

power your
utilities business.



energize your **utilities** business.

Gain competitive edge with one of the Largest Offshore BPO Service Providers in the Utilities Industry



The business environment in the utilities sector is characterised by highly competitive markets, intense pressure from regulators, ever growing customer expectations and of course, spiralling costs.

Working with some of the largest Utilities companies in the world, we understand the dynamics of the industry and the challenges faced by the players. We help companies achieve a competitive advantage in their markets by applying our integrated boutique of services. While outsourcing services help them in achieving better margins, transformation services create greater value to the companies by helping them in choosing the most effective decision and improving their control environment.

The integrated solution of transformation and outsourcing has changed the way Utilities companies manage their processes leading to increased efficiencies, enhanced quality of service, and improved customer experience.

We have demonstrated capability in managing end-to-end processes in the utilities customer life cycle spanning customer events, metering to invoicing, debt and settlements. We offer solutions beyond customer operations for the utilities industry. Our solutions extend to functions such as finance and accounting and debt management. We complement our operational capability with decision analytics and risk and financial management for effective decision making and improving organisational controls.



EXL has the management expertise, quality rigour, technology and talent to manage processes for the utilities industry.

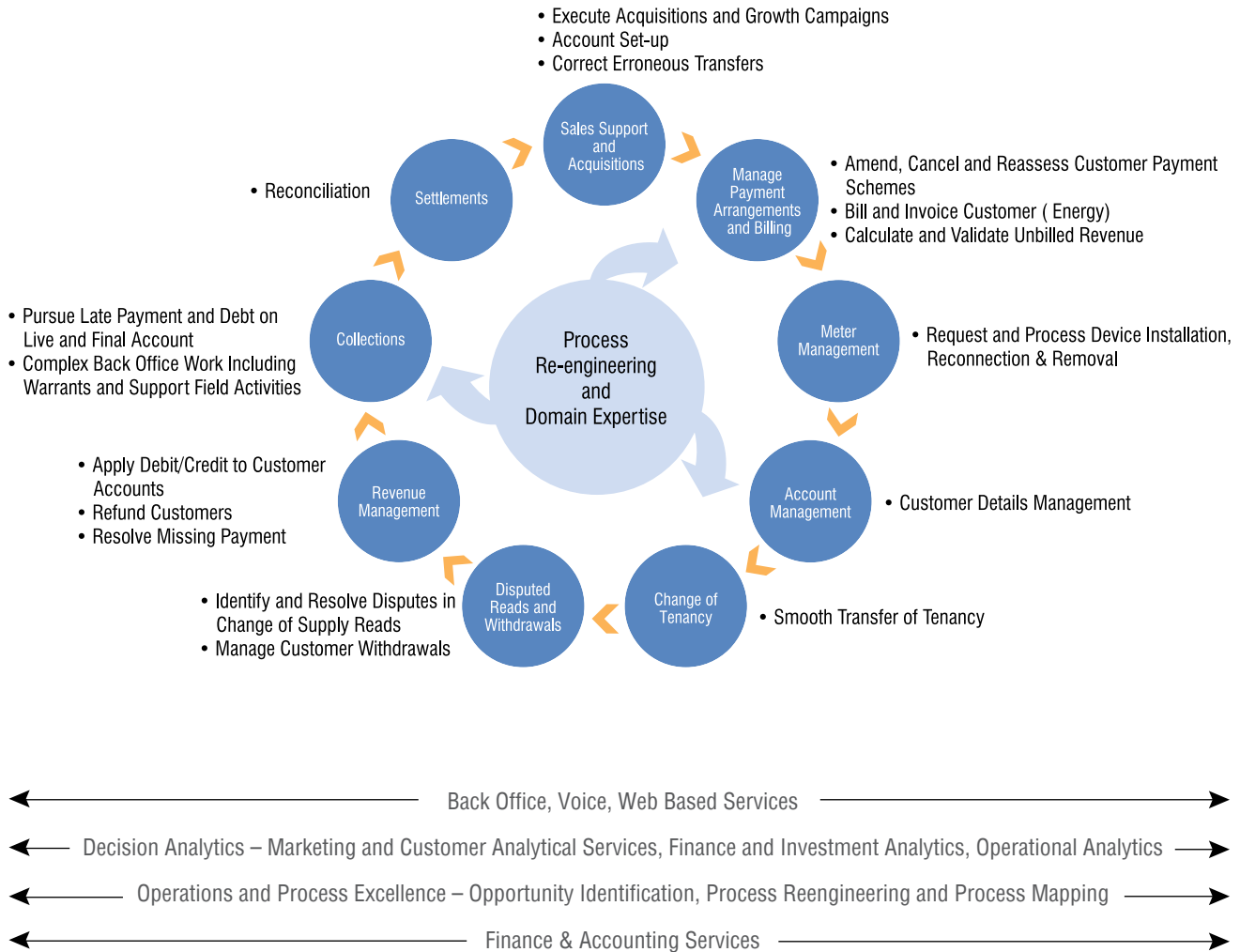
Scale

- Recruited and trained over 3000 professionals for our Utilities clients
- Over 60 processes being managed across three locations in India
- Over 20 million transactions per annum
- Transition of complex processes across multiple client operations
- Over £1 million collections in live debt in a month
- Over 700,000 man-hours invested in training

Utilities Domain Expertise

- Over 70 subject matter experts
- Over 30 process trainers
- Over 20 business process experts
- Over 60 delivery support specialties
- Over 10 six sigma black belts
- Over 5 process mapping experts
- Over 10 analytical experts

Utilities Customer Operations Lifecycle and EXL's Role



Six Sigma based Process Improvement

Over 100 man-months of six-sigma based Process Improvement projects initiated on Utilities processes. We have delivered more than 28 improvement projects which resulted in client benefits equivalent to 115 FTEs and £14.2 million in settlements.

Decision Analytics

Multiple projects were undertaken to reduce contact in the front office.

- Helped in improving the mechanisms for identification of fraud and write off.
- Collection optimisation project led to a 25% lift in contact rate.
- Development of a model that predicts the probability of late payment with almost 84% accuracy.

