

**Utilities See Value in Providing Household Relocation Services  
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By Christopher Perdue Director, Market Research

[News Item from Business Wire] Allconnect, Inc., a provider of **household relocation services**, announced the opening of its new 25,600 square-foot call center in St. George, Utah on January 12, 2005. The center will employ up to 250 people.

Analysis: The market for **household relocation** is growing as witnessed by Allconnect's westward expansion. The new Utah call center in the Mountain Time Zone significantly expands Allconnect's reach into the western half of the nation, and doubles its call handling capacity. The eastern portion of the country continues to be serviced by the company's Atlanta facility.

For background, Allconnect offers a free service to residential customers that helps them select and order home **utilities** and other **services** that include electricity, natural gas, long distance, home security, newspapers, Internet access, and wireless phone service. So, when a residential customer moves, instead of having to call all of the potential service providers, the customer calls Allconnect.

The company has developed a unique business model in that the company acquires its customers through call-transfer programs with local electric **utilities**. Allconnect claims that 70 percent of the people that move, call the electric company first, so the company partners with the electric **utilities**, which then refer customers requesting new service to Allconnect.

Once a mover calls the electric company, the first step in the process is for them to complete the electric service order. Once the order is taken, the electric company representative will let that customer know about this new service available to them.

If the customer is interested in the service, the electric company representative then transfers the customer to an Allconnect phone center, along with the name and address of the new customer. Once transferred, an Allconnect representative will answer the phone as a brand determined by the electric utility. For example, for one of Allconnect's clients, Duke Power, customers will hear it referred to as Duke Power Connections. To the customer, it seems like a seamless transition from one side of the Duke Power call center to another.

Once Allconnect verifies the accuracy of the incoming customer data, the company begins to ascertain the other utility **services** that the customer would like to utilize. These orders are then sent to the associated service providers.

Allconnect receives its revenues from referral fees from its service providers. Allconnect shares the revenue with the electric utility that transferred the customer. In this way, the electric companies take the new customer activation transaction, and turn it into a source of revenue.

Allconnect currently has its call-transfer program in service at a number of **utilities**, including Duke Power, First Energy, Alliant Energy, TXU Corp., Florida Power, Tampa Electric, Xcel Energy, Southern Company, Progress Energy, and Puget Sound Energy.

## View from the Top

I recently had the opportunity to talk to Mr. Mark Miller, Chairman and Chief Executive Officer of Allconnect, about the company, the challenges it faces, and some of the strategic changes that he is implementing since taking the reins of the company last year.

According to Miller, Allconnect added the call center to accommodate significant increases in call volume and to expand the company's geographic footprint into the western portion of the United States. "This year we anticipate handling about 1 million calls (35 - 40 percent of our inbound activity) from St. George."

As for the challenges that Mr. Miller sees ahead, he sees challenges that most businesses would welcome, and that are a part of most high growth opportunities. "We're concerned about locating, hiring and educating our people, synchronizing the infrastructure and the organization to keep pace and embracing new skill sets—while we maintain our high levels of customers service," said Miller.

And what are some of the strategic changes that Allconnect is making? "We believe there is a significant opportunity to continue to help people during their **relocation** event," said Miller. "Seamlessly helping consumers install their telephone, cable and high speed internet during a single call is important and valuable. It minimizes some of the stresses associated with their **relocation** experience. In my view, we do this better than anyone in America, as evidenced by our customer satisfaction scores and our service to nearly 1 million people."

"In addition to this, we are looking to expand the **services** we offer and our distribution channels," said Miller. "This year we will launch an ecommerce experience that focuses on helping people 'get plugged into their communities.' So, there are two new initiatives—additional products and **services** (like financial **services**, home improvement, new shopping and entertainment) and an aggressive push into the Internet and multi-channel distribution. Also, we have recently completed a rebranding initiative. We are continuing our geographic expansion and we'll just about double our staff within 12 months."

This year Allconnect expects to double revenues, expand its utility service footprint to about 50 percent of the United States, and increase staff by about 50 percent.

## The Bundle

The idea of a bundled offer—incorporating electricity, natural gas, local, long distance, Internet access, wireless, and other **services**—has been a trend generating interest for some time. There are a number of companies offering consumers bundled solutions that compete with Allconnect. These companies, tend to rely either on a Web-centric business model, such as Monstermoving.com, that relies on bringing customers to a Website where their service providers can be selected, or on a model, such as Customer Choice, where customer referrals come from real estate agents.

It would seem that Allconnect's call center-oriented business model has a few advantages over other competitors. The main advantages appear to be the seamless

customer flow and user friendliness. The transition from the electric utility to Allconnect is seamless, whereas other business models rely on a person to take the time to find an Internet connection, go to their Website, and enter their customer information. The other business models also rely on customers being comfortable with using the Web.

I expect that we will **see utilities** continue to add **household relocation services** as an offering to their new customers. Not only does it provide a valuable service to the utility's customers, but it also creates an added source of revenue.

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