

Restoring Eskom's image and public confidence

Public confidence and image campaign

The reliability of supply issue has forced South Africans into an era of uncertainty, since a resource we have always taken for granted has become scarce. The electricity crisis has impacted heavily on public confidence in Eskom and the organisation's ability to deliver electricity on a sustained basis is being brought into question.

The impact of load shedding in the public space cannot be underestimated, changing the way people live and work almost overnight. Coupled with this uncertainty, there have been announcements about price increases that will affect not only residential customers, but also business and the economy. The full impact of the issue is starting to become clear to South Africans from all walks of life and the resultant anger and shock are completely understandable.

Eskom and government have communicated the national recovery plan, starting with the stabilisation phase, the power-rationing phase and the power-conservation phase. Coupled with these messages, Eskom has outlined the severity of the supply problem and the long timelines involved in bringing new power stations online. With this in mind, the role of the consumer becomes critical in managing the issue of demand.

Long term, a sustained behaviour change to a more energy-efficient culture in South Africa is the ultimate objective of Eskom's communication. A partnership between government, Eskom, business and the South African public is the only way to address this complex issue.

Co-ordination efforts with government in terms of communication are ongoing to ensure synergy of messages in order to address confusion in the public domain. The communication is multi-pronged, with campaigns to educate the public about energy efficiency driven by government and, more recently, the private sector.

An integrated campaign will be launched to provide much-needed educational content and provide a platform for South Africans to enter into a dialogue with Eskom. We have also bolstered our resources and systems to deal with media queries and the management of issues in the public space.

Although the electrical supply system remains tight, power rationing has brought predictability to consumers and businesses, and the increased reserve margin has allowed Eskom the "space" to carry out crucial maintenance. With high-profile communication campaigns being launched, much-needed information and feedback will be forthcoming. Over time, Eskom will seek to rebuild public confidence and, once again, earn the trust of the South African public.

Stakeholder engagement

The following strategic engagements have been established since the onset of the crisis in January 2008:

- ministers, Eskom, the energy-intensive users group, metros, large municipalities and Business Unity South Africa have a bi-monthly meeting. The Minister of Public Enterprises chairs the meeting and the Ministers of Minerals and Energy and Provincial and Local Government are members
- the supply availability co-ordinating committee was established
- the national electricity response team, chaired by the department of Minerals and Energy, has been established. It includes representation from various bodies such as labour, government, Eskom and business
- the chief executive briefs the cabinet and parliamentary portfolio committees regularly
- a presidential joint working group has been formed
- internally, Eskom has established the recovery programme that is chaired by the chief officer (system operations and planning)

Our plan is to continue with the implementation of the stakeholder engagement model which includes the following activities, *inter alia*:

- facilitate pro-active and regular feedback sessions with the stakeholders to discuss the challenges facing the organisation, including proposed mitigating solutions. This will help to fill the information vacuum and prevent speculation
- influence opinions and perceptions of stakeholders in support of Eskom's strategic priorities

Eskom has established a recovery plan that is driven at executive level.

- optimise liaison between stakeholders and Eskom in an integrated manner across all divisions
- establish strategic partnerships with key stakeholders with a view to strengthening relations
- gather business intelligence and sensitise the organisation on issues that could potentially put the organisation at risk

Customer satisfaction

Eskom’s efficiency is important to South Africa’s economic prosperity, transformation and sustainable development. By monitoring customer satisfaction, we can plan pro-actively to ensure that we deliver the required quality of service at the appropriate time and price. We use a range of statistical perception surveys, conducted by an independent research organisation, to measure customers’ satisfaction with the service delivered.

Customer service index

The customer service index combines the results of two customer service perception surveys (Enhanced MaxiCare and CustomerCare) and four internal customer service measures. The index score on 31 March 2008 was 82,11% (2007: 87,09%) against a target of 84,37%.

The weights and scales applied within the index categories are reviewed annually and, where required, aligned to emphasise management priorities and decisions aimed at maintaining or improving customer satisfaction.

Customer service index

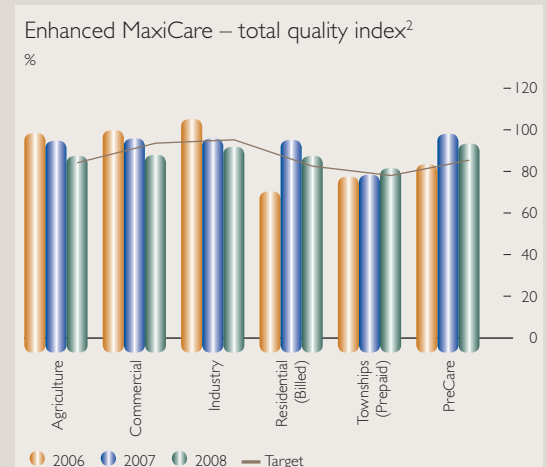
	Target 2008 %	Actual 2008 %	Actual 2007 %
External customer perception surveys:			
– Enhanced MaxiCare	≥89,65	89,15	93,85
– CustomerCare	≥79,50	82,53	83,47
Internal performance measures:			
– Restoration time	≥80,00	75,96	80,65
– Minor projects quotations	≥89,00	82,00	88,00
– Minor projects connections	≥89,00	83,00	91,00
– Contact centre service level	≥80,00	75,00	82,00
Weighted customer service index	≥84,37	82,11	87,09



Energy-efficiency brochures.

