

# Breaking Out of the Utility Bubble: Citizens Energy Draws Customer Service Inspiration from Other Industries

## The company

Citizens Energy Group is a diverse utility service company, providing natural gas, thermal energy, water and wastewater services, and oil to about 800,000 people and thousands of businesses in the Indianapolis area. But this isn't your typical corporation. Citizens Energy is actually a Public Trust, founded 127 years ago to protect the local gas assets from take-over by monopolies like Standard Oil, as well as negative influences that can exist from political influence over basic infrastructure assets.

Under this unique governance structure, the Trust has an independent board of trustees who appoint a nine-member board of directors, but there are no shareholders to serve and no political agendas to appease. Rather, the beneficiaries of the Trust are the very customers they serve. Each leader, executive, and employee at Citizens Energy Group works solely in the interest of the customer. As long as it fulfills its mission, Citizens cannot be sold.

## The business challenge

To continue to deliver excellent service to its growing customer base, Citizens decided to acquire several companies during the early 2000s. The company met its biggest challenge in 2011 when the acquisition of the water and wastewater utilities in Indianapolis tripled the balance sheet, doubled the number of customers, and nearly doubled the size of the workforce.

The newly acquired company brought along some very outdated systems that required significant and costly infrastructure improvements and Citizens was forced to increase its rates. Customers felt the combination of utilities should have resulted in more efficient service and elimination of redundant costs, yet they now had to pay more. The company found itself facing a group of very confused and very frustrated customers.



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It was clear that something drastic had to be done by Citizens to repair its relationship with its customers. Michael Strohl, Senior Vice President, Chief Customer Officer, knew that getting all of Citizens' employees on board with change might be tough, because — despite the current situation — the organization was well-known within its industry for delivering great service. After all, the company had won four J.D. Power Awards for customer satisfaction as the number-one mid-sized gas utility in the Midwest. Citizens employees were very proud of the existing culture the company had created around customer satisfaction. Yet, because the acquisition created unhappy and confused customers, the leadership team decided to challenge the organizational culture to:

- Stop comparing itself only to others in the utility industry.
- Re-evaluate what was being done in terms of customer service and analyze everything — even the company's best work.
- Take a hard look at whether Citizens could stand up to the “best of the best” outside of the utility business.

The leadership team knew a partner was needed to help bring all employees on board, as they were being asked to change behaviors that had previously been praised. Citizens needed help in planning and executing a significant cultural transformation.

### The solution and implementation

After agreeing that it was time to make dramatic changes, the Citizens leadership team crafted four goals:

1. Create a customer-first culture.
2. Create a superior digital experience for our customers.
3. Give the customers more decision-making power.
4. Become a transparent company that's really easy to do business with.

The team now needed a partner who could quickly command the attention of its people and help connect them to the goal of becoming a leading provider of customer service — beyond the utility sector. Having had previous experience working with Root Inc., Citizens knew the Root Compass® Manager Development Program was an ideal solution because of its engaging, hands-on methodology and its ability to prepare managers to lead the change. Citizens needed all managers to believe in the new strategy and instill this same belief and passion in their teams manning the customer service experience on the front line. By ensuring that the managers were engaged and committed to the plan, and had the knowledge and tools to get their people on board for the long term, Citizens knew the organization would be on the right track for accomplishing the four goals.

When work began with Root and the Root Compass® solution, Citizens made the decision to be completely open, sharing all internal data and research with the Root team. Root then brought in its own team. They sat in the Citizens call center, shadowed Citizens customer service reps, and even went out with field crews. Root didn't simply want a summary of the challenge from Citizens' internal perspective, but wanted to see it through the customer's eyes to find the bottlenecks to the customer experience.

It didn't take long for the Root team to identify a few key issues:

1. While Citizens' middle managers were functionally excellent leaders of tasks, they were not as connected as they needed be to the organizational strategy, and
2. Delegation and communication issues existed as a result of the blending of three cultures into one following the acquisition.

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Root Compass® isn't about a PowerPoint listing out bullets. Instead it's peer-led, small group trainings designed to engage all participants, shift their mindsets, and help them discover new techniques through honest and open dialogues.

Citizens felt confident that Root Compass® would help remedy these issues, as it's designed to hone the most important managerial skills — to help managers learn how to lead more effectively, build productive relationships with their teams, and connect teams and individuals to the larger strategic mission so everyone can work in concert to achieve success.

But before rollout could begin, Citizens needed full support from all 16 officers at the company. All officers felt very encouraged by the creative Root Compass® approach and believed in its ability to connect the people of Citizens to the business by making them a part of the process. Root Compass® isn't about a PowerPoint listing out bullets. Instead it's peer-led, small group trainings designed to engage all participants, shift their mindsets, and help them discover new techniques through honest and open dialogues.

With all officers on board, the stage was set for massive change. Citizens Energy CEO Carey Lykins hosted a web chat to explain how the company's new approach to the customer experience was vital to its success. Root then held a "Train the Trainers" session in late July. These trainers began leading supervisory reps (180 in total), split into small groups, through the Root Compass® program. The final trainings were completed in early November 2014.

### Results and next steps

Soon after the rollout of Root Compass®, during which more than 180 managers were trained in a three-month time frame, the Citizens team quickly received feedback that proved the training had an impact.

After experiencing Root Compass®, one manager committed to "be more intentional about connecting with my staff. I was doing this to an extent before Root Compass® training, but am now even more convinced of its importance and that I need to make a more concerted effort."

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— Michael Strohl,  
Senior Vice President,  
Chief Customer Officer at  
Citizens Energy Group

Another manager stated that he is now focusing “on additional investment in emotional capital, through increased one-on-one time with staff and purposeful delegation of tasks to encourage learning and growth.”

In addition to the personal testimonials from managers, the following data validates the effectiveness of the program:

- The number of customers enrolled in electronic billing has increased by 150%, resulting in hundreds of thousands of dollars of savings.
- Mobile application access has increased from 9,000 visits per month to 45,000 visits per month.

“Empowering our managers to grow as leaders and connect with their people, who will then be able to deliver new levels of customer service, has been invigorating,” said Michael Strohl, Senior Vice President, Chief Customer Officer at Citizens Energy Group. “It’s exciting to see the start of the culture shift and to see preliminary indications that customer satisfaction results are improving. Each time a manager tells me that he or she learned something new, or feels even more equipped as a leader, or has seen a positive difference within his or her team, I become even more excited for what is yet to come as Citizens continues its journey for setting the standard for customer-first cultures.”

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#### About Root

Root is a strategy execution company that helps organizations engage people as a catalyst for change using a proven framework that consistently achieves clarity, ownership, and results.

