



# **Evolving Customer Expectations – How Your Workforce Needs to Change**

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## About Steve

- **Steve VanderMeer, Senior Vice President, Planning, Hometown Connections**
- **On staff since 1998, providing consulting, training and facilitation support to public power utilities and their governing boards**
- **Author of new APPA manual “Customer Service, Building a Strong Infrastructure for your Utility”**
- **Prior to Hometown, worked at Fort Collins Utilities as Director of Marketing and Energy Services.**

# Several kinds of “Customers”

- **Your workforce**
- **Your customers/ratepayers**
- **Other stakeholders who have a strong interest in your utility**

# Your Workforce

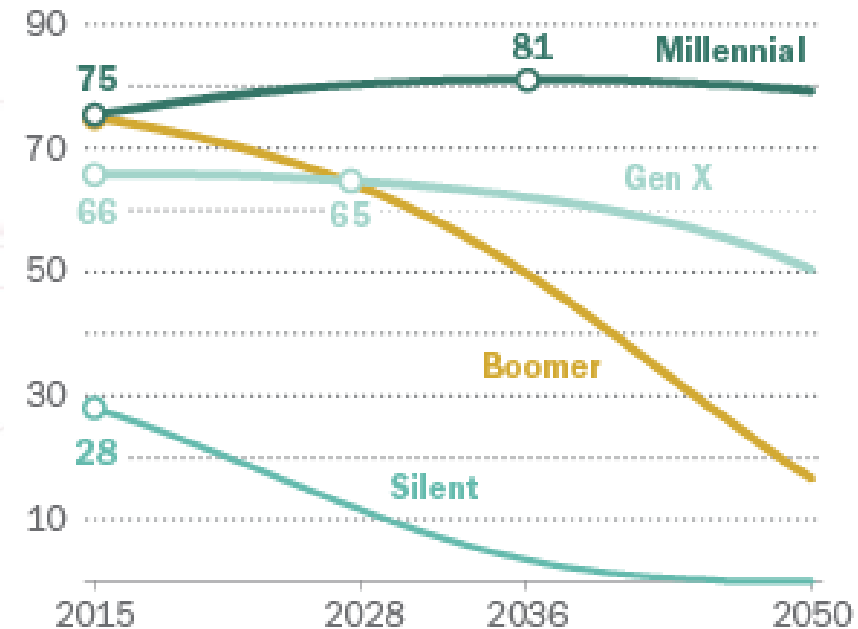
- Who are they?
- What do they want?

# Workforce Changes

- Increasing retirements
- Smaller employment pool
  - Millennials have finally overtaken Boomers
- Changing employee characteristics
  - Boomers lived to work while Gen Y works to live
  - Employer and employee loyalty is in the past
  - Millennials looking for “hip and cool” place to work
- Competitive compensation package
  - Typically in 3<sup>rd</sup> place when it comes to compensation
  - Employee Benefits declining

## Projected population by generation

*In millions*



Note: Millennials refers to the population ages 18 to 34 as of 2015.

Source: Pew Research Center tabulations of U.S. Census Bureau population projections released December 2014 and 2015 population estimates

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# The Silver Tsunami – it's here



# **The Workforce Challenges**

**How do you maintain business continuity in the face of:**

- **Mass retirements**
- **Higher paying jobs at IOUs and coops**
- **Attracting skilled employees to your town**
- **Filling brand new skills to support new technologies**
- **Sexier positions at tech firms**

# How do you meet the needs of tomorrow's workforce?

- **Identify skills required today – and tomorrow**
- **Know how vulnerable you are to retirements or poaching**
- **Build pride in your workforce**
- **Make the utility attractive to potential and existing employees**
- **Build a culture of growth and lifelong learning**



# How do you meet the needs of tomorrow's workforce?

- **Define/develop your organizational values...and support their flourishing**
- **Recognize that different employees have different interests, motivations and behaviors. This is a positive; seeks ways to remain flexible to the diversity of your workforce**

# Your Utility Customer

- **Who are they?**
- **What do they want?**

# Your Utility Customer

- Who are they?



