



# Key Accounts: What They Want and What They're Getting from Utilities

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**“The Secrets to Successful Energy Efficiency Program  
Implementation”**



# Utilities May Need to Be Less “Risk Averse”: Take a Leap



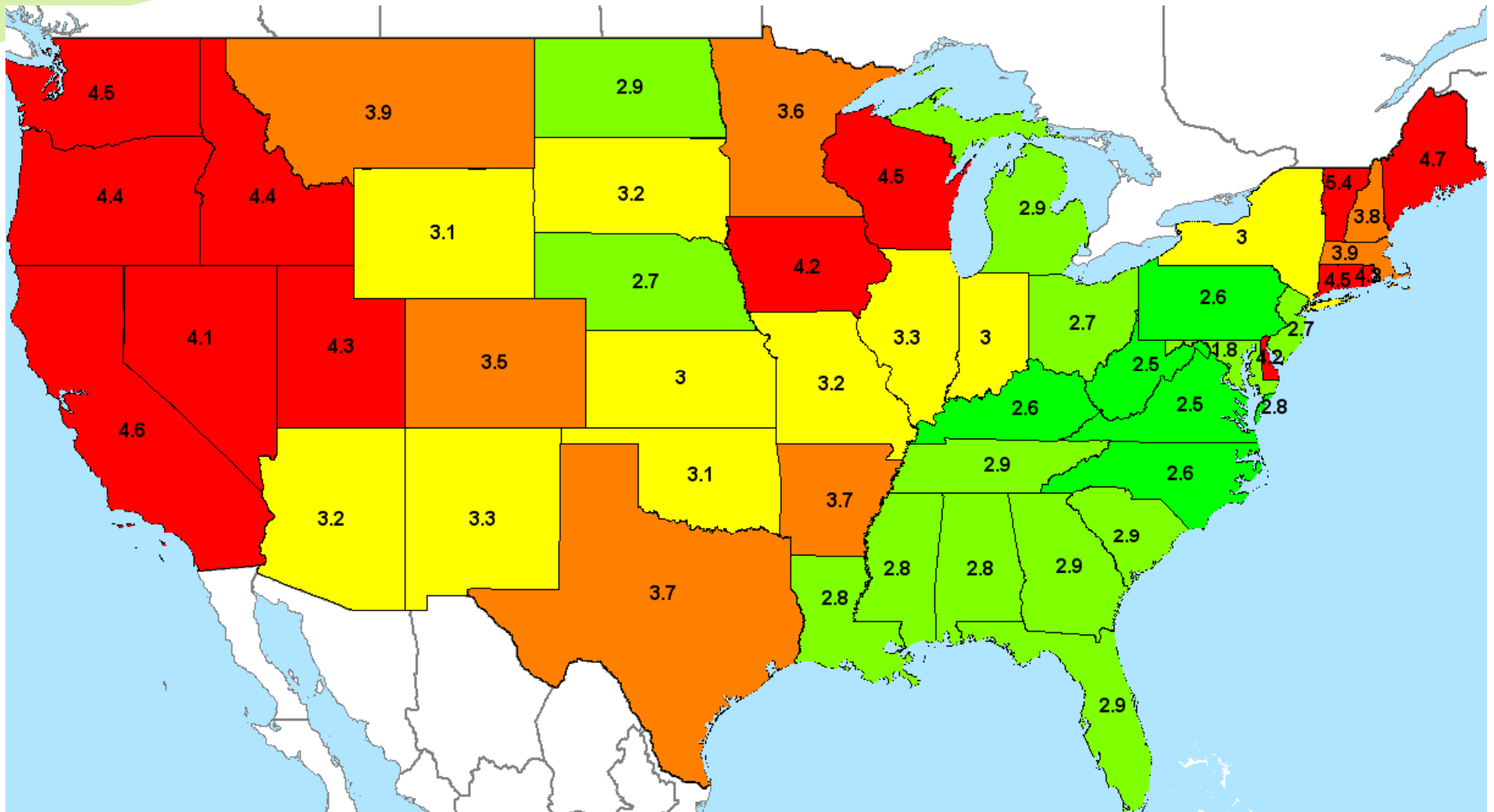


# But Don't Go Overboard



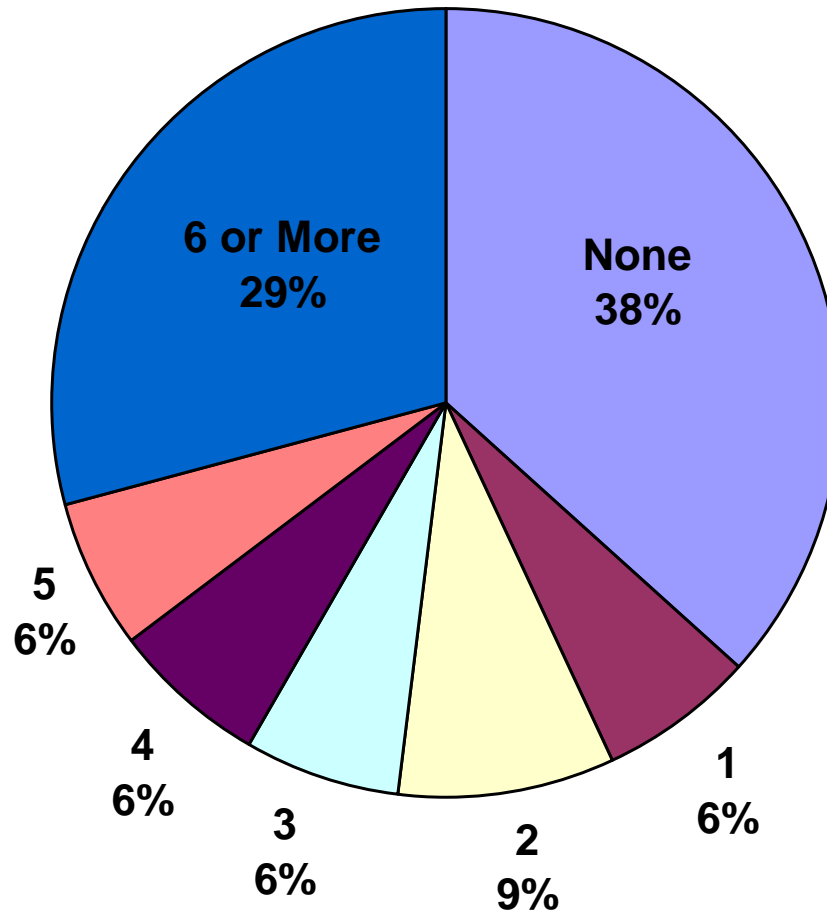


# Average Number of CFLs per Household by State



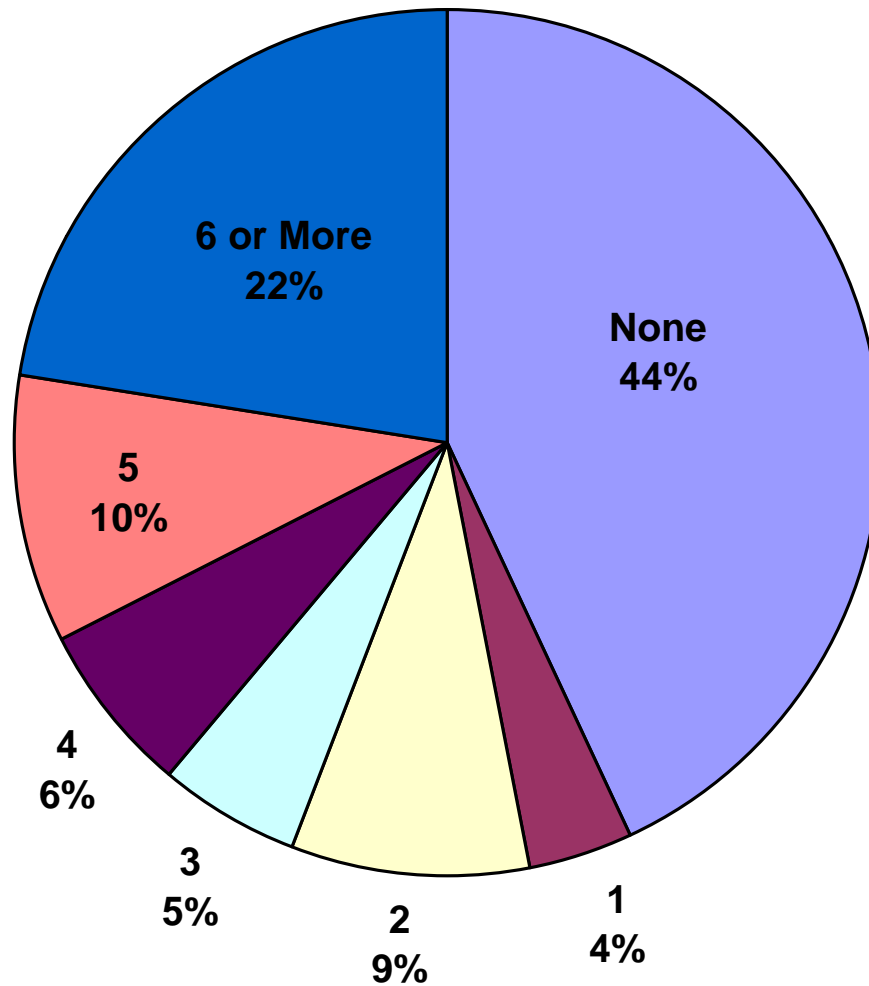


# CA Number of CFLs in Use per Household





# CA # CFLs Planning to Purchase in 2007





# Presentation Outline

## Study Overview

Respondent Profile

