS is 15 to 20 years, then the 18 to 24 months spent preparing and launching the system is just a fraction of the time that your utility is going to be living with the platform. A new CIS must handle interval meter reads and complex rates, often across multiple jurisdictions and types of service. In addition, a CIS needs to support customer engagement on multiple channels. It has to assist in selling customers on energy efficiency and conservation programs. It needs to integrate with other technologies, like advanced metering infrastructure. And these are only the things we know about today.

If your new CIS is unable to respond to changing requirements, it will be considerably less than 15 to 20 years before you'll be investing a few more million dollars to replace it. Or, you will be spending those dollars building the new features and functions you need, and acquiring the help necessary to maintain the custom features you've built.

The challenge? Customer expectations are changing, influenced by companies such as Amazon, Netflix and Uber. A failure to respond will lead to issues with regulators, who create more than their own fair share of change, ranging from water budget billing in California, to cap and trade programs in Ontario, to distributed generation for electric utilities.

The secret to staying current and agile? Be prepared to select a system that not only meets today's requirements, but also provides room for growth, whether in the form of increased customer numbers and data volumes, or additional features and functions that might be needed in the future. Choose a system that will benefit from significant ongoing investment over time.

If you want to be confident that your new system will respond to changing requirements, and don't want to be replacing it in less than 10 years, here are the questions you should ask your technology provider:

- How often should I expect to upgrade in order to stay current on my new system? How much time, effort and money will it take?
- How can I be sure that my new system can scale as data volumes and the number of customers increases?
- What additional features and functions are immediately available to me should I need them?
- Can I be confident that additional features and functions will be added over time as the role of our utility evolves?

7. PREDICTABLE TCO AND SERVICE LEVELS: HOW CAN I GUARANTEE SYSTEM PERFORMANCE WITH A PREDICTABLE TOTAL COST OF OWNERSHIP?

During the procurement of a new CIS, the focus is placed on licensing and the cost of implementation, with little thought spent on determining what it will cost to operate and grow the system over the next 15 years.

Here are just a few of the questions you will need to answer to determine a predictable TCO for your new system:

What hardware will I need for the new system and how often will I need to refresh it? How often will I need to patch and upgrade our new CIS application? Which database and operating system licenses will we need? Will I need to expand our existing datacenter, or acquire a secondary datacenter for disaster recovery? Will I need a new plan for disaster recovery and how often will we need to test? Will we need a new backup solution and procedures? What will I need to keep our data secure? If we do suffer a breach, will I need a plan to manage it?

And here are some of the questions you will need to answer to structure service levels that deliver a high-performing solution and minimize business disruption:

What should our issue response times be? How should we define different severity levels for those issues? Will we need a system for users to log tickets and/or a help desk? What percentage of time should the new system be available? What is an acceptable response time for a new CIS? How long should my new batch schedule take to complete? What percentage of interface files should be processed on time?

The challenge? Determining a true and predictable TCO for your new system requires significant time, effort, and expertise that may not be readily available. To a lesser extent the same is true of structured service levels that guarantee a high-performing solution and minimize business disruption. Too often, neither of these are sufficiently addressed during the procurement process.

What's the secret to a guaranteed TCO and service levels? Be prepared to work with a third party who has extensive experience of operating these systems and understands what it costs to do so over 5, 10 or 15 years. A third party who understands how to structure service levels that guarantee a high-performing solution and minimize business disruption. And most of all, a third party who will guarantee their solutions and be held accountable.

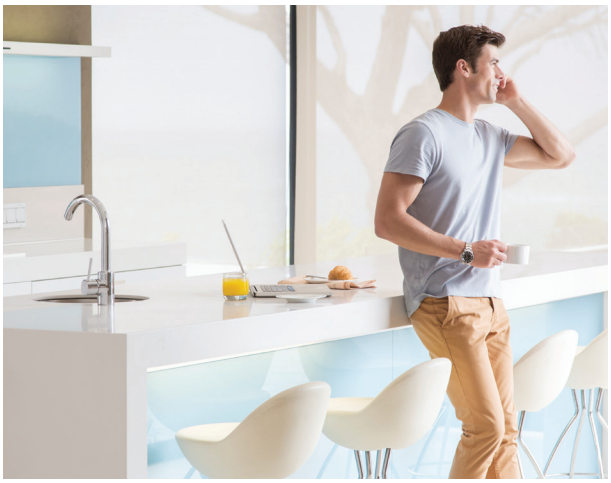
If your business is looking for guaranteed TCO and service levels, but you don't have the time or resources to deliver them, here are the questions you should ask your technology provider:

How can I be certain of what my new system will actually cost? Not just to implement, but to operate and grow over the next 10 to 15 years?

How can I make sure we will recover quickly in the event of a disaster, and that I'll have a plan to support me?

How can I be confident that my new system is secure and that I'll have a plan should a data breach occur?

Can I offer my business guaranteed system performance, including issue response time, application availability, application response time, batch schedule completion, interface delivery, etc.?



THANKS FOR READING.

We hope this guide gave you some useful and thought-provoking ideas, along with the specific questions you should ask on your journey to a modern CIS. As you conduct your search, we hope you will keep us in mind. For quick reference, here are a few key points about how a new approach to your next CIS (like VertexOne) can set you up for success today, and for whatever tomorrow brings your way.

- **Low Risk:** You can reduce the time, cost and risk of implementing your new CIS with proven, pre-configured processes, a data migration toolkit, a library of common interfaces, and pre-built training materials.
- **Predictable:** Get guaranteed performance and TCO with access to the skills and expertise to support you, keep you current and help you to grow.
- **Agile:** Scale and flex to meet future requirements with SAP applications running on the latest HANA in-memory database backed by more than $2.6bn annual investment in R&D.

Have more questions about what to expect with a modern CIS implementation?

Contact James Riley, Chief Strategy Officer of Vertex, at James.Riley@vertexgroup.com

If you would like to see what VertexOne can do for your utility, please visit **VertexOne.net**

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