

# MANAGEMENT

By Melanie Rettie and Mo Rousso

## Have You Seen Your e-Business Plan Yet?

How would you like to improve your business practices—saving money and improving your market image, while increasing revenue and customer satisfaction? A new electronic world can do all that and more. It is called e-Business. However, you have to start with a plan.

In simple terms, electronic business, or “e-Business,” involves conducting business over the Internet. This can include generating and collecting revenue, servicing customers, procuring materials and supplies, accessing vital infrastructure information and many other streamlined business functions. A subset of e-Business is electronic commerce (e-Commerce) that includes carrying out transactions via the Internet, either business-to-business (B2B) or business-to-consumer (B2C).

Why is e-Business such a hot item? It is due to the shift in business and customer habits. Most businesses now have much of the essential technical infrastructure in place such as local area networks (LANs) and links to the Internet. More than 60 million adults are online in the United States, according to Mediamark Research, and many are learning to do business on the net. Utilities have an unprecedented opportunity to reach out and touch their customers. Many organizations are seeing significant savings as they move business to the Internet.

### Reduced Costs

Certainly a major benefit of e-Business will be savings from reduced manpower needs (less staffing, less training) and reduced expenses (office space, printed forms).

For example, processing a traditional paper-based order typically costs between \$50 and \$70 for a private company, and up to five times that for a public agency. Electronic procurement allows businesses

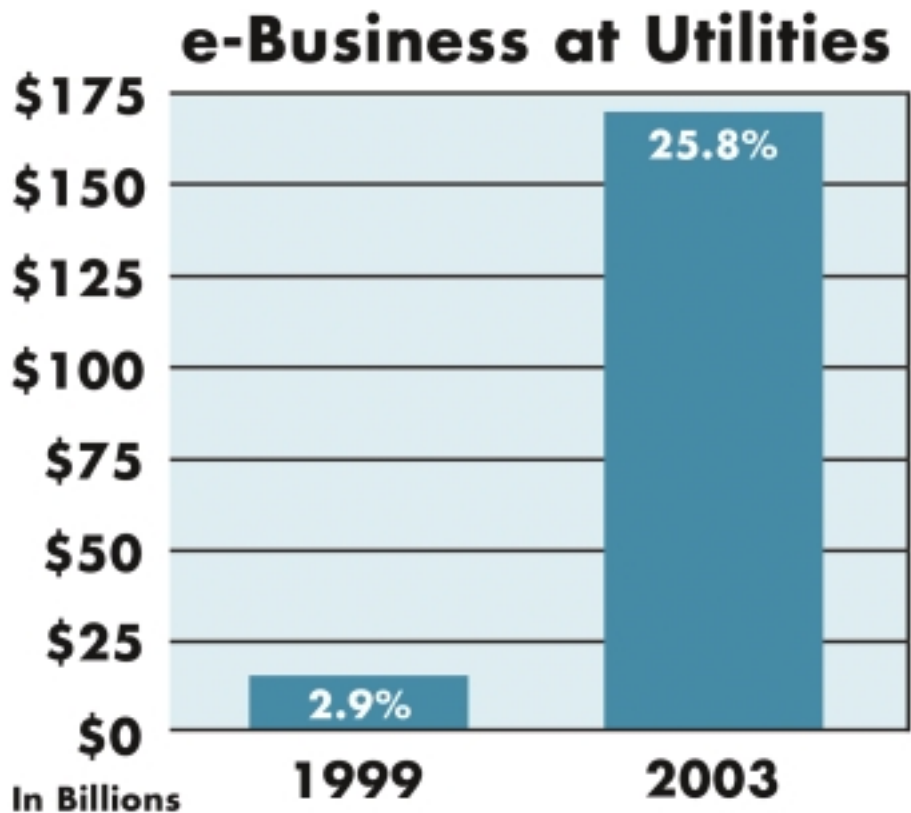
to eliminate the majority of this cost (to as little as \$5 per transaction). In addition to the streamlined process, the cost of the supplies themselves can be reduced by an average of 10 percent. A well-developed e-Business strategy also will help a utility manage supplier relationships, reducing costs through

- Outsourced inventory functions,
- Reduced or eliminated space and personnel,
- Reduced inventory levels,
- Reduced depreciation,
- Reduced maintenance wait-time, and
- Reduced equipment downtime.

