

A case study of the Revenue Management & Enhancement Programme undertaken by Ekurhuleni Metropolitan Municipality (EMM)

Thinking Out Of the Box

29 July 2010



OUTLINE

- Introduction & Background
- Statement of challenges
- Financial Sustainability
- The customer
- The Revenue Management & Enhancement Programme
- Where are we heading
- Conclusion

INTRODUCTION

Ekurhuleni Metropolitan Municipality (EMM) was established in 2000 from 9 former Councils

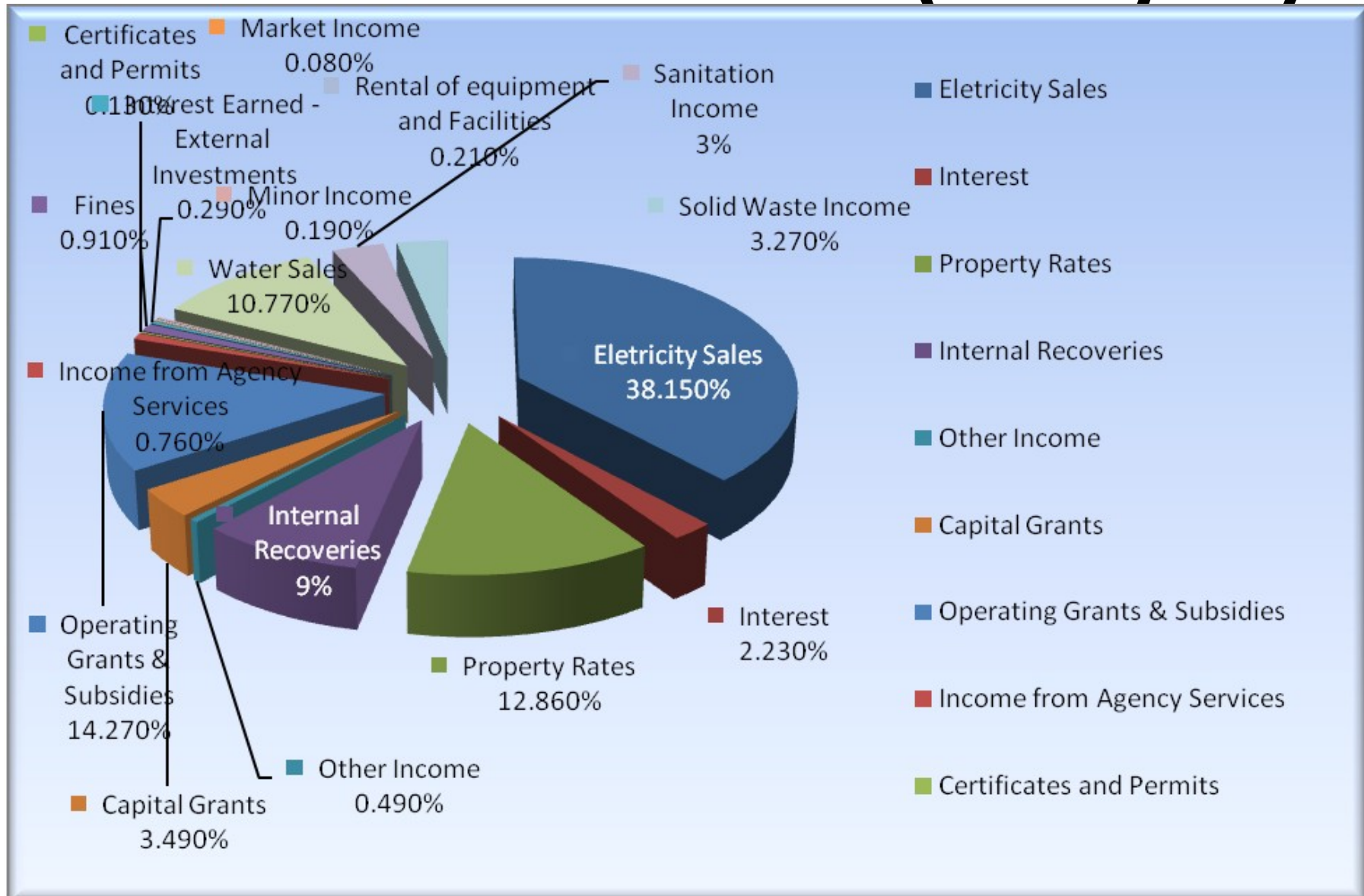
A diversified industrial hub of South Africa