Changing Demographics

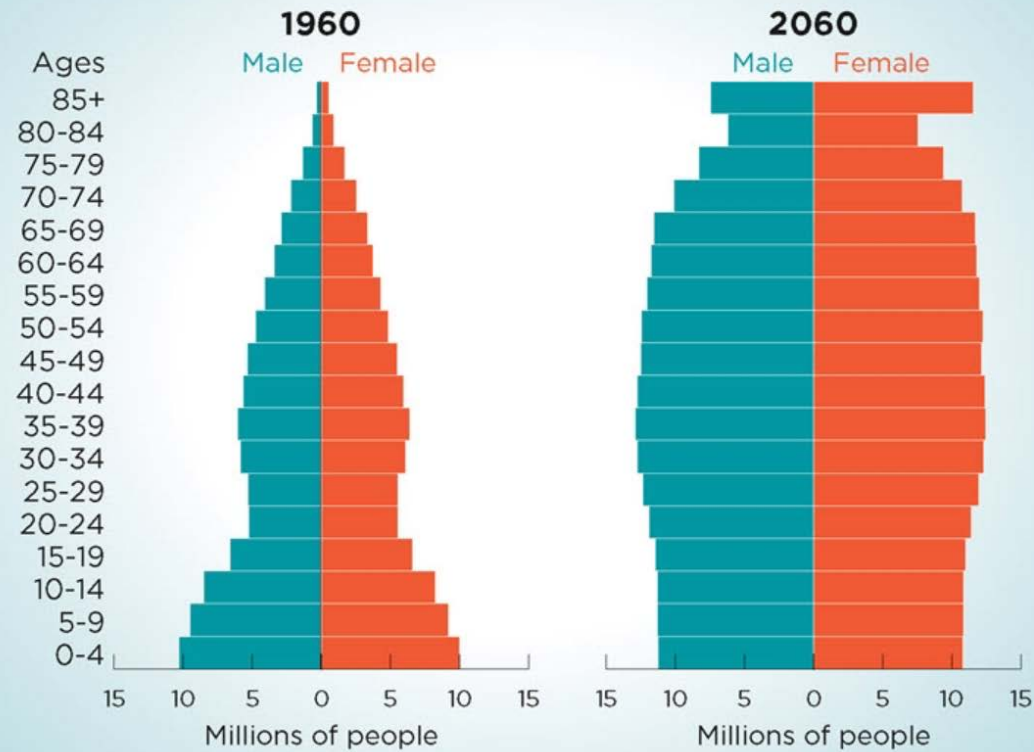
# Americans are getting older





# From Pyramid to Pillar: A Century of Change

Population of the United States



United States<sup>™</sup>  
**Census**  
Bureau

U.S. Department of Commerce  
Economics and Statistics Administration  
U.S. CENSUS BUREAU  
[census.gov](https://www.census.gov)

Source: National Population  
Projections, 2017  
[www.census.gov/programs-surveys/popproj.html](https://www.census.gov/programs-surveys/popproj.html)





# An Aging Nation

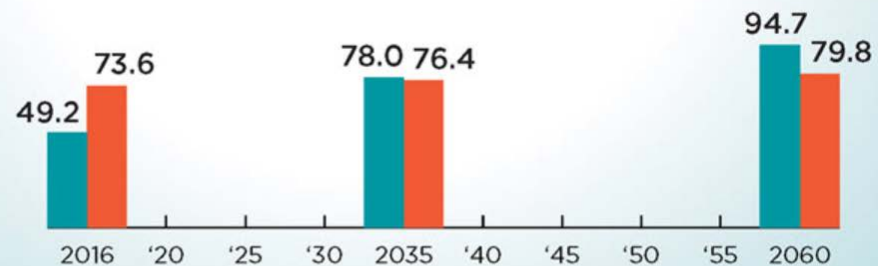
Projected Number of Children  
and Older Adults

For the First Time in U.S. History Older Adults Are  
Projected to Outnumber Children by 2035

Projected  
percentage  
of population



Projected  
number  
(millions)



Note: 2016 data are estimates not projections.