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We are delighted with EXL's professional approach in migrating and implementing processes offshore. We have established an excellent strategic partnership utilising their skills and capabilities to add value to our business. They place high importance on the quality of both their processes and people with robust due diligence and governance. There is a positive can do attitude at all levels in the organisation and this enthusiastic engagement creates an excellent environment for increased efficiency and productivity.

~ Business Transformation Director, Large UK based Utility provider

fuel your **utilities** business.

Success Stories: Special Projects



Financial and operational controls compliance

Business Case: Our client - a multinational utility company with total revenue exceeding £16 billion, market capitalisation of £13 billion and energy businesses in the UK, North America and Western Europe - was facing a number of challenges around its control environment.

- Critical report from external auditors commenting on the effectiveness of their internal control framework
- Desire for greater transparency by the Audit Committee
- Managing decentralised business processes, systems and controls
- Management concern that there is insufficient controls awareness and/or unclear ownership of risk and control
- Compliance to COSO Auditing Standards (ISA 315)
- Awareness of possible new European regulation around financial and operational controls management

Our Approach: The client established a programme to evaluate and test the operating effectiveness of the

company's financial and operational controls on a regular basis. A team of professionals with extensive experience in the utilities sector were assigned the task of evaluating and carrying out quarterly testing controls across all the offices in the UK. A team of experts constituting members from both EXL and the client has been working across various locations in the UK. EXL has been engaged in:

- Obtaining an in-depth understanding of the company's processes such as revenue and receivables, accounting and reporting, procurement, treasury management, etc.
- Performing quality review of controls to evaluate the design of the controls and mitigation of defined risk
- Performing testing in short and rigid time windows
- Evaluating the effectiveness of financial and operational controls
- Reporting on deficiencies and establishing a remediation plan



"I couldn't be happier with our choice of EXL. Thanks to their systematic migration methodology and experienced migration team, we've met our aggressive ramp up plan without delay or disruption. In only the first few months of production, it's clear that they've hired an experienced team of agents and managers and are already working to our strict productivity and quality standards. We are well on our way to creating an extension of our business in India."

