

SERVICE EXCELLENCE – THE BOTTOM LINE



AMEU Technical Meeting – Upington - 2002

Author & Presenter:

Danie van Wyk (Pr Eng, B Eng (Electrical), Hons B Com (Business Economics)
City Electrical Engineer of uMhlathuze

INTRODUCTION

Why do we say it is difficult to meet our customer's requirements? Surely by saying this, we already place a burden on ourselves not only to meet the requirements, but also to give better than expected services – to go the extra mile!

I believe we are still in a phase where we are only doing “fire fighting” and are barely meeting our commitments. What we need is a paradigm shift to meet our commitments with 90 % of our efforts and still have 10 % reserved to enhance our services. This will be the drive to grow and keep up with the trend of a dynamic and challenged technological, information and political environment.

CUSTOMISED INFORMATION

The drives to grow that we take on in our businesses are part of strategic planning of the future and ensure sustainability of our business.

We need to ensure that these drives are:

- In line with our organization's mission and vision statements
- Realistic and achievable
- Add value to our services
- Increase the scope of existing services and gain new ground

What are we doing to go the extra mile to make our customers say : “WOW!” ? This makes the difference between service and excellence!

It is extremely important to share information with our customers that will benefit both. With this, we will empower them to understand and make informative decisions but this certainly requires from us a thorough understanding of our customers' needs and employ state of the art technology already available in the market.

The rapid developments in IT environment has made life extremely easy and given us the ideal tools to do smarter business with less effort.

Why not start with your “cream of the crop” – i.e. those top five or ten customers in terms of their contribution to your turnover.

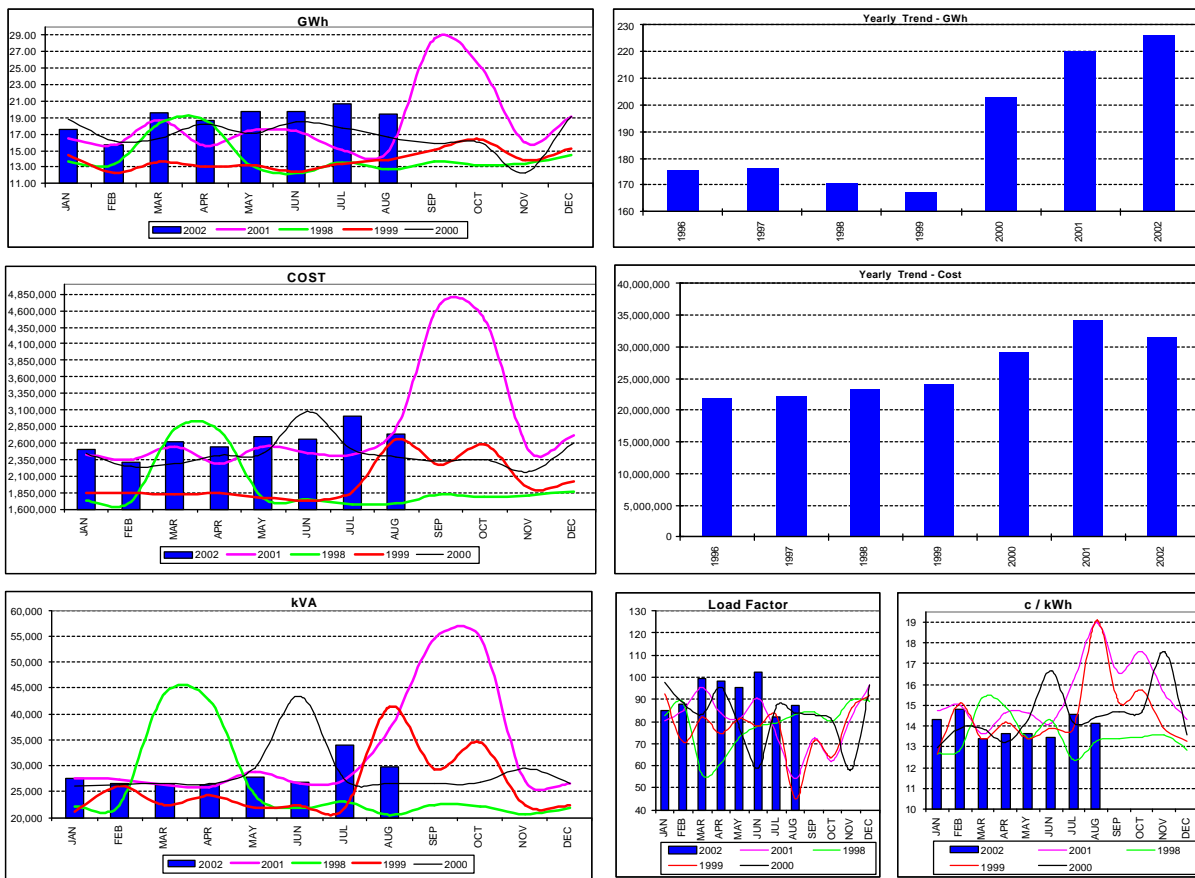
Consumption information and performance trends

