Enel S.p.A.: A traditional utility embraces the digital revolution

Along the elegant Viale Regina Margherita in Rome is the global headquarters of Enel S.p.A, Europe's most valuable utility by market capitalisation. There is no grand entrance to greet you; the interiors are basic. Yet these modest surroundings are home to one of the most forward-thinking and innovative companies in Europe.

Enel was an early proponent of new technology, introducing smart meters in 2001. It moved more quickly than its large competitors towards renewables, with slightly more than 50% of its energy coming from zero-emission sources in 2019. Under Francesco Starace, who became CEO in 2014, the company committed to a full-scale digital transformation, with digital thinking infusing all the different aspects of the company.

By 2019 many of the necessary changes had taken place. Enel's entire information technology (IT) infrastructure was now in the cloud and its IT operations had been pushed down into the business units to provide greater responsiveness. Agile, cross-functional teams were solving problems up to six times faster than before. Field teams were using augmented reality devices and digital tools to service the company's approximately 70 million customers. And beyond its mainstream energy business, Enel X – a standalone operating unit – was experimenting with a range of new business ideas with exponential growth ambitions.

True to Enel's results-focused approach, Starace insisted more still needed to be done. At the end of 2019 his challenges included consolidating the digital evolution inside the firm, increasing the pace of change in general, and thinking about the strategic threats that could derail the transformation. He was worried about the organisation becoming complacent; that it would rest on its laurels. The energy industry was going through a revolution and Enel was intent on leading the change.

The power-generation industry

Electricity was traditionally the business of the state: government-run utilities built generating capacity and the grids that would carry power to businesses and homes. Given the dangers in working with electricity, firms in the industry were generally conservative and safety-conscious in all their areas of activity.