Enhanced MaxiCare¹ – total quality index

The total quality index summarises the Enhanced MaxiCare results and gives a broad indication of the quality of service delivered (sampled from all customers). The importance and perceived performance of individual service aspects measured are taken into account.



¹ Monthly survey where retail and newly electrified residential customers rate both importance and perceived performance on detailed service aspects where results are the total quality index percentage against importance.

² Comparative years on the graph not adjusted for changes in weights and scales used in the current year.

Performance review continued

CustomerCare¹

The CustomerCare survey measures the satisfaction of customers who phoned the contact centre per week on a scale of one to 10, where 10 is excellent and one is very poor. The customer relationship management system tracks and escalates customer queries for resolution. Key improvements were also achieved as a result of management focus and the training and motivation of front-line staff.

Call volumes answered by contact centres during the 12-month window, increased to 3,66 million (2007: 3,21 million). Call volumes prior to load shedding were on average 16 500 calls per day. During load shedding this peaked to an average of 48 000 calls per day.

CustomerCare performance is summarised below:

	Target 2008 %	Actual 2008 %	Actual 2007 %
Contact centre service delivery	≥80,00	85,50	86,50
Follow-up service delivery	≥79,00	75,60	76,80
Overall service delivery	≥79,50	86,50	87,10
CustomerCare	≥79,50	82,53	83,47

Restoration time

Restoration time is the percentage of customer outages that were restored within 7,5 hours of being reported. This is measured from the time the power outage is logged on the system until power is restored.

Unplanned outage restoration times influence the customer's perception of Eskom's technical response. This indicator is a good measure of the commitment to customer service from the technical side of the business.

Minor project quotation and connection times

"Minor" describes the process followed by the project and does not reflect the amounts spent or the business impact. Under this process, Eskom connects about 35 000 billed and prepaid customers a year (excluding electrification projects and major customer projects).

The quotation indicator measures the percentage of quotations received by customers less than 30 days from the time the request was received. The connection indicator measures the percentage of connections made less than 90 days from the time the quote was accepted.

Minor project quotations and connections are key areas, as they are often the first impression the customer has of Eskom.

Contact centre service level

This is the percentage of calls answered (by an agent) within 30 seconds. The world benchmark for the first quartile² is in the range of 78% to 90% (previously: 80%).

Load shedding

Eskom anticipated achieving the current-year targets prior to the occurrence of load shedding events. Customer service index results were, therefore, impacted negatively by the capacity constraints, coupled with the following:

- load shedding
- pressure on customers to reduce demand
- the implications of proposed higher tariffs
- possible delays in processing applications
- negative publicity portrayed via external media

¹ Monthly survey where customers who have phoned the Eskom contact centre are asked to rate the various aspects of their experience on a scale of 1 to 10.

² The first quartile is a measure that represents the 12-month moving average for customer service-level performance of comparable top-performing international utilities.

Call volumes at the contact centres increased to 3,66 million – an average of 48 000 calls per day during load shedding.

These consequences, which cannot be ring-fenced separately from normal operations, have severely impacted customer perception measures in Enhanced MaxiCare. CustomerCare measures have not been affected since these measure customer perceptions related to specific service interventions, which may not be related to, or affected by, load shedding.

A customer service index turnaround strategy has been implemented to address the issues impacting the component measures of the customer service index. The expectations for the next financial year are also under review in order to accommodate the impact of the capacity constraints.

The following business initiatives and strategies will manage and assist customer service:

- demand-side management initiatives
- website development and upgrade
- enhanced load shedding schedules and refined principles
- review of load reduction allocations on fair and equitable basis nationally
- interface with redistributors to combine load shedding schedules
- contact centre capacity with additional resources
- improved communication and media briefings
- arrangements with specific larger customers to reduce load demand
- considering customer and public recommendations via website
- dedicated recovery team to provide dedicated support to the business
- focus on communication and predictability of load shedding process

Refer to www.eskom.co.za/annreport08/043 for more information about the measuring of customer satisfaction.



Material used to educate customers about wise energy use.

EDI restructuring

In October 2006 Cabinet approved the proposal to create six regional electricity distributors (REDs).

These REDs are to be established as public entities, accountable to the Department of Minerals and Energy. Electricity Distribution Industry Holdings (Pty) Limited is implementing government's restructuring policy. The critical next steps include the finalisation of outstanding policy matters and the drafting of enabling legislation.

Eskom completed the ring-fencing of its operating units in the prior years, in preparation for the RED formation. Any further internal preparation is dependent on the resolution of national policy matters.

In order to minimise any risk to Eskom and the industry, we have identified, and made transparent, a number of key enablers; for example, compensation for transfer of assets and the impact on the Eskom credit rating. Through national and regional participative structures, Eskom is interacting with key stakeholders to assist with related matters where required.