United States  
**Census**  
Bureau

U.S. Department of Commerce  
Economics and Statistics Administration  
U.S. CENSUS BUREAU  
[census.gov](https://www.census.gov)

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# Americans are more racially and ethnically diverse

- **By 2055, the U.S. will not have a single racial or ethnic majority**
- **Much of this change has been (and will be) driven by immigration**
- **Today, a near-record 14% of the country's population is foreign born compared with just 5% in 1965**

# **Asia has replaced Latin America as the biggest source of new immigrants**

- **Net migration flows from Mexico to the U.S. turned negative between 2009 and 2014, as more Mexicans went home than arrived in the U.S.**
- **Asians are now the only major racial or ethnic group whose numbers are rising mainly because of immigration**
- **While African immigrants make up a small share of the U.S. immigrant population, their numbers are also growing steadily – roughly doubling every decade since 1970**



# **Millennials, young adults born after 1980, are the new generation to watch**

- **They have likely surpassed Baby Boomers (born 1946-1964) as the largest U.S. generation**
- **They are the most racially diverse generation in American history: 43% of Millennial adults are non-white**
- **More Millennials living at home despite improved economy**

## **Women's role in the labor force and leadership positions has grown**

- **Mothers were the sole or primary breadwinner in a record 40% of all households with children in 2011**
- **Gender pay gap is narrowing but persists**

## **Women's role in the labor force**

- **By 2014, nearly six in ten (57.0 percent) aged 16 and older worked outside the home, compared with 33.9 percent in 1950 and 43.3 percent in 1970 (although the peak, 60% occurred in 1999)**
- **Women now comprise nearly half of the U.S. labor force at 46.8 percent (U.S. Bureau of Labor Statistics 2015a).**

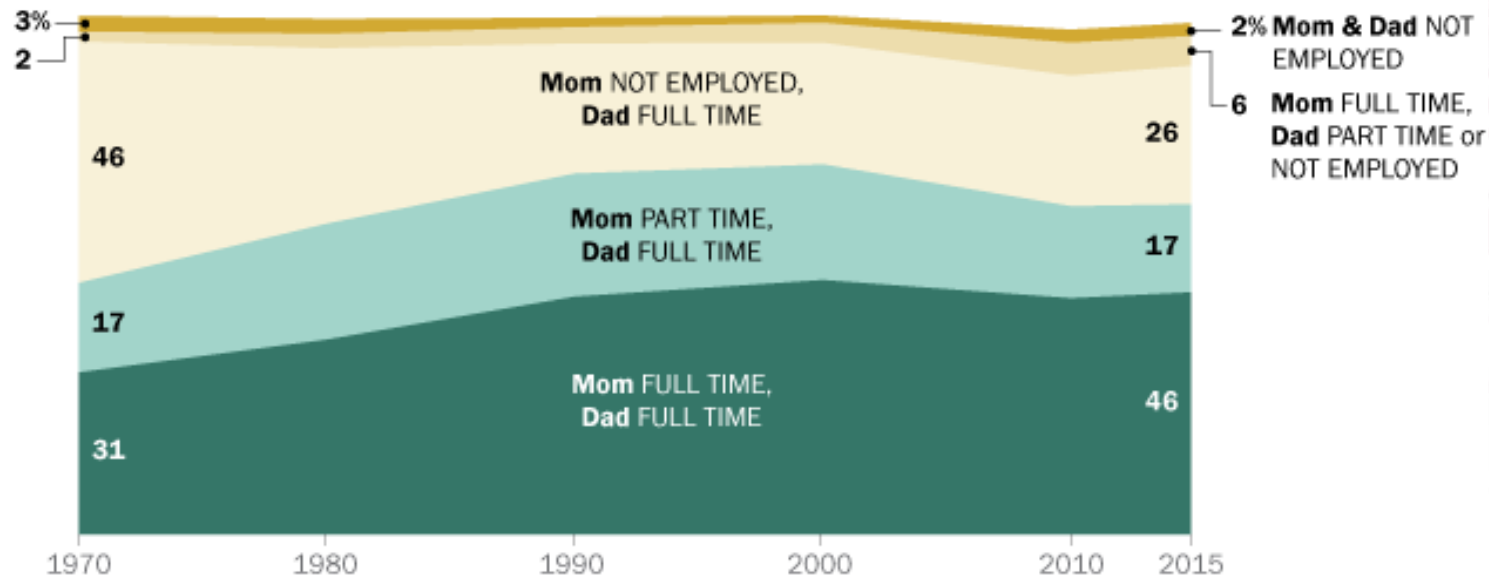
# **The American family is changing**

- **The share of American adults who have never been married is at an historic high**
- **Two-parent households are on the decline in the U.S., while divorce, remarriage and cohabitation are on the rise**
- **The roles of mothers and fathers are converging, due in part to the rise of breadwinner moms**