Energy Management Strategy and Goals

Greenhouse Gas Emissions and Green Energy

Energy Efficiency and Demand-Side Management

Top Products and Services

Key Account Management



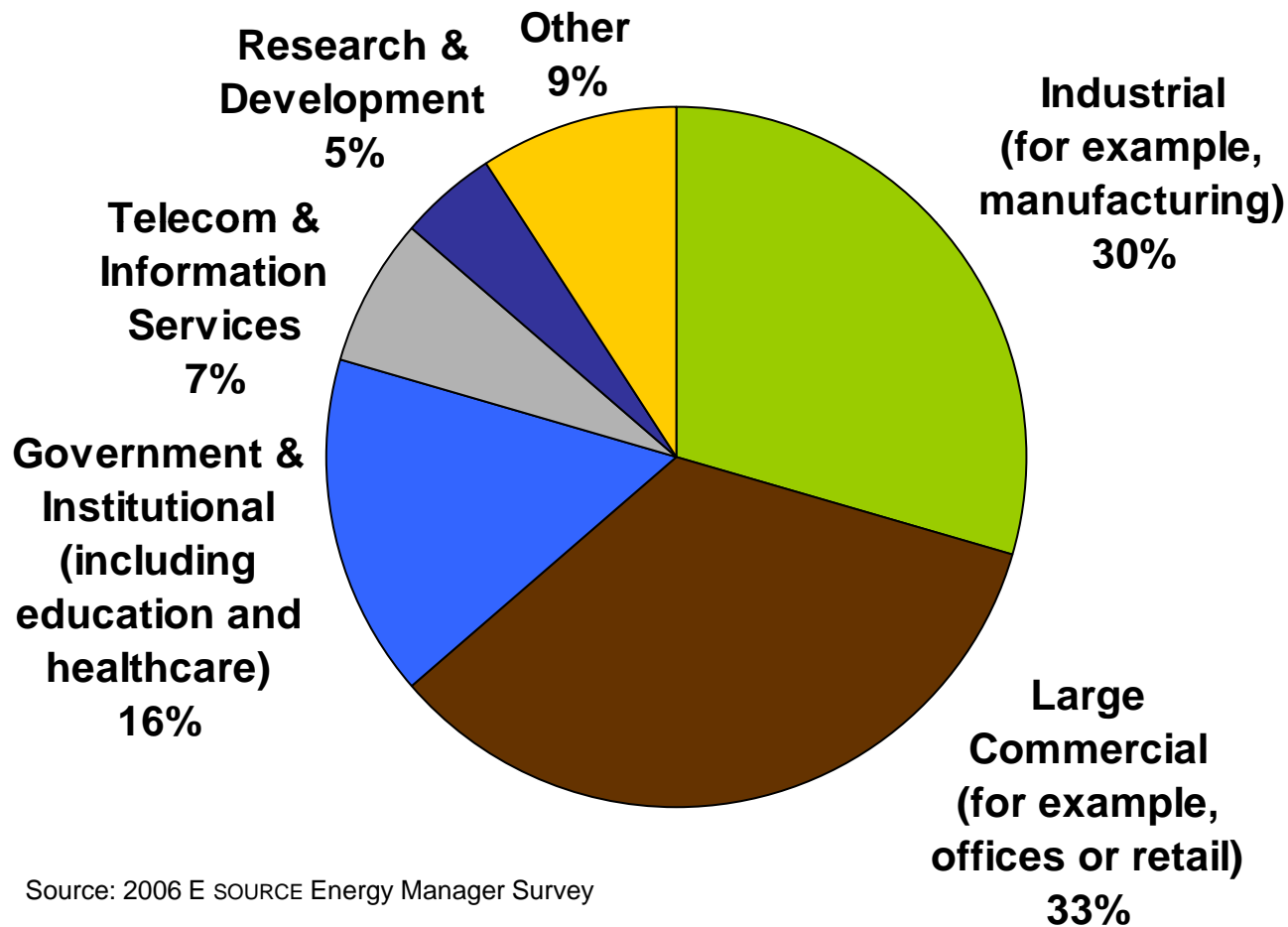
# Corporate Energy Managers' Consortium

- E SOURCE has a member group called the *Corporate Energy Managers' Consortium* (CEMC). These bellwether managers are surveyed each year, along with some other major Fortune 500 and 100 firms.
- Companies include: *Boeing, Johnson & Johnson, Kaiser Permanente, Federated Department Stores, Marriott, McDonald's, Target, Texas Instruments, U.S. Navy, Verizon, California State University System*





