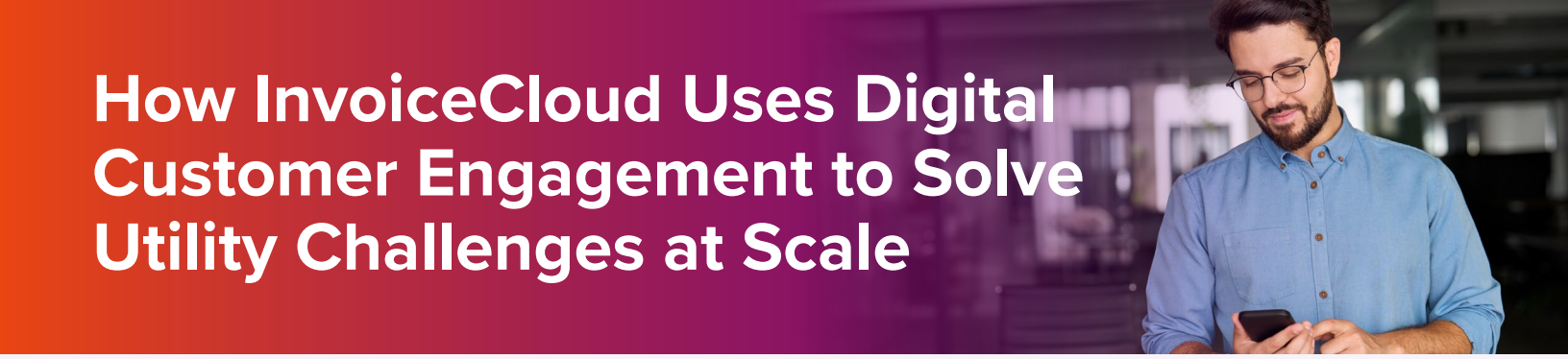
How InvoiceCloud Uses Digital Customer Engagement to Solve Utility Challenges at Scale



Paul Applegate

Vice President of Alliances and Business Development, InvoiceCloud

Paul Applegate brings a frontline view of how utility organizations are modernizing customer engagement. As Vice President of Alliances and Business Development at InvoiceCloud—a cloud-based electronic bill presentment and payment platform used by more than 2,200 utilities nationwide—Applegate works with InvoiceCloud's partner ecosystem to drive digital adoption, reduce arrearages, and improve operational efficiency.

InvoiceCloud is a purpose-built SaaS solution that integrates with a wide range of utility systems, including SAP, to support secure, user-friendly digital payment experiences.

In a sector facing growing complexity around collections, staffing, and customer expectations, Applegate emphasizes the value of incremental, measurable change.

In this interview, Applegate offers a practical look at the trends shaping utility strategy today—from using AI to anticipate late payments to streamlining billing workflows and reducing manual workloads. He also explores how utilities are adapting to rising expectations for digital service and why improvements to the customer experience can't wait for long-term initiatives like S/4HANA migrations.

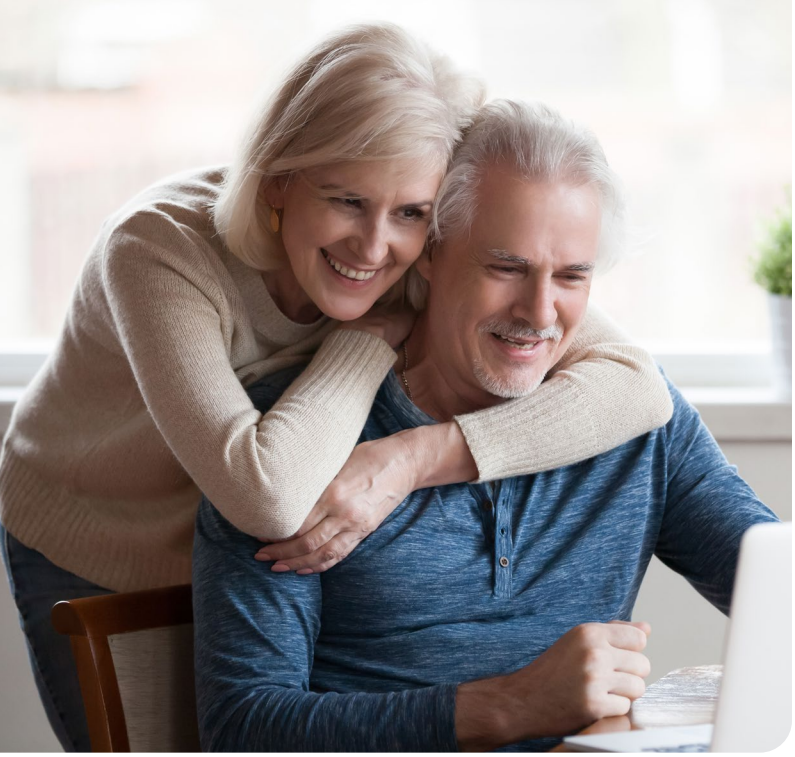
This interview has been edited and condensed for length and clarity.