# Nearly half of two-parent households have a mom and dad who work full time

*% of couples, by work arrangement*



Note: Based on employment status in the prior year among male/female married couples with at least one child younger than 18 in the household. Both married and cohabiting couples included since 2010. Data regarding cohabiting couples unavailable for earlier years. Other work arrangements not shown; same-sex couples are excluded.

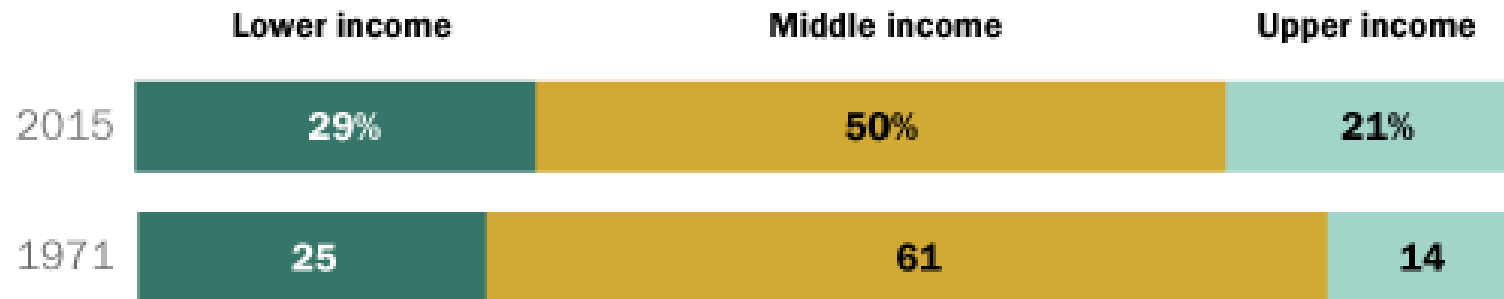
Source: Pew Research Center analysis of March Current Population Surveys Integrated Public Use Microdata Series (IPUMS-CPS), 1970-2015

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# The share of Americans who live in middle class households is shrinking

*% of adults in each income tier*



Note: Adults are assigned to income tiers based on their size-adjusted household income in the calendar year prior to the survey year

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# How is your community changing?

- **Racial/ethnic diversity – English as a second language**
- **Renters vs. homeowners**
- **Household income**
- **Unemployment rate**