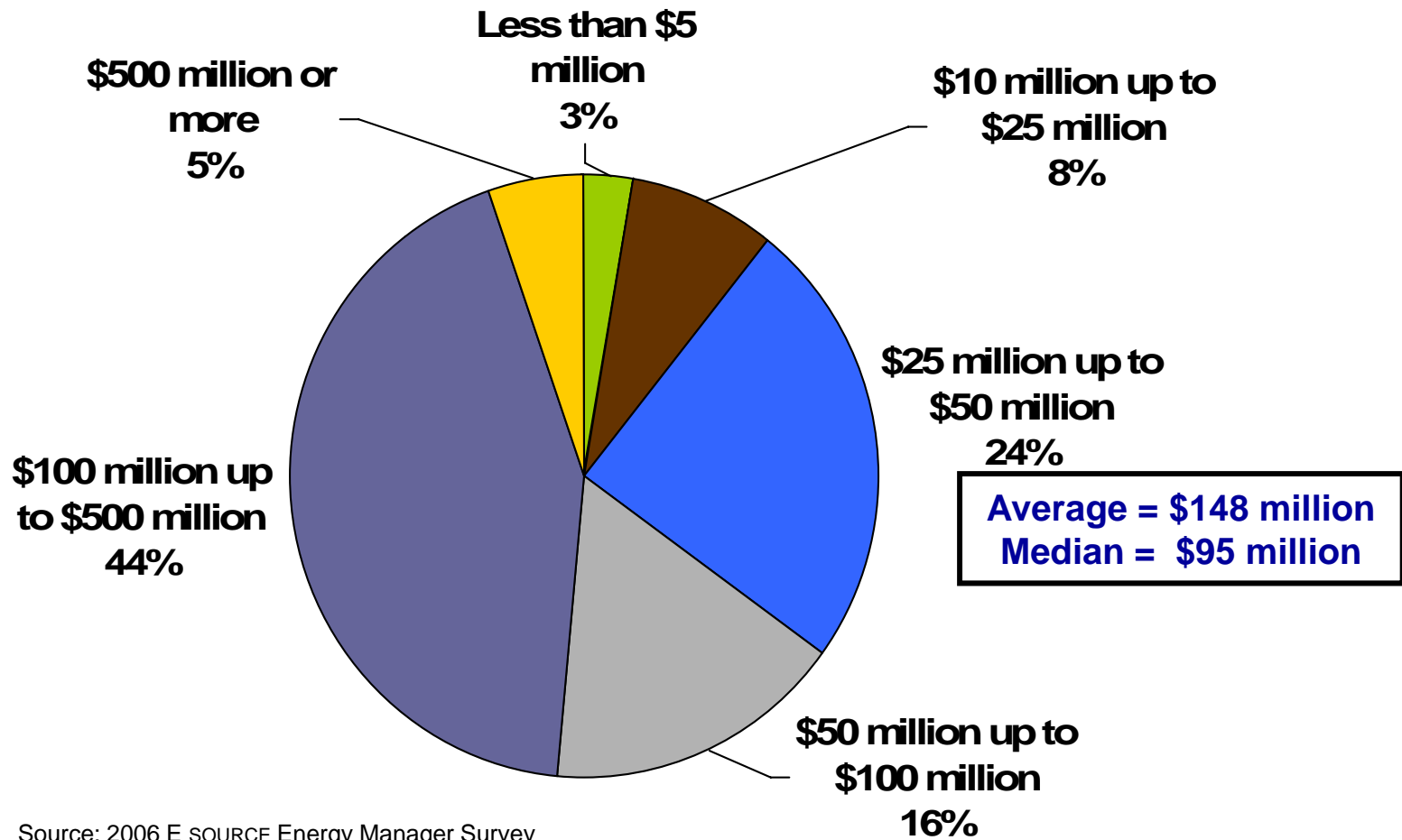
# Types of Companies



Source: 2006 E SOURCE Energy Manager Survey



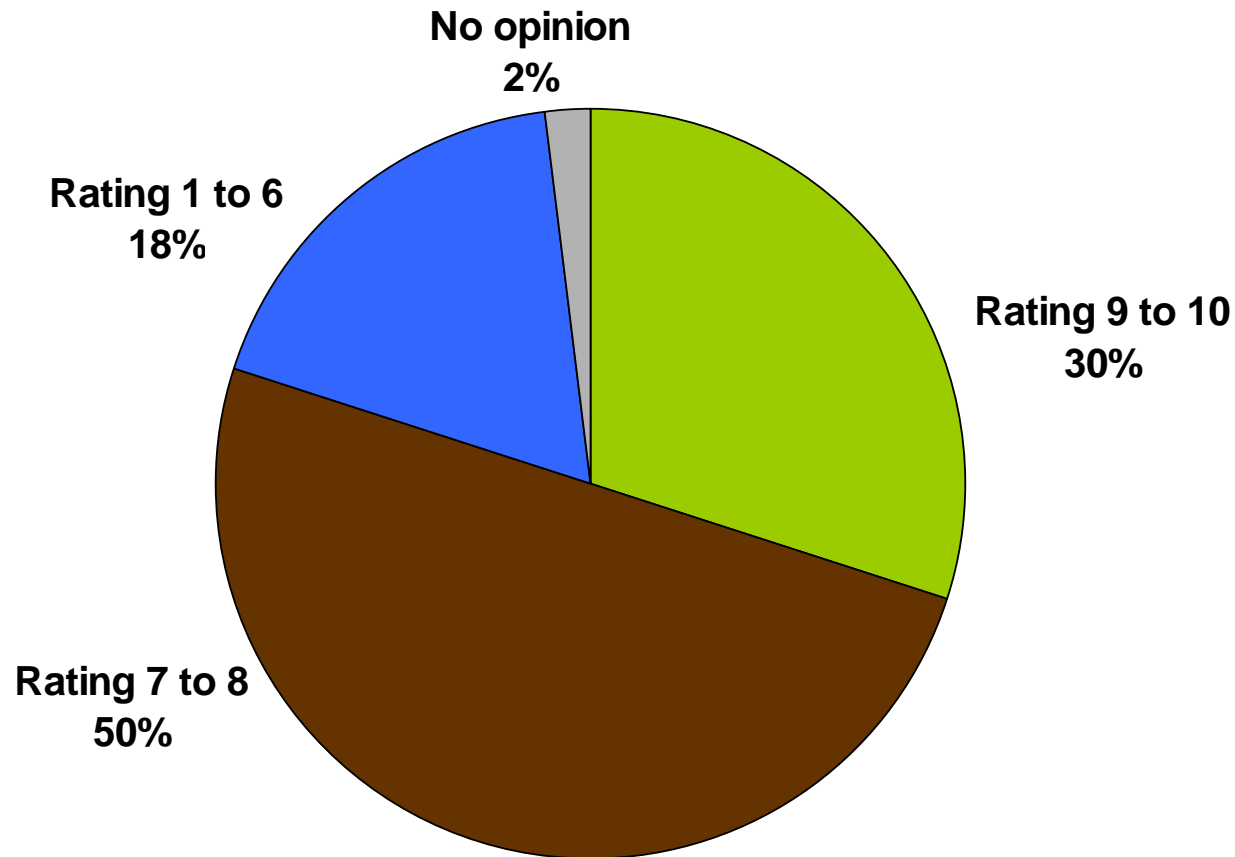
# Approximate Total Annual Energy Costs for All North American Facilities



