



Client

Kansas City Power & Light

Challenge

- Streamline the revenue recovery process, reduce account write-offs and truck rolls, and increase ability to fulfill disconnect orders

Solution

Treat all residential collections and over 95% of commercial collections accounts using Varolii for Collections.

Results

- 39% reduction in account write-offs
- 34% increase in ability to fulfill disconnect orders
- 45–60% lower cost per contact
- 9% reduction in both 0 – 30 days and 30 – 60 days accounts receivable
- Saved nearly 40 headcount and avoided a costly contact center move/upgrade
- 10–15% reduction in paper notices
- Increased list penetration from under 100% to 216%
- Over 25% increase in accounts treated per month (from 70,000 to 90,000+)

Kansas City Power & Light Dramatically Reduces Account Write-offs

Implementing Varolii's communications, a leading utility provider significantly reduced write-offs and customer disconnects.

Kansas City Power & Light (KCP&L), faced a significant challenge in its efforts to improve its revenue recovery process. With plans to consolidate their contact center, their options were costly and time-consuming: hire and train 40 new customer service agents, or relocate and centralize existing agents. Instead, the utility searched for other alternatives and found Varolii's automated communications to improve its collections program. Through Varolii's automated process the results were significant: 39% reduction in account write-offs, 34% increase in ability to fulfill disconnect orders, and improved customer satisfaction.

Getting Back to Basics

Like many utilities, KCP&L continuously looked for ways to improve its revenue recovery processes and reduce account write-offs.

The utility had previously relied on an outbound contact center of 40 agents based in Michigan to handle all collections efforts. As part of its process improvement initiatives, KCP&L sought to centralize its operations in Kansas City, which would either require relocating the staff, or hiring and training 40 new contact center agents and supervisors. Either choice was costly, time consuming, and also meant building out the contact center infrastructure in Kansas City — another expensive choice considering the necessary investment in a dialer, hardware, and telephony expenses.

KCP&L management believed that leveraging automation in collections could reduce costs, increase cash flow, and forego the capital expense of hardware and infrastructure. KCP&L selected Varolii to help them achieve their strategic goals.

Easy Implementation

KCP&L found implementation a pain-free process. For rapid deployment, the utility simply sent the files originally generated for use with its outbound dialer to Varolii.

Within weeks, the system was fully integrated with KCP&L's internal data systems, using robust business logic, authenticating responsible parties, and providing detailed account information.

KCP&L and Varolii also developed specific business rules to ensure that each interaction was within regulatory compliance of the respective state it serves. KCP&L's customers soon realized the benefits of an automated solution: they could make a payment at the push of a button, choosing the option to transfer to KCP&L's new IVR-based payment processing system.

“Varolii helped us better manage receivables, and yet be very service-oriented. By collecting payments earlier in the cycle, we’ve improved our cash flow and reduced our disconnections 30%.”

Kayla Hughes
Supervisor, Credit & Collections, KCP&L

Taming the Disconnection Challenge

The disconnection process was challenging for KCP&L because it serves several rural customers in a seven state service area. A round-trip technician visit can cost between \$75 to \$125. Collections agents were unable to call through a daily customer list, which resulted in delaying disconnect orders and escalating disconnect volume. In fact, monthly disconnect volume was so high that only 65% of disconnect orders were actually fulfilled.

To reduce disconnection orders and truck rolls it was imperative for KCP&L to resolve accounts earlier.

Within just a few months of using Varolii Interact, KCP&L saw significant results. Contacting customers just prior to disconnection, KCP&L has increased its contact rate, therefore collecting on more accounts, disconnecting fewer customers, and allowing field technicians to fulfill 99.3% of its disconnect orders.

The increased contact rate — about 15% higher than with agents alone — is a result of Varolii achieving a daily list penetration of over 200%. Based on this rapid success, KCP&L expanded the solution to treat its commercial customers as well. In fact, the utility now uses Varolii to treat 95-98% of its commercial accounts, and are realizing the same impressive benefits as the residential market.

Increased Customer Satisfaction

KCP&L was proud of its service record, but because of the nature of collections calls, customer complaints often arose. Varolii’s communications, however, delivered a professional and consistent tone and delivery. KCP&L’s customers were receptive to receiving calls that were personalized and delivered on the customer’s preferred communications device.

KCP&L’S Varolii Applications:

KCP&L’s Collections Application	Application Objective
Payment Courtesy Call	Reduce receivables without alienating loyal customers
First Late Bill	“Train” new customers about payment options and encourage prompt payment
Disconnect Notice	Reduce receivables, customer contact costs, disconnections; increase cash flow
Final Bill	Thank customer for their business while reducing incidence of late or non-payment



About Varolii

Varolii provides on-demand communication software and services that enable organizations to more effectively reach and interact with their customers and employees, getting the best result from every interaction. www.Varolii.com

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