Q: With InvoiceCloud working with over 2,200 utilities, what high-level shifts are you seeing that are shaping their business priorities?

Even in the four years that I've been here, customer expectations across the board have changed and continue to change dramatically. It used to be that utilities would somehow get a break in terms of how their customers perceived them from an engagement perspective. However, utility customer expectations are now shaped by other entities they interact with. Whether it's Amazon, a ride-share company like Uber, or their bank, all of which provide a frictionless engagement experience, these organizations are the new normal in terms of customer expectations.

This presents both a huge opportunity and a huge challenge for utilities. It affords them the chance to move more readily toward what they view as an ideal customer: someone who is completely digitally engaged, pays their monthly bill via autopay, and interacts with the utility only when it's absolutely necessary. But it also presents a challenge because some of the technologies they've employed in the past were not purpose-built to meet customers when and how they want to engage.

From our perspective, this is the moment where it all comes together.



Q: With challenges like weather events, emissions goals, and grid expansion converging, where do you see innovation efforts most focused today? What near-term innovation imperatives should utilities prioritize?

I feel like every question related to innovation has to address AI in some shape or form. But I want to expand on something I said earlier.

Looking at how people are interacting with the companies around them, that's the blueprint going forward. Think about your own experience using Amazon. I believe the real effect is how good they are at getting you to do something you didn't plan on doing. At the moment of truth, when you're about to check out, they're telling you: people who bought this also bought that, people are setting up recurring shipments, and people like you are using the Amazon credit card to get rewards. They've earned the right to get you to think more broadly than your initial intention. Learning from that is key.

When I think about where utilities can go—let's call it the "consumer-type experience"—utilities have earned the right, because of market shifts, to step into that and offer a similar experience. I presume we'll talk later about how we do that, but I think it's an interesting innovation. Everyone now expects that kind of experience: one that's easy to use and prompts you, at the right moment, to do something else.

Now, from an AI perspective, especially as we start to get into agentic AI, what's fascinating is that you've got to have your digital house to fully take advantage of it. We see what we do as providing an intermediate step by driving digital engagement and giving utilities the data and engagement points they need to fully leverage AI.

What we're really excited about is AI's predictive ability, especially around forecasting behavior. In our world, the most important question is: who's likely to pay late next month? Understanding someone's payment history and how and when they pay raises predictive flags. If you have the right technology in place, you can start getting ahead of those risks.

Q: As more utilities explore what "digital payments for everyone" really means, what are the biggest takeaways from your customer base about how to make that real, particularly for customers who might not be digitally engaged today?

This journey toward full digital engagement has been going on for years. This isn't a new concept, but we're getting to the hardest part: the folks who have resisted becoming digitally engaged for one reason or another.

There's a common misconception that some populations will never go digital. People often cite senior citizens, those whose native language isn't English, or individuals who are underbanked or unbanked.

But the fact is, 97% of people own a mobile phone. Internet access is still creeping up; it's in the high 70s or low 80s across the U.S. But many people have skipped past that and now have a full-blown computer in their pocket. And not only do 97% of people own a mobile device, but 91% bought something on that device last year.