Source: 2006 E SOURCE Energy Manager Survey



# Importance of Energy Management as a Strategic Business Issue for Your Company



Source: 2006 E SOURCE Energy Manager Survey

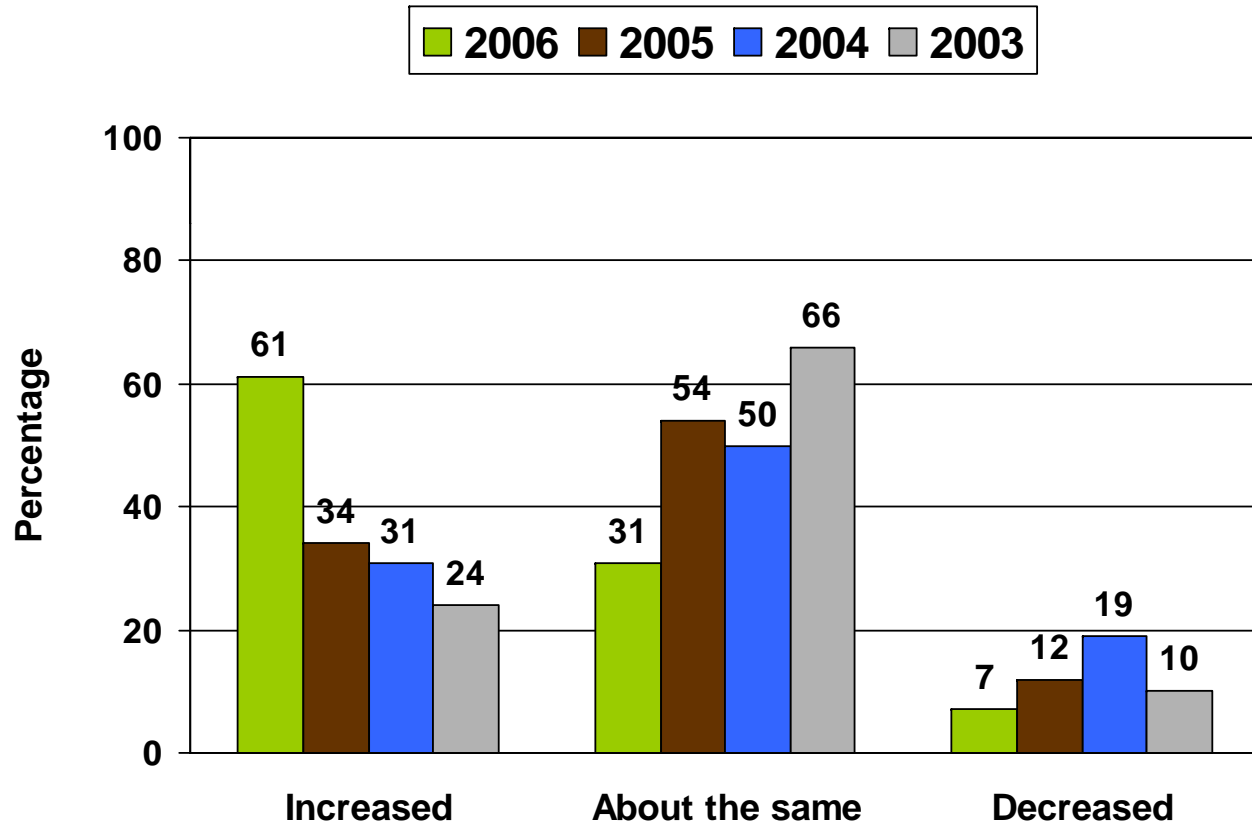


# Specific Energy Management Indicators and Metrics

- 82 percent say senior managers were paying more attention to energy management this year
- 73 percent have specific energy reduction goals, ranging from 3-15% annually
- Goals are measured along a variety of lines, including:
  - Percent reduction of total use
  - Total MW targets
  - “Energy productivity” in terms of energy used per unit output of their product



# Year-by-Year Changes in Energy Management Resources over the Past Four Years

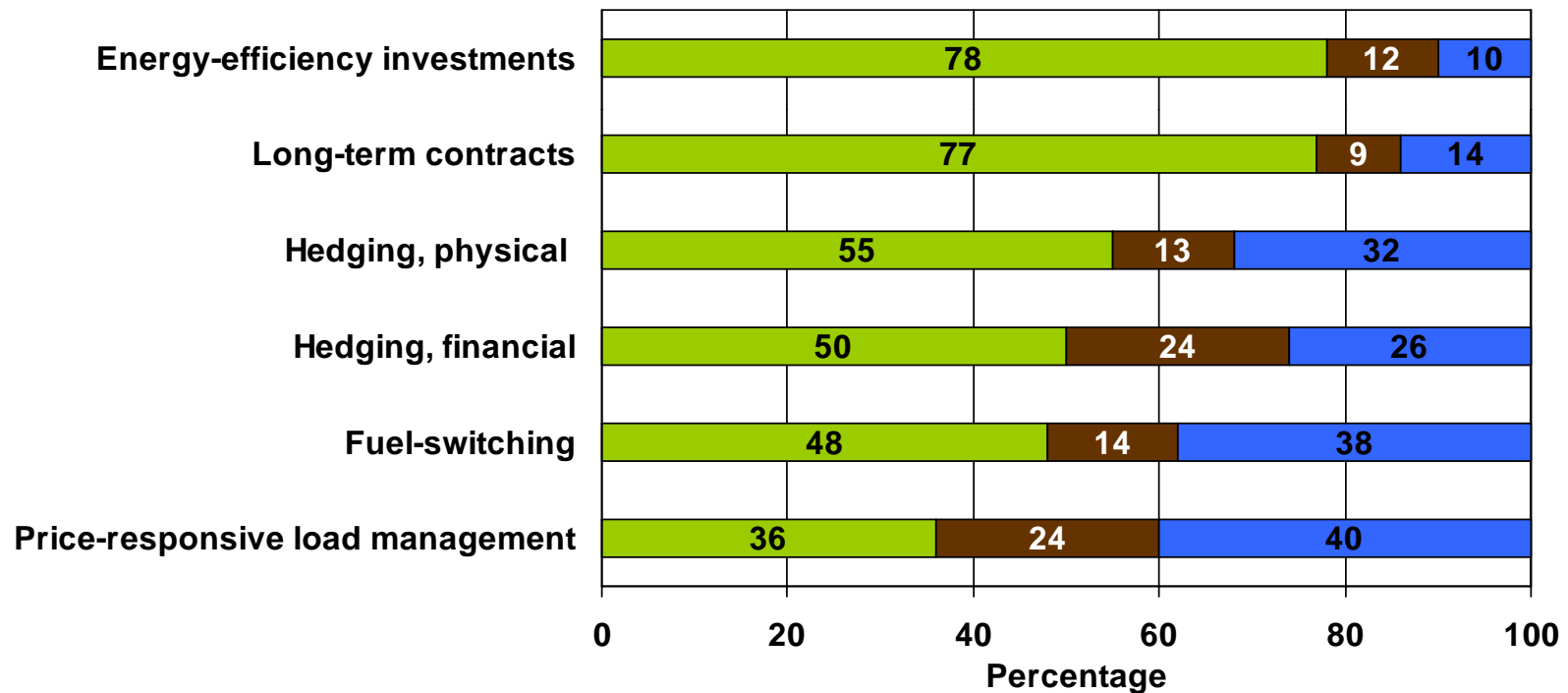


Source: 2006 E SOURCE Energy Manager Survey



# Actions Taken or Planned in an Effort to Manage Exposure to Energy Price Volatility

■ Currently doing this ■ Plan to do this in the near future ■ Not aware of any plans to do this