Together with the monthly account, what additional information are we providing? The minimum service is to ensure that the accounts sent to customers monthly are correct and have at least gone through one check. Even this is not done in many municipalities what I am aware of.

How often do we interact with our customers on their accounts and their performance on effective utilization of our product? We merely leave this over for them to try with the limited information, (mostly insufficient), to establish their own performance, or even, not at all.

The following graphs (all available and printed on an A4 sheet) will be an extremely valuable management tool to any customer when receiving it with the monthly account:

Customer name and Account No.

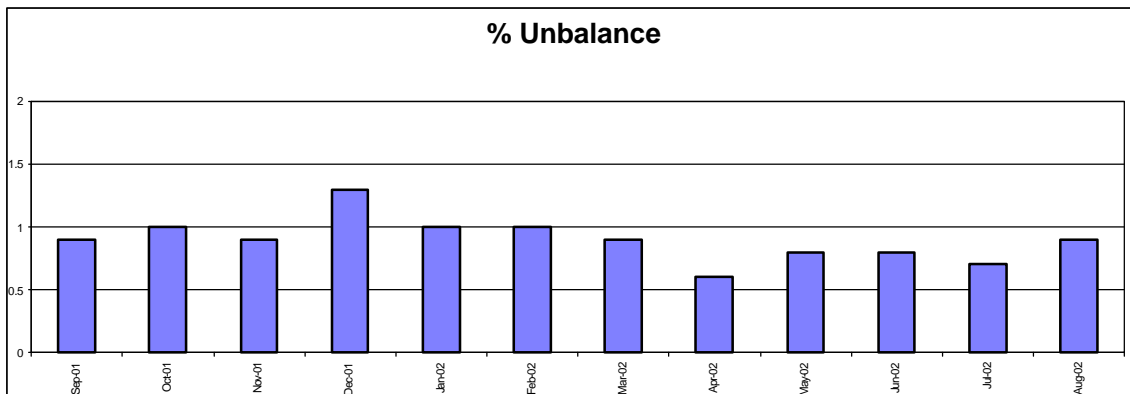
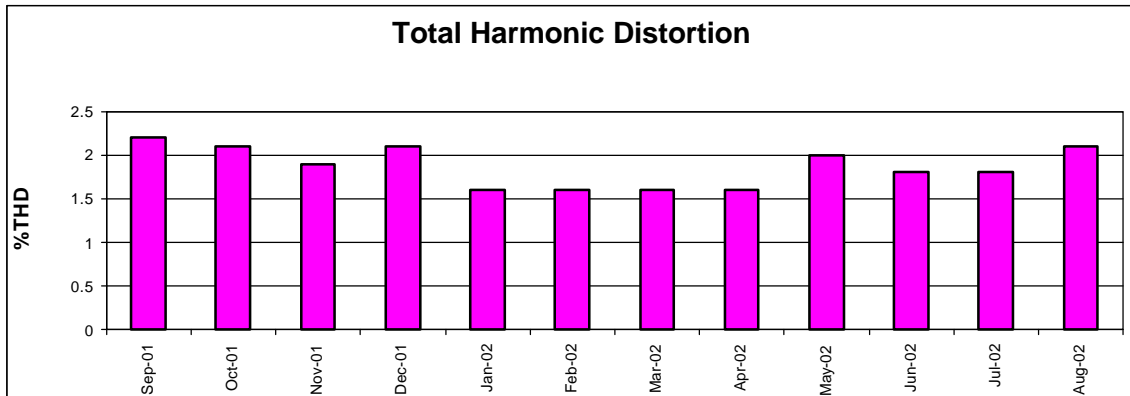
