

OUTSOURCING

By Larry Myers

Billing as an Outsource

Natural gas deregulation in Georgia showed marketers the value of outsourcing their billing. This same lesson was learned years earlier by the telecommunications industry. When deregulation for the telecommunications industry became effective, companies quickly realized the need to focus on their core businesses if they wanted to stay competitive. Outsourcing became a sensible way to increase efficiency and cut costs in areas inconsistent with the core business. The smart businesses opted to do what they do best and leave the rest to the experts. These opportunities also are available to the water and wastewater industry.

In principal, deregulation and lack of funding forces businesses to become more competitive. Therefore, products or ser-

vices that cannot be produced or managed efficiently and effectively within the organization are outsourced. Billing is a natural outsourcing product, particularly in today's market, because it requires complex hardware, software and skilled personnel to handle the process efficiently.

In the past, companies have tried to handle the total billing process in house. The disasters far outweigh the successes. In Georgia, for example, a natural gas marketer with nearly 200,000 customers tried to handle its billing in house. Within months, the company went bankrupt. After the company's assets were taken over, its customers were still receiving bills three and four months late. Some of these bills even had charges exceeding \$500. The new marketer asked for at least three months to sort through the bills and get its billing in order. Eventually, the Georgia Public Service Commission had to step in with a ruling that said any bill received later than 90 days after the due date would be considered paid.

Cash Flow

In today's environment of escalating utility costs, billing is critical because cash flow can be dramatically affected. That is why many utilities are now changing from quarterly to monthly billing. To accomplish this new billing cycle, utilities are outsourcing to make a seamless transition to a new, more efficient billing system.

In addition to freeing up staff and resources for the core operation of a business as well as increased cash flow efficien-

cy, the outsourcing of billing can be a tremendous customer service/perception boost for the organization. For example, responsiveness to customer inquiries with a real time customer service staff that has the ability to answer questions quickly and correctly can be a result of outsourcing. Up to the minute wireless reads fed into a host software system allows customer service representatives to review accounts with customers and resolve any billing issues almost immediately. The quick response time and the resolution of customer billing issues can go a long way toward a positive utility image.

To outsource billing makes great sense for any company that does not want to invest the time, money, personnel and training in a state of the art billing system. Companies have found the need to provide a host of billing options as a billing partner. A sophisticated outsourced billing system can be customized to the utility's exact needs. This makes billing statements more than just a statement.

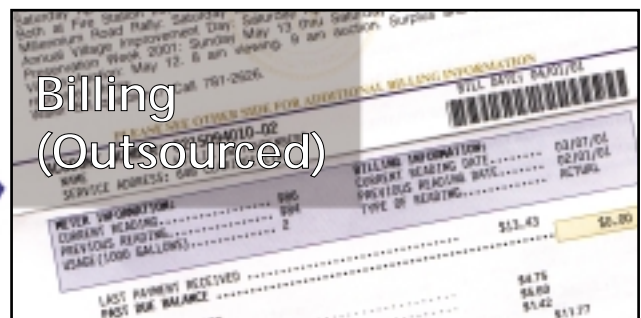
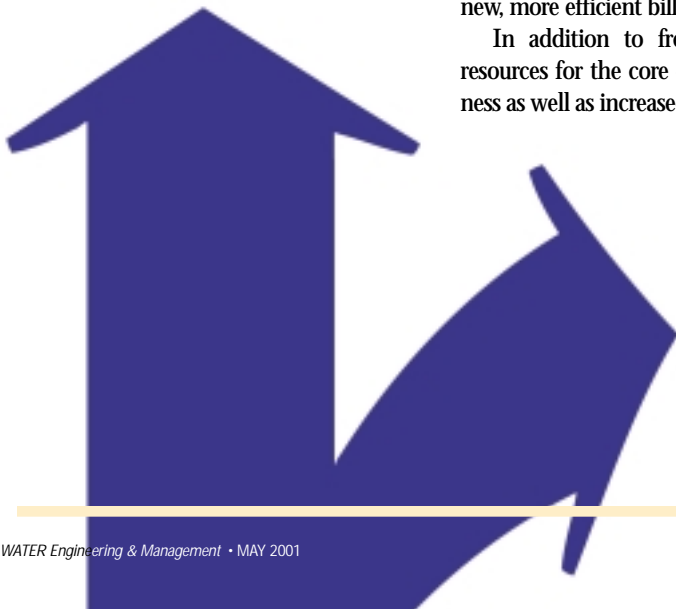
Value

The value of outsourcing the billing process has taken a strong twist in recent months with the advent of e-commerce. Recognizing the need to react to on-line bill paying for customers, some companies have recently added this valuable service. Now customers have the ability to review their accounts and pay bills more safely and securely on-line with an Internet site.

Billing outsource companies today have the ability to do the following.



Core Business



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Read Data Remotely. The emergence of automatic meter reading (AMR) technology has made reading data more efficient, accurate and timely. At any given time, a meter can be read remotely. AMR cuts down on labor costs and limits the danger to employees who, in the past, were going house to house for reads.

Translate Data into a Bill. AMR technology sends the data to a host computer for billing. Today's systems are accurate and fast at translating data for billing purposes.

Generate a Bill. Software systems can do a lot more than generate a bill. For example, each bill can be customized with the outsource partner's logo, announcements, town messages, upcoming meetings, etc.

Pay Bills Online. Welcome to the information age. Consumers today want to have access to their accounts 24/7. With an on-line billing option, consumers can access and pay their bill 24 hours a day, seven days a week. No stamps, no checks required.

Offer Customer Service Support. Questions, questions. Consumers are demanding. They want answers and they want information. Today's billing requires the ability to answer consumer questions and provide information about bills quickly.

Billing has definitely gone high-tech and the benefits to consumers as well as utilities, marketers and providers of utility services are numerous. Changing over to a more sophisticated billing system is no longer a luxury in today's more competitive and consumer demanding world. It is a must.

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