Biggest rail hub and the busiest interchange in Africa





EMM has 800, 000+ customers

Divided into 20 Customer Care Areas

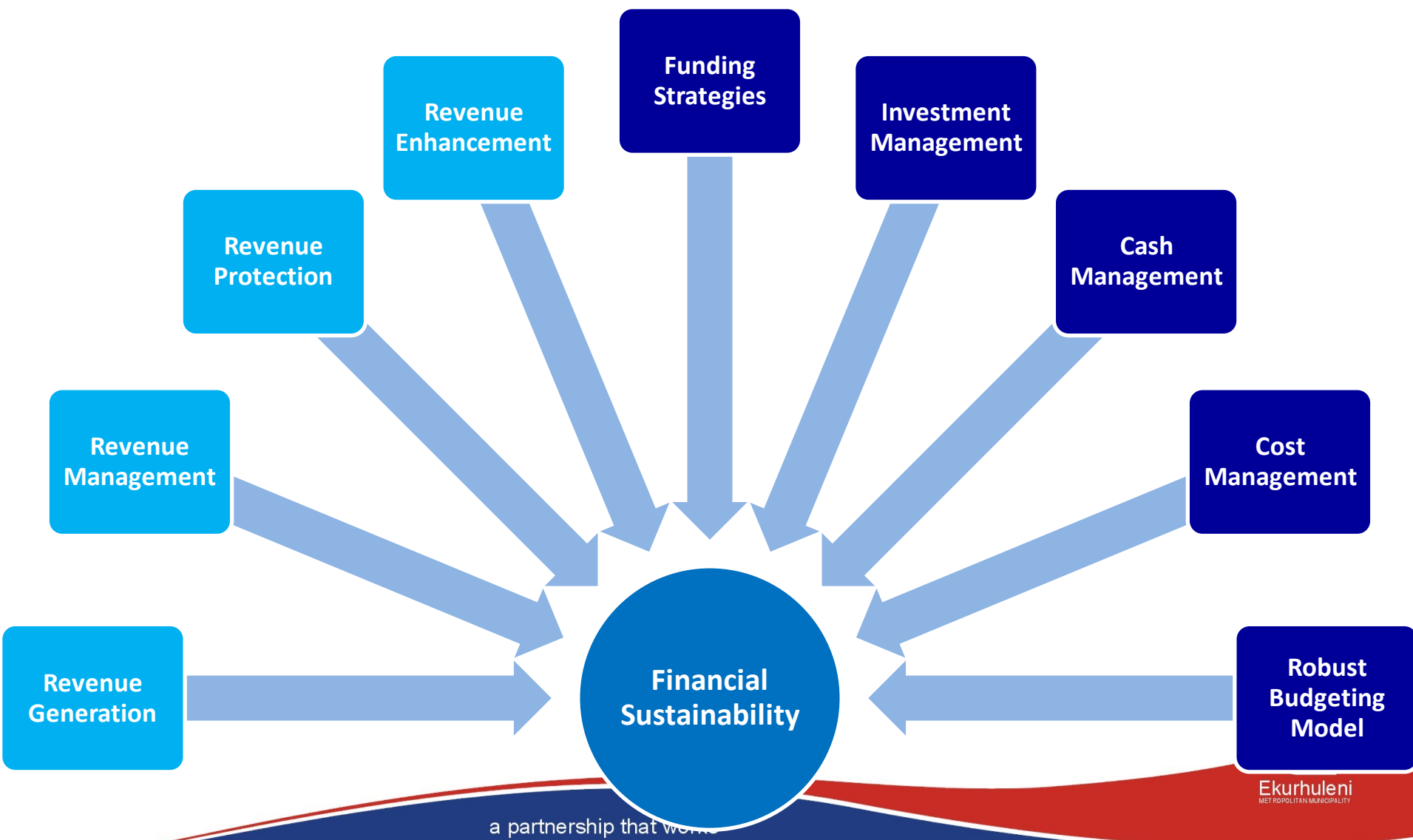
COMPOSITION OF OPERATING INCOME (2008/09)