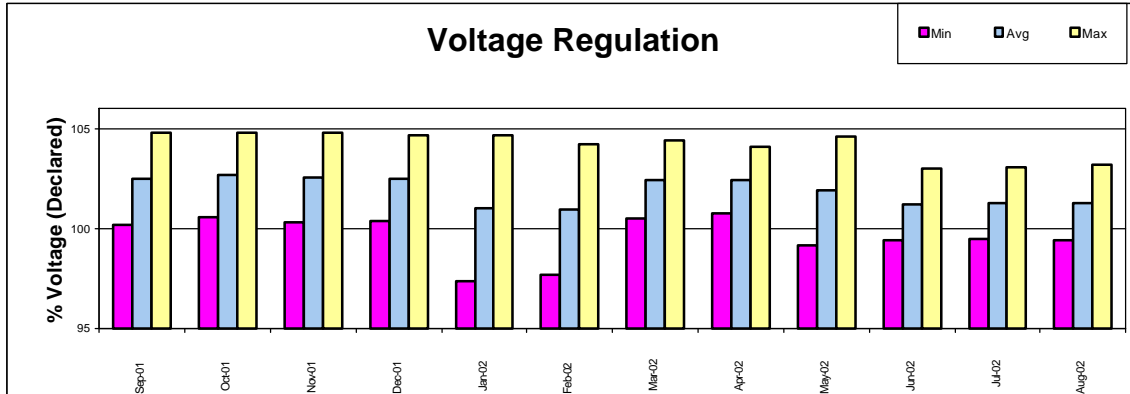


The customer is immediately empowered to observe the graphical explanation of its account, see the trends of consumption and account costs and develop an understanding for its monthly load factor and effective cost of electricity. From these graphs, strategic management decisions and budgets can be done. The latter information when updated, is an excellent opportunity for the distributor to verify and check the correctness of the account prior to dispatch.

Quality of Supply

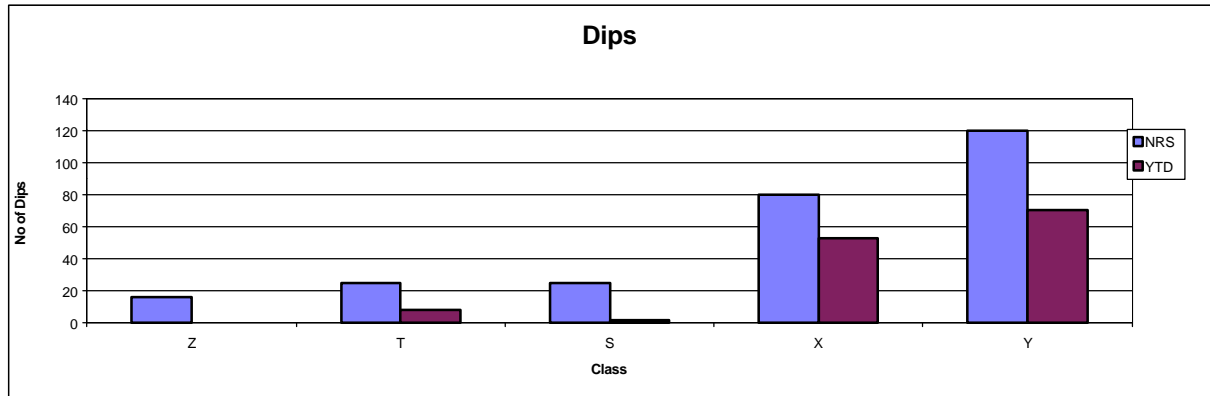
Various systems are already in place like QOS instruments (as required by SABS 047 & 048) that give extremely valuable information that can be summarized and provided with the customer's accounts to update them on their and your recently updated QOS.

