



# **Restructuring in the distribution sector in Bhutan**

**SARI/E Regional Executive  
Partnership**

**Kolkata, July 23-25, 2003**

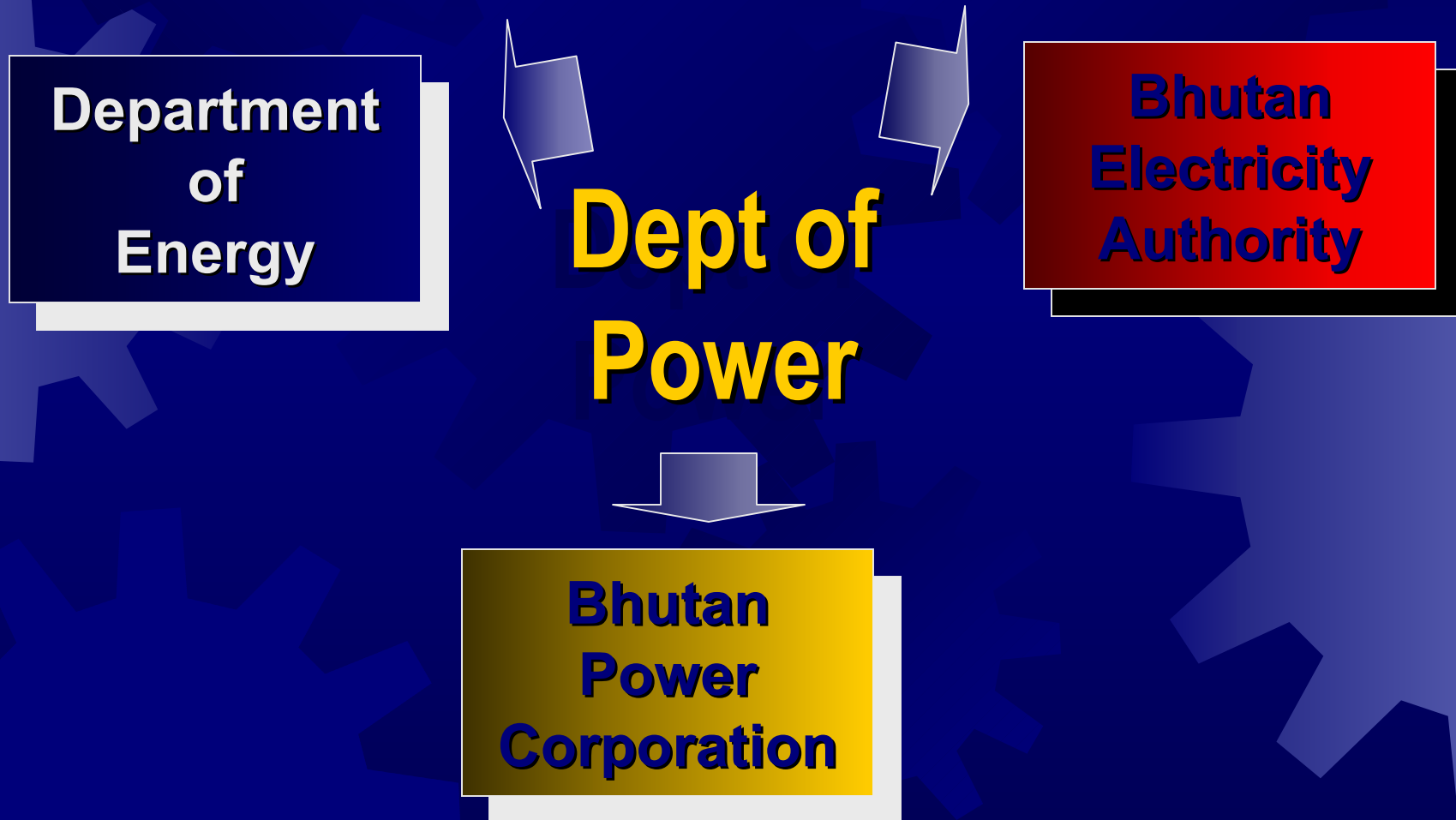
The background features a dark blue field with several large, semi-transparent gears of varying shades of blue. On the left side, there is a vertical strip with a colorful, abstract pattern that resembles a cityscape or a complex mechanical structure with warm tones of orange, yellow, and red.