Source: 2006 E SOURCE Energy Manager Survey



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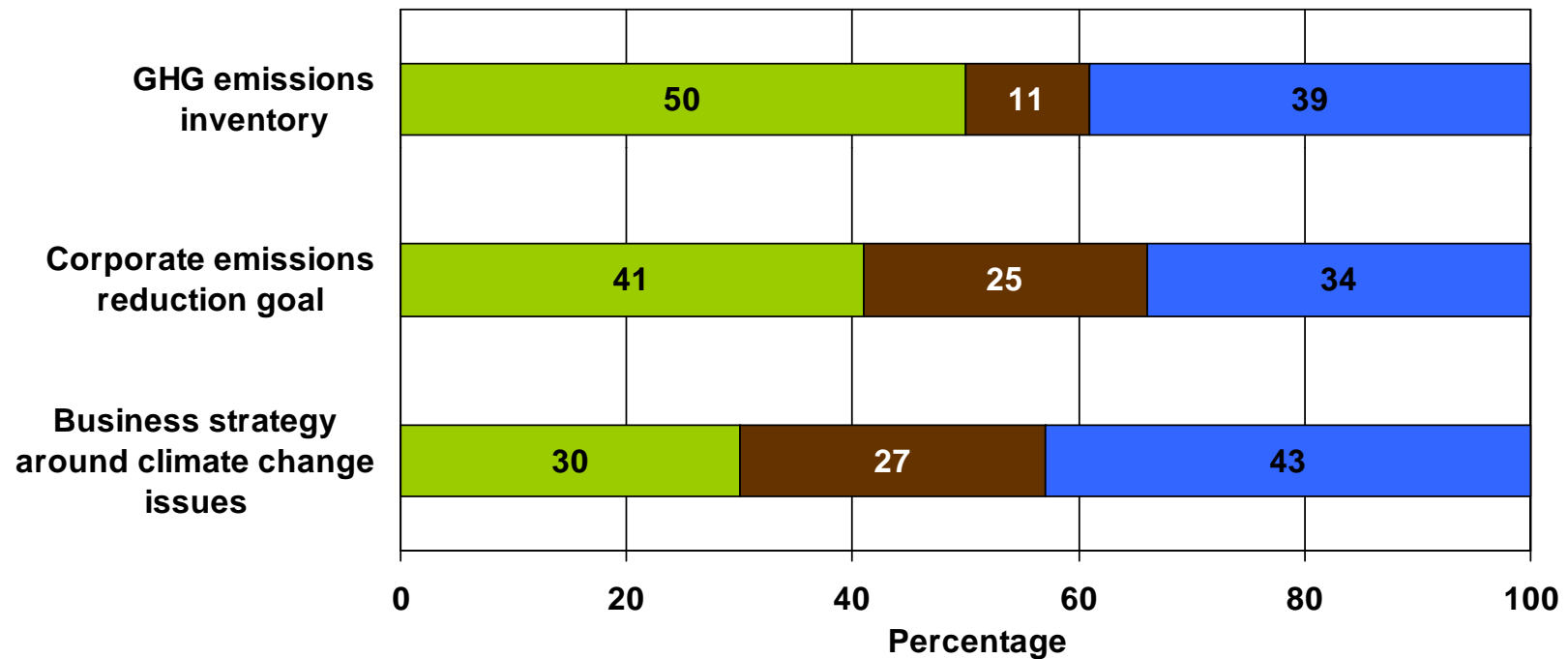
Key Account Management

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# Actions Taken or Planned in an Effort to Manage Greenhouse Gas (GHG) Emissions

■ Currently doing this   ■ Plan to do this in the near future   ■ Not aware of any plans to do this