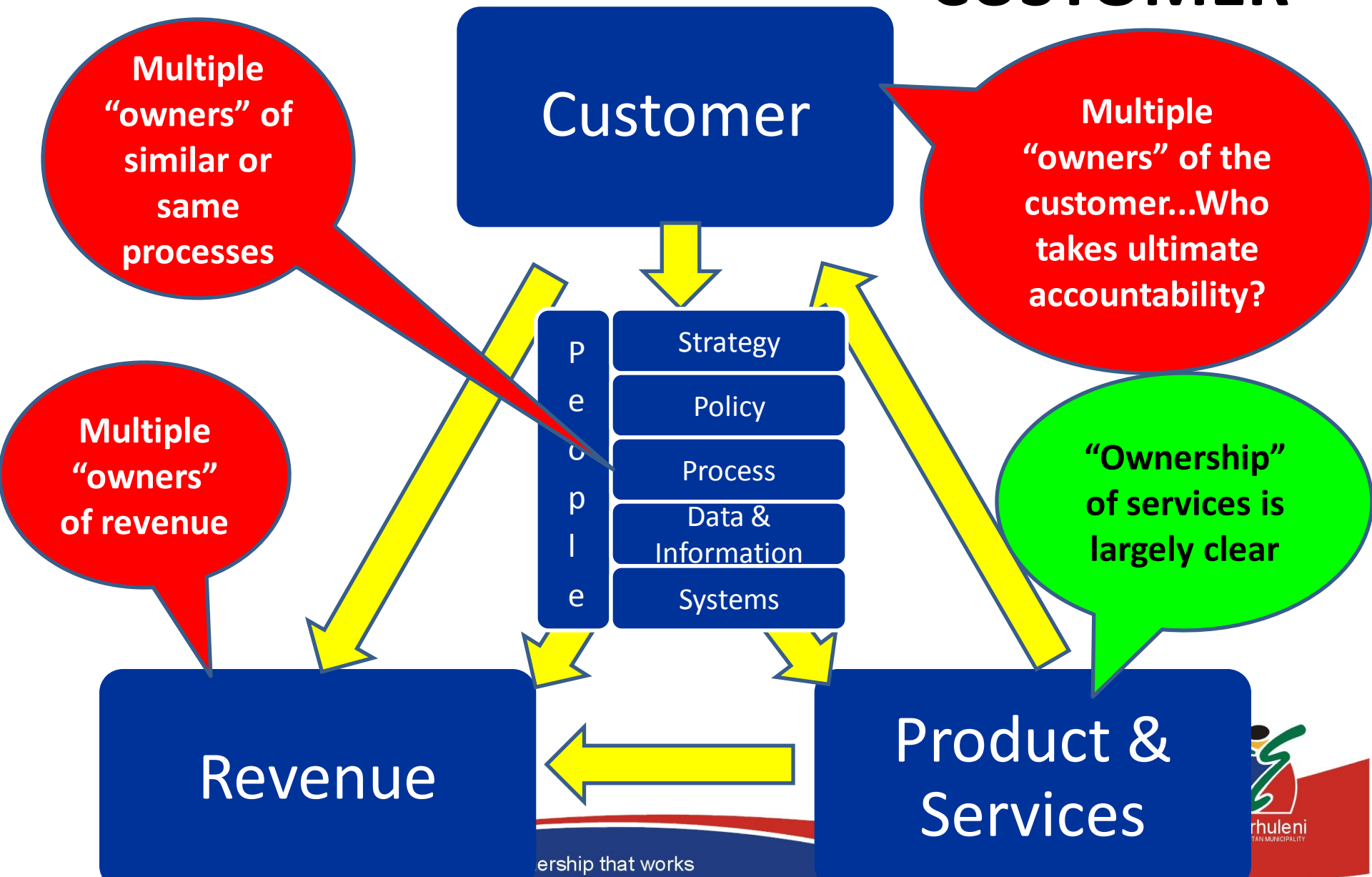
STATEMENT OF CHALLENGES

#	Challenge	Impact
1.	Economic downturn	Payment levels reduced 
2.	Moderate spending levels over the years	Increased service delivery backlogs 
3.	Having to eradicate service delivery backlogs	Surge in capital expenditure and tapping into savings 
4.	Institutional re-configuration	Increased spending on salaries 

