



Winning is not always about being first

In March, I shared my belief with utility companies that the disruption cloud overhead - made up of technology and business trends - could have a silver lining. My message was that we should stop listing the challenges and start identifying the opportunities. Of course, with such transformation, there are risks for all incumbents. And new entrants will be amongst the winners in the future energy economy. But not only.

At a recent conference, I had the pleasure of listening to Paul Nunes who heads up the Accenture Institute for High Performance Business, a think tank. Paul has been studying big bang disruptors for some five years, and has published a great deal on the topic. The last two decades have seen a multitude of Big Bang Disruptors. Paul throws out well-known examples: Expedia for travel, iTunes for music retail; Kindle for eReaders. For those latter two, he plots the journey to the big bang, for example, starting in 1993 how IUMA (Internet Underground Music Archive) was out paced by Cductive in 1996, which was followed by Napster in 1999 and which gave way to the iTunes phenomenon in 2003. It is not so much about pioneering the next big trend. Paul proposes that organizations need to listen to what he calls, the "Truth Tellers" in the industry, for example, those events that mark a shift. Then, ensure that the organization is sufficiently aware and responsive to be able to bring the trend to market at the right time and scale it in alignment with market need.

What does that mean in the world of electricity distribution? Paul challenges us to ask ourselves some uncomfortable questions. What is the industry's inevitable future? What is the real value of your assets if a big bang disruptor appears? How fast can you scale a new business model compared to the competition? My take away was: the game for utilities is far from over. It is not about being first to master the technology and offer it to customers, but it's about being ready to do so, precisely at that inflection point when the market is ripe for a "big bang".

This could be good news for utilities. They have the customers, infrastructure and talent that can potentially equip them to be the "fast follower", able to leapfrog the innovators. The talent piece is, to my mind, potentially the most advantageous for a utility. The electrical grid is critical infrastructure. It requires proven know-how and experience to run and depending on where you operate, that is difficult or very difficult to find. Nevertheless, it is unlikely that your engineers will be working out which market threats are worth worrying about and how best to respond to them.

Today, what is needed is to cleverly combine that engineering competency with others: IT experts, data scientists, warehousing specialists, customer relationship gurus... Profiles which, until now, haven't naturally been part of utility companies' talent pool. At the head of a consulting company focused on energy companies, you could accuse me of selling my own soup? Somewhat, but let me share two observations, which I hope will be useful:

1. Bringing experts to the table who come from engineering, IT, data science, marketing backgrounds is Step One. Getting them to speak the same language is the next step. The results when they do can be powerful: at OMNETRIC Group, we have exactly that mix. But it takes time - at least 6 months after hiring - you need to factor that into your planning and preparation as you arm yourself to mobilize around the next big thing.
2. No one can do it all on their own today. So, bring new talent into the company, but stay open to looking outside for partners who help you fill your "gaps". For that collaboration to be successful, drive at precise communication, particularly when dealing with real start-ups. And with the appropriate legal foundation in place, fight against the engineering reluctance to share. In order to be fast, you'll need to be open.

Twelve Rules for Big Bang Disruption

THE SINGULARITY

1. Consult your truth-tellers
2. Pinpoint your market entry
3. Launch seemingly random experiments

THE BIG BANG

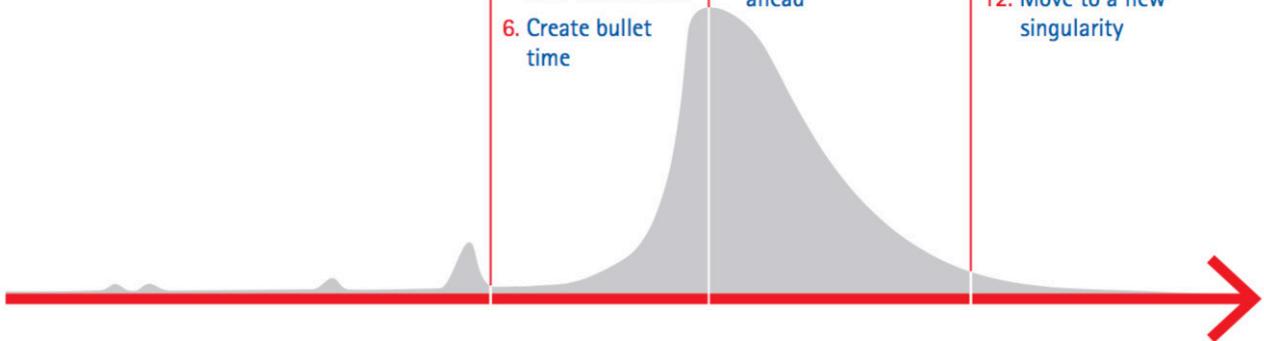
4. Survive catastrophic success
5. Capture winner-take-all markets
6. Create bullet time

THE BIG CRUNCH

7. Anticipate saturation
8. Shed assets before they become liabilities
9. Quit while you're ahead

ENTROPY

10. Escape your own black hole
11. Become someone else's components
12. Move to a new singularity



Despite the traditional wisdom that you need to be the first to innovate in order to stay ahead of competition, consider that winning doesn't necessarily mean being first. Nevertheless, the race is on for utilities. I already pointed to the NY REV as a Truth Teller event and recently experienced another in the US, when in California I passed by a Tesla store.

There was a very impressive queue of people lining up for the new model 3. Nissan Leaf, Renault Zoe, Kia Soul, Chevy Volt and BMW i3 have been around for 4+ years, but Tesla could be the shark fin that helps us realize we have mobile Energy Storage arriving in big numbers soon, accelerating change in our industry further.

Get in touch

We have the skills, infrastructure and know-how to help utilities with the technology solutions needed when integrating renewables into the energy mix. Contact us today to start the conversation.

Business requests
request@omnetric.com

Marketing and corporate communications
pr@omnetric.com

Careers enquiries
recruiting@omnetric.com

About OMNETRIC Group

OMNETRIC Group is dedicated to the global delivery of integrated information technology and operational technology solutions and services, helping utility companies to achieve greater grid reliability and efficiency. OMNETRIC Group is a joint venture between Siemens AG and Accenture. Combining Siemens' leading energy technology product portfolio with Accenture's systems integration, consulting and managed services capabilities, OMNETRIC Group can support clients with innovative solutions wherever they may be on their path to a smarter grid. For more information, visit www.omnetricgroup.com