Each dip or outage is summarized to explain the source of the dips. For practical reasons, this is normally done for all dips except Class X and Y dips.



Year to date dips

Class	NRS	YTD	Sep-01	Oct-01	Nov-01	Dec-01	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02
Z	16	0												
T	25	8		5							1			2
S	25	2	1											1
X	80	53	12	3	6	3	3	3	2		1	4	14	2
Y	120	71	11	6	3	4	3	5	4	2	5	4	20	4



Events for the month

Date	Time/hr	Time/s	NRS	Phase	Duration	Deviation	Remarks on events (Z, T, S)
8/12	06:52	15.640	X	BC	0.070	-22.4	
8/22	12:37	22.97	Y	B	0.050	-12.4	
8/23	07:44	37.140	Y	C	0.060	-17	
8/26	09:37	12.690	Y	C	0.040	-11.1	
8/30	15:55	21.630	Y	B	0.070	-12.6	
8/30	20:48	18.940	T	AC	0.120	-84.5	132kV fault on Capella line1 (Flash-over during strong winds)
8/30	20:48	21.490	T	AB	0.120	-84.9	
8/30	21:57	36.420	X	A	0.150	-28.1	
8/30	21:57	39.620	S	AC	0.250	-28.2	Eskom - Athene: 132kV B/Zone operation.

CITY OF uMHLATHUZE CASE

uMhlathuze Electricity negotiated customized agreements with its five largest customers and has provided the above information with enhanced service for the past 3 years and achieved great success and benefits to both parties. Customer care is addressed at top management level. Accounts are being paid within 15 days from the meter reading date, which also coincides with the ESKOM account payment. These few customers represent 40 % of the total sale of electricity and has reduced the debtors turn-over rate for electricity to 1/3 (from 15 to 5). The effective saving achieved from this is in the order of R740,000 p.a. for the past financial year, based on a 10% interest rate.

Initially the accounts were hand delivered to the customers. Recently the accounts, together with all related documentation is e-mailed with a personal covering letter to our customers – and even better – to the “hot contact” who pays the account with copies to all the relevant and interested

parties e.g. management, finance, engineering, production, etc. This has the advantage of all parties acknowledging that:

- a. The account has been received and checked
- b. Exceptions have been highlighted and explained
- c. Personal interaction and interest is shown
- d. Immediate options to act/react and address/rectify
- e. Ensure payment on time

STATE OF THE ART TECHNOLOGY

On-line metering is a new trend and technology is available whereby a service provider contracts to do the metering by downloading and make management information available via the internet on a daily basis. The typical fee payable by the customer for this service is R600 per month.

This enables the customer to have hands-on control of electricity costs and all relevant information is readily available to both the distributor and the customer. Access to raw data is available at any time to be downloaded via the internet. This is an extremely valuable tool to any management when evaluating the impact of operational changes.

CONCLUSION

After carefully considering all the above, the difference between service and excellence lies within the following indicators:

- Flexibility
- Updated management information
- Efficiency
- Reduced outstanding debts
- Personal interaction,
and most important
- Going that extra mile!