~ Programme Director, one of UK's largest utility companies

The Result: The EXL team collaborated seamlessly by adopting existing methodologies and provided guidance on improving the company's approach towards testing. The key benefits delivered from the engagement are:

- Cost reduction for compliance delivery and external validation of financial control framework
- Wider management acceptance and appreciation of the need for controls assurance was developed across the businesses
- On the request of the client management team, the partnership of testing of financial controls was extended to operational control areas

Settlements Reduction

Business Case: Our client, one of UK's largest utility companies was facing the challenge of delays and leakages in revenue recovery and excess costs because of high amount of settlement. The settlements would appear and reappear in various forms such as portfolio mismatch, unbilled accounts, settlement/billing mismatch, gross value correction and vacant premise on both gas and electricity accounts. A lack of visibility on the root cause was preventing the clearance of Imbalance. What was also acting as a bottleneck was a high volume of interaction with 3rd parties for correction in accounts.

Our Approach: The Black Belt team of EXL deployed Lean and Six Sigma tools to identify the root cause of the problem. The team identified the redundant activities and carried out a series of improvement projects of varying nature and complexity. The objectives of the project were identified as design reporting mechanism, fix process gaps, develop clearance solutions, reduce hand-offs and improve efficiency of the manual clearance team. Majority of the solutions designed by the team were implemented without any significant changes to the client systems.

The Result: The solutions deployed across Commercial and Residential lines of business, resulted in additional clearance of settlement of over £10 million per annum. These solutions also helped in avoiding settlement of 120 thousand new accounts per year and a onetime clearance of settlements worth £4.2 million.

Decision Analytics: Debt Analytics

Context: A top 10 European utility company faced significant customer collection delays. EXL was asked to investigate the causes of payment delays and take necessary steps to improve the collections effectiveness.

Issue: The speed of cash collection post invoicing had deteriorated over a period of time, having an adverse financial impact.

Resolution: EXL analyzed root causes for delays in payment and profiled late payers on these root causes. The team developed 2-stage predictive models which predicted:

- (i) Who is likely to pay late, and
- (ii) What is the likely delay in different bins of payment delay days.

Impact:

- 7% reduction in collection costs
- Identified 20% of customers driving 57% of all late payments

Debt Collection


Business Case: A radical reduction in cost is a must for companies to remain competitive. One of the primary contributors to the excessive cost is the length and rigidity of debt paths. Debt Recovery Services - UK, had identified certain instances in the prevailing debt recovery path where there was a possibility of early recovery of payment by calling up the defaulters. This would help in shortening the cost and time of recovering domestic energy debt.

Our Approach: EXL started contacting customers at the new touch points in the debt path. The process lets EXL make outbound calls using its own dialler and clients system to recover debt, make other payment arrangements such as direct debits and payment plans, or set up pre payment meters. EXL has extensive collection expertise and effective dialler strategy for both the 'Live' and 'Final' customers. EXL also has inbound collections team that receives calls from our the debtors of our clients. We are collecting on 'Failed Promise to Pay', 'Failed Monthly Payments / Direct Debits', 'Late stage Write Offs', 'Pre First Visit' and 'Warrants campaigns'.

Champion Challenger: One of our clients proposed a champion challenger to assess EXL's collection capabilities and the contest was between the inhouse onshore team and EXL's collection team. EXL outperformed its client's onsite team on the overall cash collections and EXL dialler proved successful in the key measure of roll rate. The result further indicated that EX has greater dialler control and efficiency that resulted in increased conversions rates.