# *Presentation* **Outline**

- Recent Restructuring - Corporatization
- Government Involvement
- Corporate Mission of the BPC
- Impacts of restructuring
- Strategies to increase efficiency
- Improving Customer Service
- Lessons Learnt

# Recent restructuring

## *Corporatization*



# **Government involvement in restructuring**

- **All changes led by the government**
- **Need to restructure identified in 1990's**
- **Two studies conducted from 1996-2000**
- **Electricity Act passed in 2001**
- **Government approval in early 2002**
- **BPC formed on 1 July 2002**
- **Tariffs approved by government**
- **Future tariff approvals by BEA**
- **Continued support from government - in the form of low bulk purchase price**

# *BPC Corporate Mission in the distribution area*



*To provide adequate, reliable, good quality and affordable electricity in a customer friendly, safe and efficient manner*

# Impacts of restructuring

- Year-end balance sheet shows state of the company
- Strong financial focus
- More responsibility & accountability to employees
- Service provider culture for better & improved services
- More funds for investment
- Most customer's willing to pay more for better service
- Improved reliability

# Strategies to increase efficiency

- **Goal-oriented Corporate Strategic Plan**
- **New Performance Management System**
- **Proper & clear rules on - Finance, Procurement, Service Connections, etc.**
- **Contracting non-value added works**
- **Influencing employees to change their mindset and take more responsibility**
- **Making goals public so there is accountability**

# Strategies to increase efficiency

- Loss reduction - Regular audits
- Setting performance benchmarks
- Cutting/controlling costs
- Training - over 3% of budget in training
- Making employees multi-task
- Computerizing billing, accounts, etc.
- Map network to better planning & response

# Example of Loss reduction strategy

<i>Measure</i>	<i>Targets</i>	<i>Strategies</i>
<b>Level of losses</b>	<ul style="list-style-type: none"><li>● <b>Clearly define losses by July 2003.</b></li><li>● <b>Reduce losses p.a. by:</b><ul style="list-style-type: none"><li>○ <b>15% for losses &gt; 30%</b></li><li>○ <b>10% for losses &gt; 20%</b></li><li>○ <b>5% for losses &gt; 15%</b></li></ul></li></ul>	<ul style="list-style-type: none"><li>● <b>Meter replacement.</b></li><li>● <b>Mapping customers to transformers &amp; read meters on transformer basis</b></li><li>● <b>Checking with bulk meter.</b></li><li>● <b>Meter every connection.</b></li></ul>



# *To achieve our Customer Centric Vision:*

- ✦ **we are designing our work methods, systems, and processes keeping the needs and wants of our customers foremost in our minds**
- ✦ **we will be prompt to respond to customer inquiries/complaints**
- ✦ **we will create an environment where the interaction with the customer is pleasant and professional.**

# *New Initiatives on the Customer Service front*

- ✦ **Setting standard for the way we communicate & interact with customers**
- ✦ **Customer care & multi-task training**
- ✦ **Providing requisite information**
- ✦ **Soliciting customer feedback /surveys**
- ✦ **Quicker turn-around time: bar-code, printed receipts, etc.**
- ✦ **Clear supply rules by 2003-end**

# Example of customer response strategy

<i>Measures</i>	<i>Targets</i>	<i>Strategies</i>
<b>Interaction Time / Feedback Surveys</b>	<ul style="list-style-type: none"><li>• <b>Waiting time of no longer than 10 minutes by 2004</b></li><li>• <b>Service connection within 5 working days by 2005</b></li><li>• <b>Courtesy &amp; care training by 2003</b></li></ul>	<ul style="list-style-type: none"><li>• <b>Multi-train staff.</b></li><li>• <b>Quicker turnaround time for customer by computerizing and automating (e.g. barcode).</b></li><li>• <b>One window for multiple transactions.</b></li><li>• <b>Customer-care training.</b></li><li>• <b>Conducting surveys.</b></li><li>• <b>Provide free service cable for 30 meters to speed up and standardize service connection.</b></li></ul>

# Lessons Learnt

- **Need for extensive public awareness before implementing reforms**
- **Need for proper communication & outreach**
- **Proper timing of reforms/changes**
- **Need to get buy-in from employees**
- **How the message is conveyed is almost as important as the message itself**



**Thank You**

**Any Questions?**