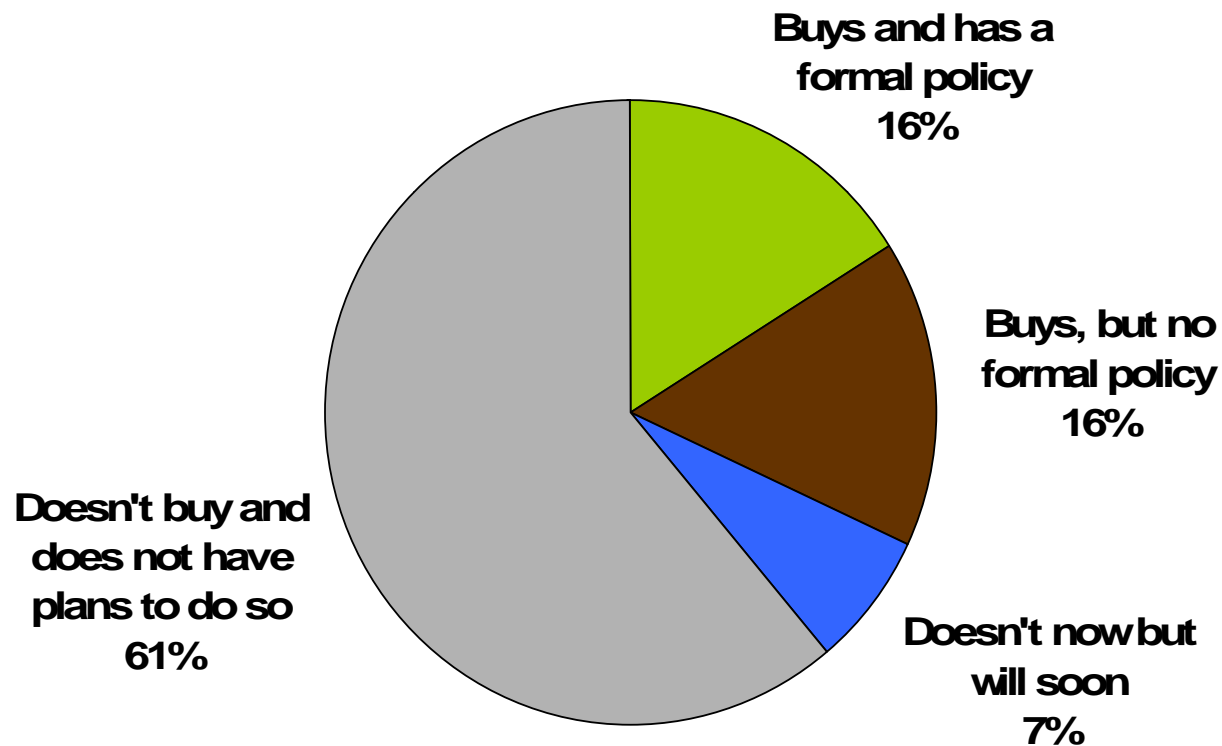


Source: 2006 E SOURCE Energy Manager Survey





# Percentage of Companies Having a Formal Policy or Goal for Purchasing Green Energy



Source: 2006 E SOURCE Energy Manager Survey



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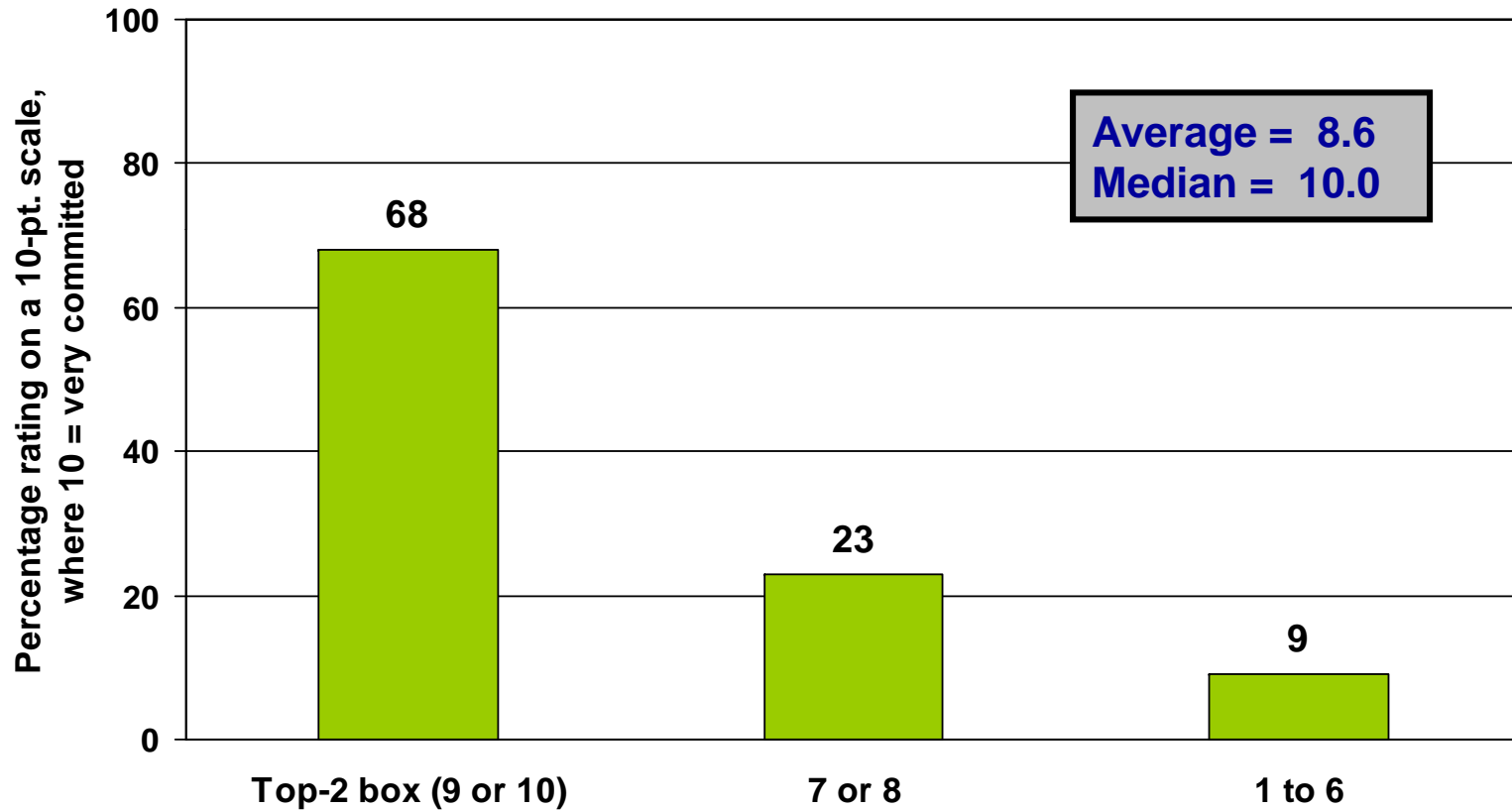