# Your utility customer

- Who are they?
- **What do they want?**

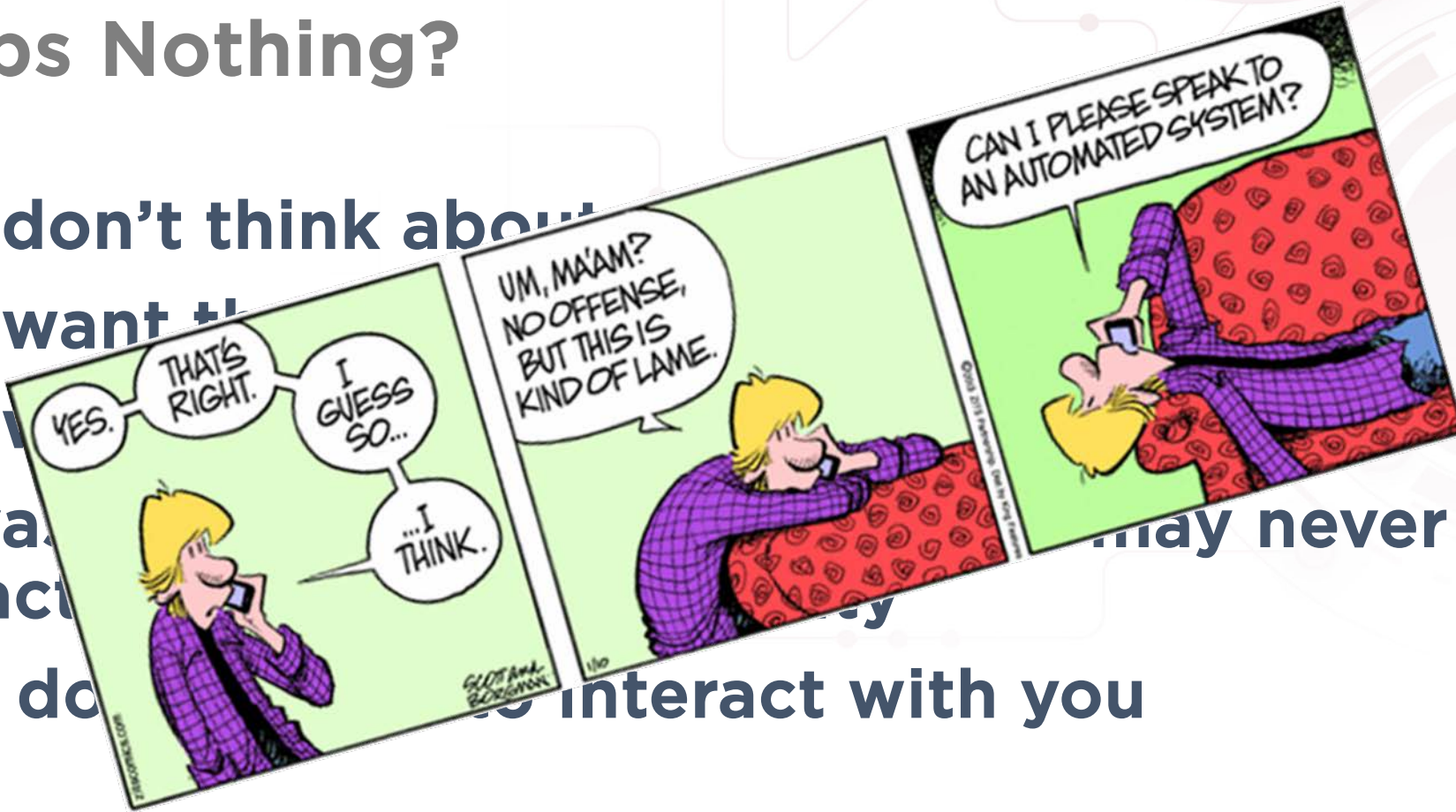


## Perhaps Nothing?

- **They don't think about electricity**
- **They want the power on – all the time**
- **They want an accurate bill – every time**
- **The vast majority of your customers may never interact directly with the utility**
- **Many don't WANT to interact with you**

# Perhaps Nothing?

- They don't think about
- They want to
- They want to
- The value of
- interact
- Many do not want to interact with you



# **What *e/se* do they want?**

## **Hallmarks of Customer Service**

- **Responsiveness**
- **Choice?**
- **Clarity**
- **Access 24/7, through multiple channels**
- **Transparency**
- **Empathy and Respect**
- **Empowerment – internal and external**

