

Advisory Board meeting

28 January 2019

Notes

We held an Advisory Board meeting on 28 January 2019.

Present were David Howe (technology specialist), and Jakki Phillips (customer member representative). From People's Energy: David Pike (Chief Executive Officer), Karin Sode (Chief People Officer), Kenny McIntosh (Chief Financial Officer), John Botia (Chief Marketing Officer) and Erin Robertson (2019 employee representative). Absent from the meeting were Peter Lederer (Chair), Nicola Megaw (legal specialist) and Jaume Ferras Santin (marketing specialist).

TOPICS DISCUSSED

Changes to the Senior Management Team

Kenny McIntosh is our new Chief Financial Officer. He brings significant experience, rigour and discipline to the finance function, a clear focus for the team and the all-important Management Information required by senior management to enable them to make strategic decisions. Elaine Chisholm has also joined the finance team as Senior Accountant to assist Kenny in the day-to-day running of the department.

John Botia is interim Chief Marketing Officer. He brings to the table extensive marketing and commercial experience, and his remit is to help build on our brand and create a strong marketing team.

Overview from the Directors

We have experienced a significant growth. This has led to an uplift in email traffic and telephone calls, increasing wait times for Members. To address this, we are rapidly recruiting additional advisors for the membership service team to increase our capacity, in order to make sure we can get back to strong response times for our members. (At the time of publishing this we have 18 additional team members to help members with their questions.)

We commenced repayment to our crowdfunders at the end of 2018.

We are holding our first Member's Webinar this evening (28 January). David and Karin will talk about People's Energy, developments in the marketplace and how we plan to honour our commitment to be a responsible, ethical and transparent company. The event will provide an opportunity for Members to meet Jakki (the membership representative) and let us know what matters to them. There will be a Q&A session, and we provided an opportunity to send questions in advance.

We are currently increasing our People's Tariff in all regions in a staged approach. As anticipated, this has been met with a mixed response as no-one wants higher prices. We don't like having to increase the prices either and have only done it when absolutely necessary in order to ensure a sustainable business. Even after the increases The People's Tariff is still among the cheapest c. 3% of deals, and we remain significantly cheaper than the Big Six in all regions.

So far, nine suppliers have gone under including Spark Energy (at the time of publishing the minutes, Our Power has also ceased trading). This has led to some jitters in the marketplace. We are exploring the option of offering our services to the customers of those companies that have foundered, and possibly providing employment to some of their staff.

Finance Update

Kenny went through the income statement and predicted a strengthening financial status from April 2019 onwards in line with the seasonality experienced by all energy companies. This provides the potential for us to begin planning our next phase of growth and scaling up. This is also the phase where we want to innovate in order to fulfil our social and environmental goals. We have started to plan for this next phase and are setting broad strategic priorities.

Member & Staff Engagement

On behalf of Members, Jakki asked when we would be giving profits back to the Members. Kenny stated that we are currently on track to be able to do so in 2020 - however with external forces such as Ofgem's price cap, fluctuations in wholesale prices and many costly, compulsory industry requirements, it would be unwise to make a guarantee at this stage.

Jakki had also received enquiries regards the introduction of pre-payment meters. Karin confirmed that this is something that we are currently preparing for. However, pre-payment meters typically require significant additional support from customer service and therefore increased cost. In most companies, this increased cost would be passed on to pre-payment customers. As we want to be fair to all, Karin raised the question within the meeting whether we should consider letting people on our standard tariff help shoulder some of the extra cost, to enable pre-payment members to get an affordable deal too. It was agreed that we would ask our members participating in the Webinar their thoughts and preferences.

John confirmed there had been an increase in social media complaints about the lack of response to enquiries. Karin confirmed that the rapid expansion of our membership base has meant an increase in email traffic and calls, and measures are in place to try to alleviate this. We are employing 18 additional staff to cope with demand, but this will take time to filter through as they require training. The senior team confirmed that they are absolutely aware of the challenge and that matching demand and resource is a key priority here and now.

The Winter months are challenging times, however we have taken the steps necessary to prosper and we are looking forward to the Spring!

Next meeting is scheduled for Monday 25 March 2019