**Energy Efficiency and Demand-Side Management**

Key Account Management

Top Products and Services



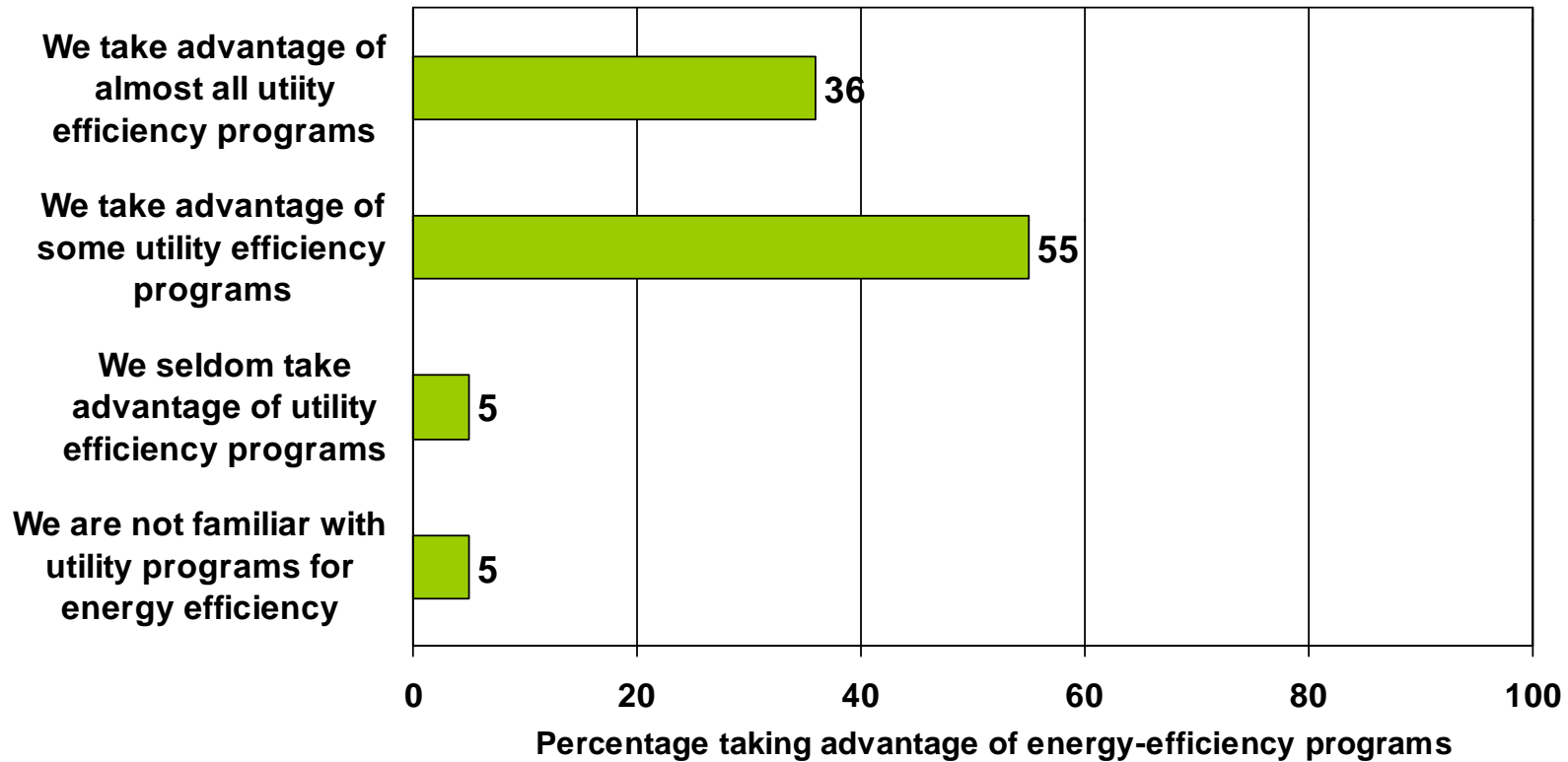
# How Committed Company Is to Implementing Energy Efficiency Whenever It Is Cost-Effective