That's the opportunity. When we talk about digital payments for everyone, we mean: how do we, as utility partners, make that process as easy and engaging as what people are already experiencing with technology and consumer companies?

This presents a real opportunity for utilities. Historically, the technologies they used to process payments weren't set up to drive behavioral change. They were simply there to take a payment. But if you're not meeting customers when and how they want to pay and encouraging them to change their behavior, like signing up for autopay, paperless billing, or pay-by-text, you're missing a key opportunity.

So, when we talk about digital payments for everyone, it's about providing everyone, regardless of age, language, or life circumstances, with the same ease of use they experience elsewhere.

Q: From a staffing, customer service, and operational standpoint, what does that kind of frictionless experience make possible internally?

The idea of taking a digital payment and letting people pay their utility bills with a credit card, Apple Pay, Venmo, or Google Pay is not new. It's been around for a while.

When someone is going through the billing and payment process, they're fully engaged. If I, as a utility, don't have the right CX platform in place to fully leverage that moment, I lose the opportunity. I can't take advantage of those 30 seconds to drive the type of change that's so important.

With a platform like InvoiceCloud, utilities can fundamentally change their business.

What would it mean to a utility if they could drive on-time collections up by 40%? Because that's what happens with InvoiceCloud. What if they could get 60% more of their customers digitally engaged, specifically by moving them to autopay? And what if they could improve paperless adoption by 80%?

The benefits you mentioned, like operational costs, efficiency, and financial processes like collections, are all influenced by those three metrics. The data we've seen puts total arrearages above $20 billion across all U.S. utilities.

It's not just about shrinking that number; it's about keeping it low. On just the first two metrics—40% more on-time payments and 60% more customers moving to autopay—that has an immediate and huge impact on that $20 billion.

The opportunity is right in front of them. It's that 30-second window each month when their customers are engaged. But with their current technology, they can't fully leverage it.

Q: Given recent urban-to-rural migration, how can digital tools help utilities maintain consistent service quality as their territories expand?

We've done some research on this because we all heard anecdotally what happened during COVID, related to where people were moving.

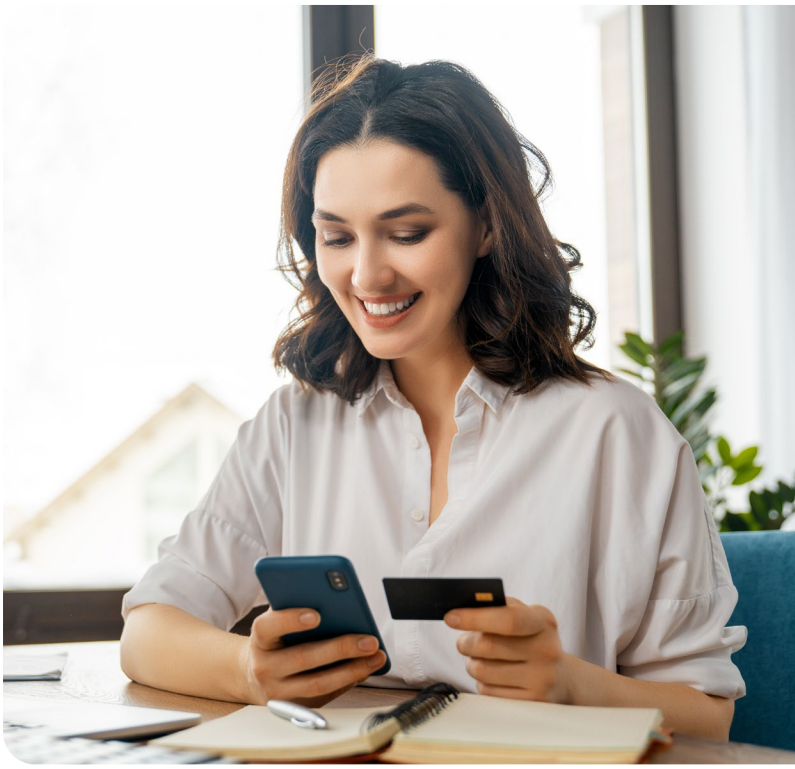
Everyone understands that people left bigger cities and moved to more rural areas. But what's fascinating is that there were very clear migration paths. People moved west and to the southeast. If you look at the 15 or 20 biggest cities in the U.S., they all saw negative growth during COVID. People moved out.

In Florida, U.S. Census data showed net growth in bright blue; it lit up in terms of inbound migration. Communities were growing unexpectedly by 5%, 8%, even 12%.

But utility staff levels weren't keeping pace. And utility staff—long-tenured, hard-to-hire employees—were also aging out. The workforce wasn't reflecting the growth in the customer base.

If you step back and look at this as a math problem, 10% more people means 10% more manual processes. Every time you have a manual process, such as sending paper bills, processing checks, or answering unnecessary calls, for someone who simply forgot to pay, that's 10% more work across every part of your system.

We've seen that they've been able to leverage technology like ours. If you can take manual processes out of your system, you can get back to a degree of sanity in terms of how your employees are working to not only serve your customers but retain those employees. That's so important for utilities—having time and energy to focus on things that really matter as opposed to wasting time on unnecessary manual processes.



Q: When you take those manual burdens off the table, what becomes possible strategically for the utility?

Picture a circle that represents everyone who's going to pay late next month. Now bisect that circle, roughly half on the left, half on the right.

On the left-hand side are people who are going to pay late because they forget. They'll get a paper

reminder or an email that's not actionable, hit a login wall, abandon the process, and suddenly get a shut-off letter or a knock on the door. But they still end up in the arrearages bucket.

What if you could shrink that half of the circle to zero? Then you're left with the right-hand side: the people who are struggling to pay every month.

That's where the strategic value comes in. Eliminating unnecessary manual processes frees up utilities to focus on what matters. In this case, that means working with the customers who are genuinely struggling and helping them find the right affordability programs, helping them register, removing hurdles, and fielding questions.

This extends beyond just the customer service team. Every minute saved on avoiding these unnecessary manual processes is time those teams can use to focus on delivering their strategic initiatives.

Q: Let's talk about DERs and the rise of utility "prosumers." What are the implications of that model for CX design?

I'd rather draw a broader connection across all types of programs that utilities are trying to roll out and proactively engage customers on.

It really comes down to two things: how you're communicating and how easy it is for the customer to work with you. That's foundational for whether these programs succeed.

We hear a lot about the "utility prosumer" or "pro-consumer." People want to go online, see their energy usage, and manage it themselves. But what ends up happening is all that data lives over here, your billing information lives there, and your bill payment lives somewhere else. There's fatigue. Customers can't find what they need.

The number one use case for those customer self-service portals is to pay a bill. About 80% of users go there just for that. Whether it's a guest checkout or a full registration experience with access to rich data, people just want to make a payment.

There are incredible portals out there that do this well. At InvoiceCloud, we've chosen not to build one—we partner with companies that specialize in that. What's important for the utility is recognizing that this is about meeting customers when and how they want to engage.

This is about bringing together the right best-of-breed technologies into one seamless experience. That's where being a true SaaS solution really matters. We've been cloud-native from day one.

It means every one of our customers is on the same version. When we roll out innovation, either directly with our utilities or through our portal partners, every customer benefits. Because we've built integrations with different portal solutions, whether it's supported by SAP or another provider, everything can look and feel seamless.

Q: Do you see that same logic applying across other types of communications and programs, like rebate programs, assistance programs, and energy efficiency messaging?

Utilities shouldn't limit themselves to just one type of communication.

If you're sending a message about your EV program, battery program, or assistance program, why not use that moment to offer customers the opportunity to do something else?

These are the kinds of conversations we've had with leading technology companies. They're focused on driving a single outcome. But when it comes to digital adoption and engagement, what if you could also get someone to take additional action?

Sign up for autopay. Go paperless. Sign up for text payments. Why not include that in the communication?

There's a real opportunity here. Often, these programs are owned by different departments within the utility. It's going to take some creative thinking, whether that comes from SAP consulting partners or utility leaders at the C-level.

It doesn't have to be either-or. Two things can be true: you're trying to drive enrollment in a rebate or assistance program, and at the same time, maybe you pick up 2 or 3% of people who might otherwise pay late next month.

Connect with Paul Applegate on LinkedIn.

Q: How do you see the shift to S/4HANA and the public cloud unlocking new opportunities for customer experience gains?

When we were in Miami last year for the SAP for Utilities event sponsored by ASUG, every single person we talked to—whether they worked at a utility, for SAP, or were a partner or consultant—was talking about this migration. Everyone was focused on the upcoming deadline and what it would take to move utilities en masse from where they are now to their future state.

This shift from on-prem to the cloud has a lot of business benefits: improved functionality, security, and access to the latest technology. But it's also painful. It's a lengthy process.

It could take another 12 or 24 months or more before utilities customers see any benefit from this. So why not think about a stair-stepped approach? Why not leverage niche technologies with proven SAP integration to offer meaningful customer benefits in a much shorter timeframe?

When I think about what we provide to the market, the impact we can have in six to nine months is substantial. Whether you're an SAP customer or a global consultancy supporting clients in this migration, there's a real opportunity to take a stair-stepped approach to customer value. Fitting in something like InvoiceCloud presents a unique opportunity.

Q: What's your perspective on AI's trajectory in the utility sector? Are there use cases that feel particularly near-term and real?

About a month ago, I was in a room with a group of utility executives, and the whole session was about AI. The first question: "How many of you are thinking about what AI means to your organization?"—every hand went up. The next question: "How many of you are actively investing real dollars in AI?"—no hands went up.

Maybe there's a middle ground. Utilities should start putting pressure on their current providers to help them figure out how to use existing technology more efficiently with AI and machine learning on an ongoing basis.

This wasn't something on anyone's radar two or three years ago. But now, we have a large, well-siloed dataset that covers about 25% of the U.S. utility market. And we've learned a few things.

Every month, we send out hundreds of millions of email reminders. From that data, we can see when people pay, how they pay, how close to the due date they pay, and what it might mean if someone who's paid on time for 24 straight months suddenly misses two payments. That kind of change is a trigger.

For utilities, AI is an opportunity for the IT team and business users to sit down with vendors and say, "Here are the business problems we're trying to solve." Let the vendors come back with ideas.

It's going to be a slow burn before utilities start naming Chief AI Officers and building out in-house AI teams. Why not leverage the folks who are on the cutting edge of technology already to help you?

Q: Any final thoughts on how utility leaders can better support their staff while also meeting customer expectations?

Technology companies often talk about benefits for the utility and the utility customer. But it's also important to ask: what will this technology do for the people who work at the utility?

We've talked a lot about how InvoiceCloud frees up time for employees to focus on meaningful work. But we also have a range of backend solutions that make life easier, especially for the finance team. The last thing you want is to adopt a piece of technology that creates more problems than it solves.

There's a reason 98% of our customers stick with us year over year. We're not just investing in the platform but in making sure our customers know how to use it. We provide services to help them fully take advantage of the technology.

That creates a ripple effect. Yes, it leads to the business outcomes we've already discussed. However, it also leads to internal employee satisfaction, which is important and too often overlooked.

We see every day how hard utility employees work. It can be a thankless job. Any relief we can give means a lot to us. Everyone needs power, water, and gas. We're proud to support the people who provide those essential services.

Visit the InvoiceCloud website.

InvoiceCloud provides modern digital payment, customer engagement, and outbound disbursement solutions. The company services more than 3,250 customers across the utility, government and insurance industries and is a leader in the electronic bill presentment and payment (EBPP) space. InvoiceCloud's SaaS platform enables continuous enhancements to the customer experience resulting in higher digital payment, AutoPay, and paperless adoption rates. By switching to InvoiceCloud, clients can improve customer engagement and satisfaction while lowering costs, accelerating payments, and reducing staff workloads. To learn more, visit www.InvoiceCloud.com.

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