DEALING WITH CHALLENGES



WALKING IN THE SHOES OF THE CUSTOMER



REVENUE MANAGEMENT & ENHANCEMENT

**Revenue
enhancement**

**Revenue
protection**

**Revenue
management**

**Revenue
generation**

Strategic interventions

Operational Efficiency

REVENUE PROTECTION

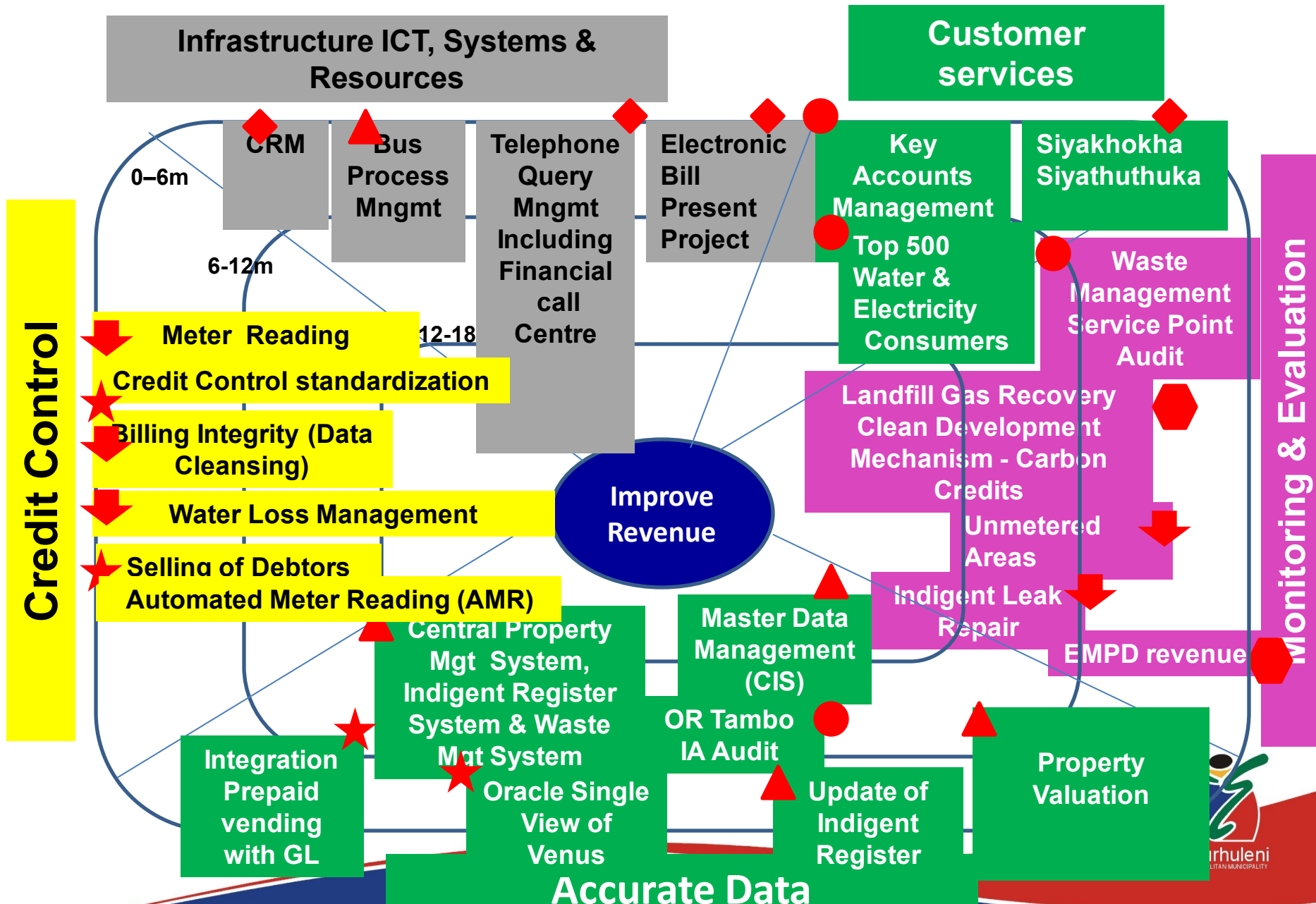
Recognise that the CUSTOMER is the reason why we exist

