

## case study

### RWE npower links employee engagement to customer retention

*"Using robust data to inform decision-making and measure the impact of initiatives means we will know how to improve employee engagement, service performance and customer retention."*

**Jon Cowell.**  
**Head of Learning and Development, RWE npower**

RWE npower is an integrated energy company, operating a portfolio of coal, oil and gas stations as well as renewable sources of energy generation, including wind farms and hydro-electric power. The retail part of the business provides energy to over 6 million customer accounts, including households and businesses. Although the company is already the second largest provider of electricity, and the third largest provider of gas in the UK by volume, it still faces a number of challenges.

Jon Cowell, head of learning and development at RWE npower explains, "Customer turnover within the residential market is very high at around 17 per cent. On average we can expect to lose, and win, around one million customers each year."

When the retail part of the business set itself the mission of turning customers into fans, understanding the relationship between employee engagement and customer satisfaction became a top priority. "Most people don't stay awake at night worrying about which supplier they should use to meet their energy needs. If they decide to switch to a competitor it's generally down to one of two things, price or a bad customer experience. It's therefore essential that our 10,500 employees never give customers a reason to consider leaving," says Cowell. Fundamental to ensuring excellent levels of customer service, is making sure customers feel 'I Only Ask Once'. A classic example being that when a customer tells the call centre they are moving house and want npower to carry on supplying their energy, they shouldn't have to do anything else to make sure this happens.

Cowell explains, "Although requesting energy transfer from one property to another looks like a simple request on paper, it actually requires a number of complex processes to come together effectively. Making sure this happens first time means ensuring employees have the necessary level of competency to carry out the task, are motivated to do so and have the

appropriate systems and management in place to support them in executing the task."

Cowell wanted to be able to measure the monetary value to the business, in terms of improved productivity and customer retention, associated with employees getting tasks right first time, and to use this information to drive the people agenda.

Getfeedback\* was appointed to conduct ongoing research and analysis to create a model that would clearly show the relationship between the customer error rate and factors likely to affect this, from the length of time an employee had been with the business, to the extent to which they were willing to recommend RWE npower to a friend.

A key part of the analysis involved the creation of a 'pulse' survey, to be conducted every quarter across a representative sample of 2,000 employees, to gather trend data for the workforce as a whole. The first survey was carried out in May 2006. It revealed the core drivers for employees to feel engaged at RWE npower include feeling that their opinions are valued and confidence in the leadership and vision of the management team.

The way Getfeedback correlated the engagement findings to business needs and performance data, means that RWE npower now has an understanding of exactly what issues it most needs to focus on in order to achieve its vision of turning customers into fans.

"Going forward, the quarterly pulse surveys will be critical to enabling the business to fully understand the link between employee engagement and overall business performance. Using robust data to inform decision-making and measure the impact of initiatives means we will know how to improve employee engagement, service performance and customer retention," concludes Cowell.

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