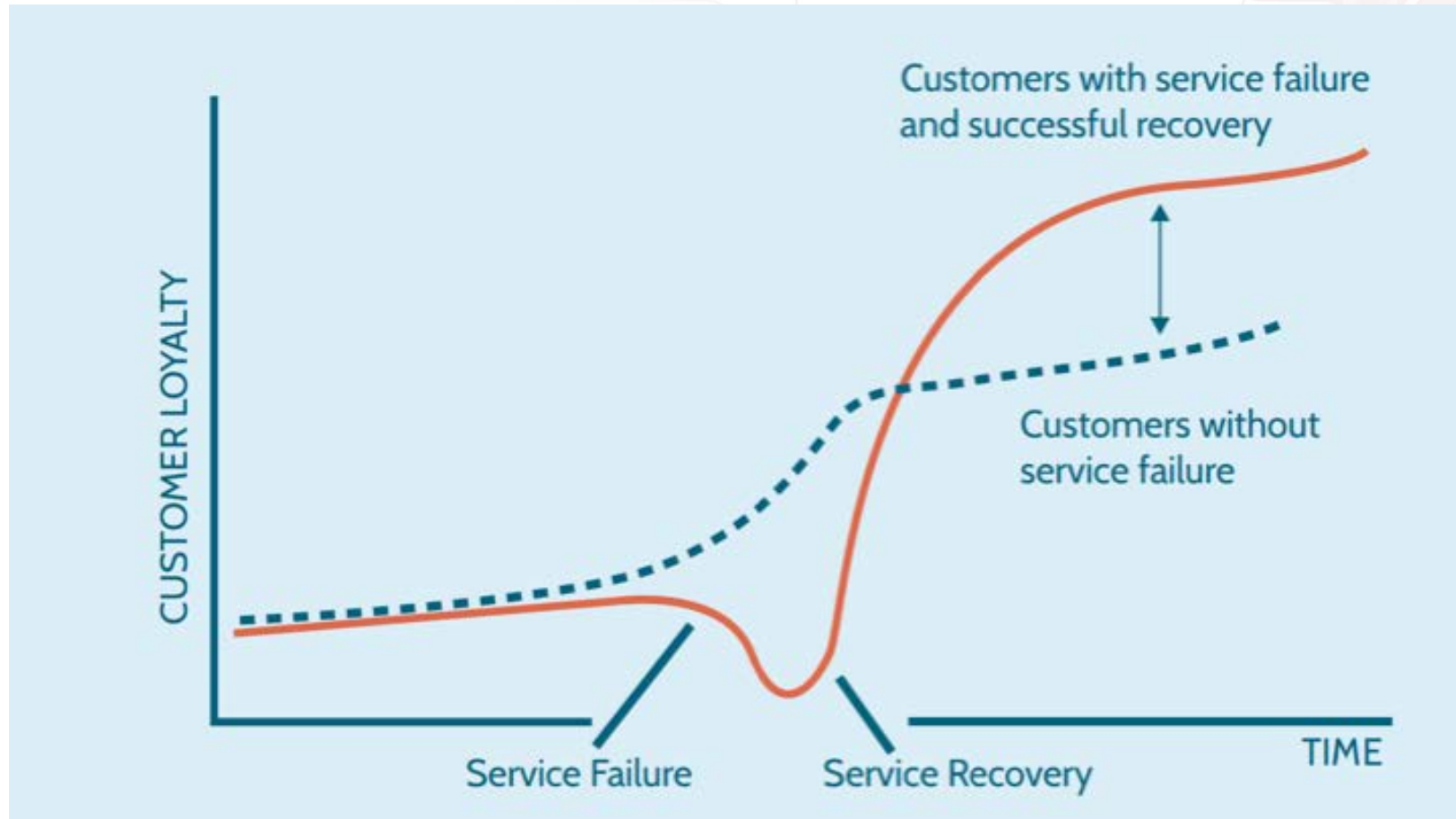
# How do you make an impression on a customer you rarely interact with?

- **Make it easy to work with you**
  - Conducting business 24/7
  - Provide multiple options, including automated and remote options
- **Buildings, vehicles and people all tell a story**
- **When things go wrong, it's a chance for the utility shine**
  - Outages
  - Billing Errors
  - Long wait times





# The Service Recovery Paradox





# How do you learn more about your customers?

- **Surveys: Going beyond customer satisfaction**
- **Online, newsletter questionnaires**
- **Office comment cards**
- **Focus groups**
- **Interviews (esp. key accounts)**
- **Census data**
- **Comparisons to regional/national information**

**How do you learn more about your customers?**

**We have to get better at this!**



# The Stakeholder as Customer

- **Who are they?**
- **What do they want?**

# The Stakeholder as Customer

- **Who are they?**

- The Chamber
- EDC
- Local developers
- City Council (if an independent board)
- County Commission
- Local environmental organizations
- Local social service agencies
- Local media

# The Stakeholder as Customer

- **What do they want?**
  - They want to have a voice
  - They want to be kept in the loop
- **How can you form stronger bonds with these stakeholders?**



# Contact Me

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