Align policy, process and technology to overall financial sustainability strategy

Completeness of revenue (billing and collection)

Removing any obstacles that would prevent the customer from paying us

PRIORITY PROJECTS



CUSTOMER OPERATING MODEL

**Customer
Care
Areas**

**Customer
Contact
Centre**

**Email
Fax**

**Website
(Online)**

**SMS /
MMS**

Twitter

Facebook

Customer Relationship Management

**Customer
Master
Data**

**Customer
Process
Management**

**Auto /
Standard
Response**

**Customer
Analytics &
Intelligence**

GIS & GPS

FAQs

1

**Customer
General
Queries**

**Customer
Accounts
Queries**

**Customer
Fault
Reporting**

**Customer
Service
Request**

**Customer
Complaints
& Feedback**

**Booking of
Facilities**

2

Finance

Water

Electricity

**Urban
Management**

Emergency

Political

3

**Billing &
Metering**

**Community
Relations**

**Operations
Centre &
Dispatch**

Enforcement

**City
Secretariat**

4

Political Office
City Management (HODs, Dir, Managers)
Performance Management

CUSTOMER PAYMENT CHANNELS

Cash or
equivalent

ATM

Internet
Transfer

Third
Parties &
Kiosks

Card

ACB /
Debit
Order

Cheque

Payment Engine

Customer
Master Data

General
Ledger

Automated
Bank Recons

Electronic
Billing and
Payment &
Payment
Analytics

Service
catalogue &
pricing

Customer