Source: 2006 E SOURCE Energy Manager Survey



# How Utility-Sponsored Energy Efficiency Programs Are Used



Source: 2006 E SOURCE Energy Manager Survey



# Top Energy Services 2003–2006

2006	2005	2004	2003
Prescriptive rebate programs for energy efficiency <sup>a</sup>	Benchmarking energy performance	Benchmarking energy performance	Energy auditing and technical assistance
Energy auditing and technical assistance	Load profile analysis and exception reporting	Commissioning and recommissioning	Benchmarking energy performance
Commissioning and recommissioning	Commissioning and recommissioning	Energy auditing and technical assistance	Submetering
Benchmarking energy performance	Submetering	Rate analysis	Load profile analysis and exception reporting
Load profiles available over the Internet	Energy auditing and technical assistance	Load profiles made available over the Internet	Remote monitoring and control
Submetering	Utility accounting services (database and benchmarking)	Load profile analysis and exception reporting	Commissioning and recommissioning

Source: E SOURCE Energy Manager Surveys



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# Key Account Manager Survey

- Survey of 125 Key Account Managers and their Supervisors
- Asked about the most important skills they need to do their jobs
- Segmented into three skill types
  - People skills
  - Business skills
  - Technical skills



# Required People Skills for Account Managers to Perform Well at Their Jobs

Category	Energy managers	Key account managers	Difference
Listening skills	9.2	9.7	0.5
Tactfully handle customer complaints	9.0	9.7	0.7
Effectively communicate company policies to customers	9.0	9.5	0.5
Advocate for customer interest within utility	9.3	9.4	0.1
Able to interact with people at all levels of customer's organization	9.0	9.5	0.5
Able to work as part of a team	8.9	9.1	0.2
Prioritization and time management	8.4	9.0	0.6
Learn about customers' business through various sources	8.0	8.8	0.8
Negotiation skills	7.8	8.8	1.0





# Just What People Skills are Needed?

- ***Diplomacy:*** Handling complaints, delivering bad news and still keeping a strong relationship.
  - Knowing exactly how, and in what form, news should be given.
  - No rules, just intuition for the most part.

*“The development of new programs really comes out of customers not being satisfied with the existing service,”*

Larry Owens, manager of customer services at Silicon Valley Power (SVP).



# Just What People Skills are Needed?

- ***Trusted Advisor Status:*** Have their best interests at stake.
- Make sure customer understands where they stand with the utility, but be their advocate.
- Must learn drivers of the account's business.
- Customers may look the same in sales and size and business, but their hot buttons can be completely different.



# Just What People Skills are Needed?

- ***Build Relationships at All Levels***
- Key to be able to relate to all levels, CEO, CFO, facility manager.
- Preparation can be critical, not just “winging it”. Have a desired game plan and objectives.
- Same goes for working back at the utility. KAMs have to play the utility system to get things done at all levels, even outside their department.



# Required Business Skills for Account Managers to Perform Well at Their Jobs

Category	Energy managers	Key account managers	Difference
Understand energy tariffs	8.8	9.3	0.5
Customer tariff analysis	8.6	9.0	0.4
Utility industry trends and regulatory affairs	8.6	8.2	-0.4
Bill audits	8.1	8.3	0.2
Writing contracts, proposals, letters, reports	7.0	8.6	1.6
Wholesale market energy trends	8.3	6.4	-1.9
Project management	7.0	8.1	1.1
Financial calculations (e.g., simple payback, ROI)	7.7	8.3	0.6
Manipulate spreadsheets	7.6	8.0	0.4



# Required Technical Skills for Account Managers to Perform Well at Their Jobs

Category	Energy managers	Key account managers	Difference
Energy procurement (pricing, hedging, etc.)	8.5	6.1	-2.4
New energy-saving products and technologies	8.4	7.9	-0.5
Energy management strategies	8.2	8.2	0
Load management technologies and strategies	8.1	7.8	-0.3
Meter technologies	8.0	7.3	-0.7
Utility network and distribution system	8.0	8.1	0.1
Energy information systems	8.0	7.3	-0.7
Power factor issues	8.0	7.1	-0.9
Environmental permitting and regulations	7.1	5.1	-2.0
Industrial processes	6.4	7.2	0.8



## I leave you with a pithy quote (not even knowing what Pithy means)

*“I think the key is to have a customer focus and be willing to listen and try to understand what our needs are. If you don’t have those, all the technical or business skills in the world will not overcome it.*

*Second, no one individual is going to know the answers to all the questions or have expertise in every facet. But the ability to get to the right people, whether it’s the legal people on a contracts matter or it’s an energy services division on power quality—to communicate to the right people in the organization and bring it all together—I would say those are the most important skills.”*

James Coggin of Saks Inc.



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