

The connected, information-enabled utility of the future

From legislation and regulation, to increased competition, public opinion and scrutiny, political pressure, environmental concerns, consumer engagement and trust - for utilities, change is business as usual. But, are they ready for changes brought on by digital disruption?

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Utility companies currently operate in one of the most complex, high profile, regulated and politically charged sectors. But, and even by these standards, the next decade is set to be the most testing yet. A raft of new legislation, market reforms and emerging technologies are set to dramatically alter the landscape and impact existing business models. This is also on top of ongoing challenges such as employee demographics, ageing infrastructure, regulatory requirements – and in Africa, consumption demands are set to skyrocket.

So, what's the good news?

Well, in among all this change there are massive opportunities. In fact, utilities in Africa are viewed as one of the fastest developing sectors in the next 20 years. In the medium-term, over the next ten years, the marketplace will be transformed by two key drivers.

Firstly, unprecedented infrastructure development. This can already be seen, where primary infrastructure industries across Africa are going through a phase of massively increased investment and development. These include numerous new energy power distribution, dams and water infrastructure projects underway – and aimed at increasing access to reliable power and water supply so as to meet the rapidly growing demand.

The second is increased competition and much greater market liberalisation. Examples of this can be seen in pockets across Africa, where some governments have made the decision to privatise state-owned power producers and/or utility companies and unlocked these markets for further private sector participation.

Liberalisation and increased competition in the market will have a huge knock-on effect in terms of the way utilities approach achieving a competitive advantage. This will lead to the need for renewed push to ensure enhanced asset performance and efficiency, improved workforce communication and consumer engagement, being able to adapt to a changing landscape and, maintaining balance between supply and demand.

Pressures are mounting and utility companies therefore need to begin looking at how they are going to make the most of these opportunities now, and well in the future – by becoming a connected and information-enabled business.

Turning rapid change into intelligent transformation

With the rapid changes brought to the fore by digital technologies that are disrupting every industry and market in each wave of the Fourth Industrial Revolution, utilities cannot afford to overlook digital transformation as part of their operational plans and growth strategies.

Faced with myriad changes and increasing market complexities, utility companies should be turning their attention to adopting digital and disruptive technologies, to harness the transformative influence and benefits these bring to the business. From driving improved operational efficiencies, to improving customer experiences, transforming costs, or indeed creating whole new business models. Digital transformation is driving an era of new possibilities.

The connection between information and action

Data is set to become the most valuable resource for utility companies. It will highlight what is working, what needs improvement and what has to change. The key challenge is to securely collect, store and use data to make intelligent, high quality business decisions. However, to achieve this, utilities need to be connected.

Underpinning the information-enabled business is the network. It is what connects everyone and everything along the supply chain and wider ecosystem - and is critical in capturing, distributing and analysing the information necessary to manage the business.

Truly harnessing the power of data will require a scalable, highly secure, resilient, robust and integrated networked communications platform, to connect everyone and everything in the value chain and ecosystem. This will help the utility create a better business that is more flexible, able to adapt and make the most of rapid and dramatic change. Including being able to:

- Operate a diverse asset portfolio more efficiently through constant monitoring to ensure optimal performance,
- Use operational data to determine load constraints in the network, understand grid conditions, reduce damage, predict problems and be able to respond quickly,
- Communicate more effectively among colleagues and with partners and suppliers, and
- Improve customer service and consumer engagement to become a trusted long-term supplier.

In the wake of each wave of the Fourth Industrial Revolution, it is becoming ever clearer that the most connected and engaged companies will dominate while others will fall behind. By adopting digital technologies as key to business strategy and operations, utility companies will be well poised to turn rapid change into intelligent transformation – and cut a clear transition path to becoming a digitally connected and information-enabled utility business of the future.

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