In its more advanced form and where purchasing regulations allow, strategic relationships can be created with key

providers and communications with them managed through the Internet. Technology can be implemented to let the provider monitor and maintain agency inventory levels, keeping the absolute minimum quantities needed on-hand.

Opportunities for offering B2B services with other public agencies also exist. For example, an online presence with the appropriate integration will allow you to partner with other utilities and share systems for purchasing, inventory and work management. A further extension would be to share resources such as facilities and shops, expensive seldom-used equipment and parts and other materials inventories. You can even share and schedule personnel with specialized skills or assist one another by augmenting staff during emergencies.



### Increased Revenues

Revenues will increase through more prompt and secure customer bill payment, a decrease in the billing cycle float and the creation of new channels for selling products.

Revenue can come from products offered via your website such as permits, specifications, maps, underground location services or information developed as part of internal initiatives. Much of this information will provide revenue with little or no cost to you.

Yet an infant business strategy, e-Business represents a unique opportunity for entry into new markets limited only by the imagination. It allows utilities to leverage their market position individually or in conjunction with other utilities or community services.

### Improved Customer Satisfaction

Perhaps the most important reason for you to develop an e-Business strategy is to enhance your customer satisfaction and public image. A well-designed implementation will result in customers getting faster and better service with less loss of their time.

- Online service requests, including the ability to view the estimated servicing schedule (such as account turn-ons/offers and transfers, high bill complaints, initiating meter rereads and taste and odor complaints) or even scheduling their own appointments.

A utility also can communicate directly with customers via the Internet regarding special situations (e.g., temporary service situations, discharge quality), proactively assuring customers that they are valued.

### Enhanced Public Image

Improved customer service leads to loyalty, protecting your customer base and enhancing your community image. A well-designed website provides unique educational and public relations opportunities. Your website can offer information and activities of interest to many residents.

Another vehicle to promote and build customer advocacy is to provide links to other utilities or community services through your website. Once finished doing

It is simple.

- **Plan first, plan second and plan third**—what is your business?
- **Improve processes**—do not pave the cow path!
- **Design your site**—keep round-the-clock availability, (customer service, support, performance and security) at the top of your list.
- **Build in performance measures**—know when you are successful.
- **Plan it first, build it quick**—get in the running.
- **Get help from industry experts** when planning your future.
- **Get help from technical experts** when planning your website, but do not rely solely on application vendors.
- **Recognize and plan** for the impact to your workforce.

### What Are You Waiting For?

Implementing a successful e-Business strategy requires rethinking your business practices. This may include evaluating and implementing strategic partnerships, sole sourcing and internal process reengineering. It also may include outsourcing of certain functions, leveraging technology and rethinking the organization in terms of skills and positions. This will allow you to effectively and successfully build and strengthen customer relationships, project a powerful brand image and create significant barriers for competitors to enter your market. Implementing a successful e-Business strategy will help you increase revenues, reduce costs and recruit and retain employees successfully.

A well-developed e-Business strategy will help implement fast, flexible and extremely cost-effective business practices, propelling your utility to maximum revenue/profits for the millennium. It will reduce costs and provide opportunities for increased revenue. Your customer satisfaction will increase dramatically, as will your utility's image and new business opportunities.

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Benefits will be derived from the following.

- Electronic bill presentment and payment, including personalized bill layouts and informational content with web-based or automatic EFT and debit payments.
- Online access to personal account information, including the ability to establish a new account, close an existing account or update personal information.
- Reduced need for customer service representatives as customers begin to provide their own service via the Internet.
- Electronic servicing of information requests about the utility, including a FAQs (frequently asked questions) page and a form to request more specific information.
- Online submission of general com-

plaints and requests. business with your utility, a customer can conduct transactions with other utilities or community services as well. For example, such links could include local news, neighborhood profiles, local weather forecasts and upcoming community events.

Public officials are very sensitive to any erosion in public confidence and are quick to act to correct the situation. Traditional customer service practices no longer adequately serve the entire spectrum of customers, especially those customers that become more sophisticated in their use of technology. The real challenge is to differentiate yourself from the traditional monopolistic utility by projecting a strong public image.

### How Do We Get Started?

So how does a utility develop and implement a strategic plan for e-Business?