Accounts
Enquiries

Pre-paid
electricity

Account
settlement

Account
Pre-payment

Debt Collection

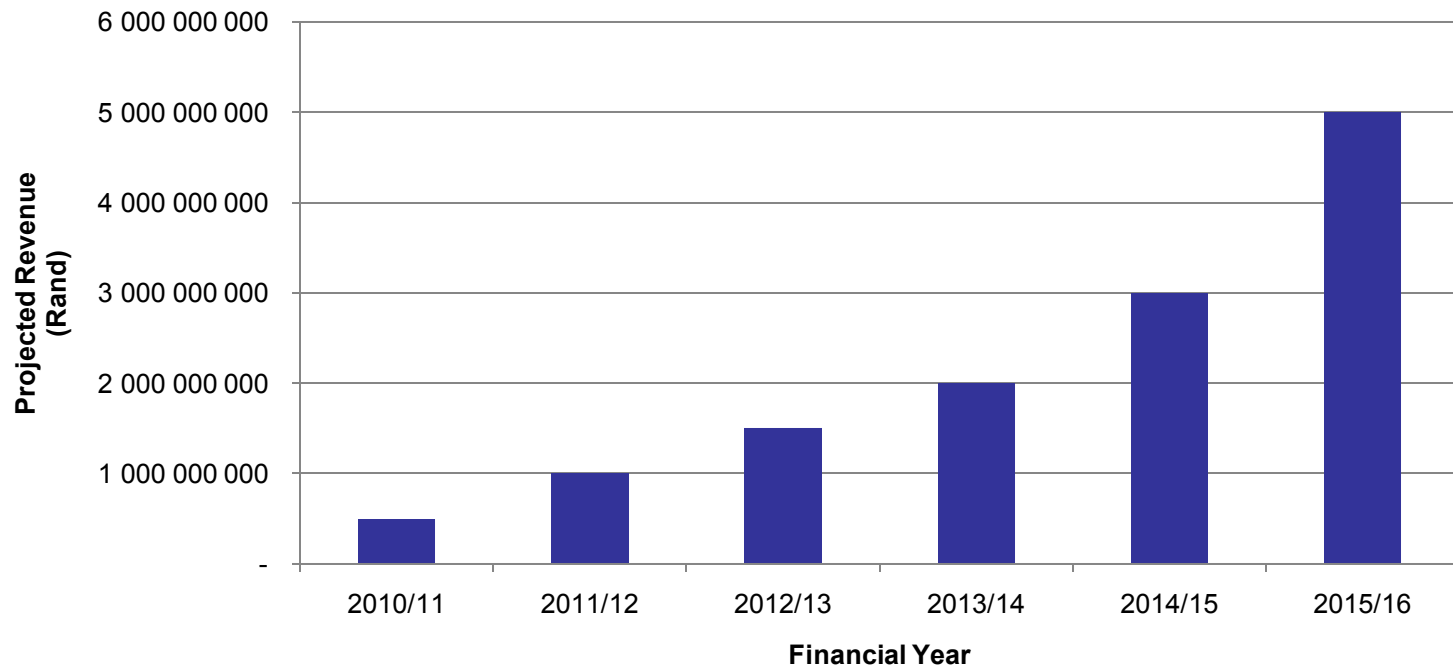
Credit Control

Business Platform +

Billing Engine

PROJECTED REVENUE FROM PROJECTS

**Projected Revenue From Projects By Financial Year -
2010/11 to 2015/16**



PROJECTIONS FOR 2010/11

PROJECT NAME	YEAR	POTENTIAL REVENUE (PTD)	ACTUAL RECEIPT (PTD)
MPRA	2009/10	R 65,874,600.00	R 10, 430,000.00
ORTIA	2009/10	R 10,413,134.00	R 3,545909.24
MINING OF BILLING DATA	2010/11	R30, 000,000.00	R9, 874, 650.00
LANDFILL GAS RECOVERY			
	2011/12		
EMM GAS RECOVERY	2012/13	R 30,574,900.00	
EMM REAL ESTATE PROJECT	2009/10	R 43,000,000.00	R 3, 300, 000.00
INTEREST WAIVER CAMPAIGN (1 October 10)	2010/11	R538, 000, 000.00	
EXPLORING SALE OF DEBTORS BOOK (30 June 11)	2010/11	R300, 000,000.00	
Grand Total		R 1,049, 712, 897.17	R 27,150559.00

THE RMEP WILL DELIVER FINANCIAL BENEFITS AND QUALITATIVE ONES...

- Opportunity to **integrate** the organisation and **break silos**
- **Identify bottlenecks** and put in place solutions that will fix them permanently
- Identify **new projects to enhance revenue** and influence the strategic path of EMM
- Develop an **internal consulting competency** to ensure financial sustainability (process improvements, cost management etc.)



THANK YOU.