The Result: EXL has been consistently exceeding its client expectations on all the fronts. Some of the highlights of our collections efforts are:

- Exceeded all cash collection targets for the inbound calls; collected £11.5 million in 2008 @ £245 / hour
- Collected £6.9 million in the final campaign in the year 2008 against the target of £6.5 million
- Overall cash per hour stands at £175 per agent
- Debt Conversion rate greater than 42%
- EXL now manages 7 different campaigns for a new client in just one month collecting at an average of £210 per agent per hour



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About EXL

EXL Service (NASDAQ: EXLS) is a leading provider of 'Pure Play' Business Process Outsourcing and Transformation Services to the Global 1000. EXL provides, through onshore and offshore resources, solutions that fundamentally improve the economics of the clients' business. EXL leverages its knowledge and experience in Decision Analytics, Financial and Risk Management, Business Process Re-engineering, Process Optimization and Integrated Transaction Processing for immediate business impact and long term financial value.

EXL is headquartered in New York and operates ten state-of-the-art delivery centres across India and the Philippines. EXL employs over 9,100 people worldwide serving multiple industries including utilities, insurance, banking, media and transportation.

EXL's service offerings are aligned to provide a competitive edge to its clients by transforming and outsourcing business processes.

EXL's ability to offer integrated solutions using operational excellence skills and transformational capabilities, combined with deep knowledge of industry and processes enables EXL to help its clients achieve high business efficiencies.

EXL is one of the few top tier service providers with an impeccable track record of customer satisfaction across all its client relationships. EXL has its offices in New York, New Jersey, London, Noida, Gurgaon, Pune, Manila and Singapore.

AMONG GLOBAL OUTSOURCING 100



INTERNATIONAL ASSOCIATION OF OUTSOURCING PROFESSIONALS (IAP)

AMONG THE TOP 10 BEST PERFORMING BPO PROVIDERS



neoIT AND GLOBAL SERVICES' 'GLOBAL SERVICES 100'

AMONG THE TOP 15 ITES-BPO COMPANIES



NASSCOM (THE NATIONAL ASSOCIATION OF SOFTWARE AND SERVICES COMPANIES)

AMONG THE BAKER'S DOZEN FOR TOP ENTERPRISE F&A PROVIDERS



FAO TODAY

Facts.EXL

- Headquartered in New York, NY and listed on NASDAQ
- Leading provider of value-added offshore business process outsourcing solutions to Fortune 500 and Global 1000 companies
- Successfully migrated business processes across a range of products and services distributed over various industry verticals
- Offers a differentiated solution that integrates outsourcing and transformation benefits
- Solutions create values for clients beyond cost savings by helping them make effective decisions and improving their organisational controls
- Global team providing solutions for compliance, internal audit, accounting, financial reporting and information technology risk management
- Institutionalised 'Process Excellence', a Six Sigma based quality program for scientific process management and ongoing process improvements
- Over 9,100 professionals
- Ten world-class service delivery centres spanning India and Philippines
- ISO 27001 certified for robust information security
- ISO 9001:2000 certified for process management and continuous improvement
- OHSAS 18001 certified for maintaining and enhancing employee health and safety
- Consistently ranked among the leading global offshore outsourcing service providers

What makes us different

People: Our operations centres are currently located in India and the Philippines. This enables us to leverage highly skilled and professionally qualified talent pool. EXL hires only the best and the brightest professionals through a rigorous screening and selection process. This is supplemented with extensive training to create some of the leading domain specialists in the industry.

Real and Sustained Improvements: Process excellence is given the greatest importance to ensure true and continuous value to our clients. It requires investments in the most appropriate methodologies and platforms. The Process Excellence programme at EXL is driven by Six Sigma methodology and Kaizen initiatives. We have developed proprietary tools to monitor and continuously deliver value.

'No Surprises' Migrations: With almost a decade of experience in migrating distinctive processes, EXL is able to leverage its experience to ensure that no surprises occur when migrating a process. It combines industry knowledge, project management techniques and a consultative approach to meet clients' specific needs. We deploy Design for Six Sigma [DFSS] methodology for minimising outsourcing risks. We develop customised migration solutions to suit industry and process complexities. The rigor of Six Sigma project management guarantees success.

Infrastructure: EXL's delivery facilities have been built to provide a superior working environment for attracting and retaining the best talent and providing world-class service to customers. These centres have been built to international standards with state-of-the-art operations and technology infrastructure.

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