What is a prepayment system?

Just a new meter?

Just a Point Of Sale terminal?

Just a database?
What is a prepayment system?

- All components are linked together to form a complete system!
The Wind of Change

Prepayment requires profound changes in your:

- Customer behaviour
- Customer Service
- IT procedures
- Management
- Metering
Co-operation

In fact, all parties need to buy into the concept and appreciate the benefits offered.
Project Management

- Allocate resources and responsibilities
- Establish programme schedules
- Fix tangible milestones
- Measure the progress
The Plan

- These are some of the actions that need planning:
  - Tender specification
  - Selection of a prepayment system
  - Staff training
  - Marketing Campaign
  - Selection of vending sites
  - Contracting of vendors
  - Revenue Management
  - Installation of equipment
  - Maintenance
  - Daily Administration
Tender Specification

Look at all the system components:

The meter
The payment system
The management tools

Only a complete system ensures efficient revenue management!!
Selecting the System

Specification areas to cover:

- Number of customers
- Compatibility to systems
- Hardwarerequirements
- Vendor selection
- Emergency credit
- Friendly credit
- Required tariffs and taxes
- Data required for management
- Reports and maintenance
- Procedures for revenue collection
Teaching Ourselves

- The sophistication of most prepayment systems requires staff training on different levels:
  - Management
  - System Administration
  - Installation teams
  - Maintenance teams
  - Customer Service staff
  - Vendors
  - Vending operators
Marketing Campaign

- The aim is to engender consumer acceptance and appreciation:
  - Advertising themes
  - Media (TV, radio, mail shots, brochures, posters etc.)
  - Public meetings
  - Involving local community leaders
  - Encouraging demand
  - Emphasising the benefits to the consumer
Consumer Education

• The consumers must know how to use the product:
  • how and when to purchase credit
  • be able to enter the credit
  • to read the ED, to know when to re-purchase credit
  • know how much credit they have available at any time
  • how to clean the ED
  • what to do or who to contact if they experience problems
Marketing of the Benefits

- The consumers must appreciate:
  - the benefit of being in control of their budget: they decide how often and in what value they wish to purchase
  - should they forget or not be able to pay for their electricity that they will not be physically cut off by the Utility
  - they won’t have to wait to be reconnected, or pay a reconnection fee
  - will not have to suffer from the embarrassment of this situation
  - convenience of purchase
  - no more accounts or bills to pay which they may not have previously understood
Advertising Themes

- At all times re-enforce the positive aspects:
  
  “Making your life easier”
  “Electricity at your convenience”
  “No more shocking bills/accounts”
  “Putting you in control of your electricity costs”
  “Pay as you go”
Add Value

- The Utility can add value in a number of ways:
  - vending stations are conveniently located
  - enough Points of Sale are available
  - vending is possible at all hours of the day
  - vending services are accessible to remote customers
  - ‘phone in vending
Encourage Demand

- Newly electrified customers do not always have the appliances to use electricity.
  - Low usage and poor return on investment
  - Partner with an appliance manufacturer or distributor
  - Use the connection fee or deposit to purchase a two plate stove
  - Appliance manufacturer provides a discount coupon with every ED (could also be exchanged for electricity)
  - During customer demonstrations use the manufacturers appliances: possible donations as prizes
  - Vendor can act as “agent” for appliance manufacturer
Choosing Vendors

- Points of Sales can be established in many places:
  - Supply Authority offices
  - Supermarkets
  - Petrol stations
  - Unattended Vending
  - Telephone Vending
- Contracts need to be set up with vendors before start of the operation.
Where is the Money?

- Revenue Management
  - Select a System Manager and appoint supervisors
  - Organise training for all system operators
  - Configure the SMS to your needs
  - Ensure compatibility with other IT systems
  - Ensure implementation of security measures
  - Determine policies and procedures w.r.t.
    - housekeeping of the database
    - running of reports
    - communication with vending stations
Installation

- Set up installation teams and prepare appropriate tool kits
- Determine the timing for each installation
- Prepare your installation teams to meet curious customers and to answer questions
- Get your staff trained in fault finding and product testing
- Measure their performance and adjust your plans
- Feed back to your customer base!!
Ongoing maintenance

- Set up a meter maintenance centre with all required tools
  - credit reader
  - ED verifier
  - Engineering workstation
- Define procedures how to handle enquiries and meter change-outs
Daily Administration

- Define procedures for
  - Emergencies (hardware failures, power outages etc.)
  - Archiving of data
  - Backing up of data
  - Running of exception reports
- Have regular training sessions for your staff
Conclusion

In order to achieve.....

We need a marketing campaign as well as careful planning and.....

Our reward will be happy consumers and lots of this: