

T echnology Strategy as Rosetta Stone

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Before the discovery of the Rosetta Stone, Egyptian hieroglyphics were indecipherable. The stone tablet with its message inscribed in three languages, one of which could be read because it was similar to modern Greek, enabled classical scholars to break the code and enabled the walls of the pyramids to again speak.

Immensely detailed, electronically encrypted customer data are the present business world's inscrutable writing on the wall. Businesses are succeeding, to various degrees, in understanding these messages—according to how accustomed they are to viewing their core business as information management. For example, the financial sector has long understood transactions and dollar movements as bits of information and its technology strategy has emphasized massively networked processing. As a result, we are used to spending money without ever touching it. The transition to web-based banking, brokering, and other financial services has been rapid.

The utility industry has also embraced information technology. But unlike the financial sector utilities have a huge asset base in production hardware—generating plant, transmission, and distribution. Technology strategy has focused on these assets—coordinating them, improving their reliability and performance. In discharging its responsibility to society of maintaining this infrastructure, the utility industry treats energy as a physical production process and a resulting commodity.

The purest example of energy as information is the “NegaWatt,” a Watt saved from an established baseline of energy use. Various technolo-

gies on the demand side can produce an energy output or service at improved efficiency. Without a physical commodity ever being produced, the implied energy can be valued over time.

A completely distinct technology paradigm is suggested: instead of a commodity produced for sale to an undifferentiated grid, energy *service* is targeted and tailored to each customer's uses, needs, and site potential. The resulting technology strategy utilizes extensive, telecommunicated metering and monitoring along with a varied menu of ways to render and optimize energy services on site. Capturing and digesting large volumes of information is facilitated by the Internet which thus becomes an integral part of the technology strategy.

Under the commodity paradigm the end-user and the utility had little if any interest in the other's internal operations. They were different languages without translation. The new technology strategy is the Rosetta Stone by which utility capabilities learn to communicate with customer needs. The utility which cannot learn to read this writing on the wall will find someone else addressing its customers' most salient energy needs and opportunities. It will then be left, at best, in the position of supplying only the commodity portion of energy needs, an ever-more precarious position in a competitive market. Thus are utility industry pharaohs entombed.

ABOUT THE AUTHOR

Michael Bobker manages infrastructure upgrading programs and projects at the consulting engineering firm of Goldman Copeland Associates in New York City. Prior to joining GCA, Mr. Bobker worked in energy services for more than 15 years, including management of an energy services company. He holds degrees in sociology, energy management, and international business. Mr. Bobker can be reached at GCA 212-929-0480 or via e-mail, mbobker@juno.com.