

Douglas Electric

small in stature,
big in member
satisfaction



Manager Ken Van Zee personally delivers a scholarship to University of Sioux Falls student Nicole Lefers.

Photos courtesy Douglas Electric

By Erin Huntimer

If any one of Douglas Electric's 825 members calls at 3 a.m. to report an outage, the call won't go to a dispatch center. And it certainly won't go to voice mail. It'll go to manager, Ken Van Zee, or any of the cooperative's six other employees at home. It's that important.

"You know the old saying, you get 80 percent of your calls from 20 percent of the people. Inversely, when one of the other 80 percent calls, you know they need help," Van Zee says. "They're proud, independent farmers. They wouldn't call you unless they couldn't do it themselves. I don't care if they need their security light on because they're weaning calves, or if it's something huge, you have to treat them all the same. If it's important to them, it's important to us."

That kind of personal touch is a big reason why Douglas Electric of Armour, SD, scored one of the highest customer satisfaction ratings among utilities in the country. Douglas Electric scored 91 on the American Customer Satisfaction Index's (ACSI) 100-point scale, as reported in the second quarter of 2010. One other cooperative in the country scored the same that quarter; none scored higher.

ACSI is one of the most recognized customer satisfaction indices in the

United States. It's managed by the University of Michigan Business School and sponsored by the American Society for Quality. It measures customers' satisfaction in 16 major industries and 190 leading corporations. Douglas Electric incorporated the standard ACSI questions into the end-use survey that went to members this spring. Results were received in August.

Focus on the basics

Those 3 a.m. outage calls are rare. In 2009, Douglas Electric's outage time was 23 minutes per member for the year. Out of 865 cooperatives in the country, only 33 had shorter outage times, Van Zee says. "That reliability is part of what drives member satisfaction. They can put up with higher rates as long as they have good service."

The cooperative has a strong history of returning capital credits to the membership, one of the top in South Dakota according to Van Zee. Checks are distributed to members at the annual meeting in late September.

While the annual meeting is good venue for personal contact and general communication, Van Zee believes regular communication throughout the

year is critical, especially through the center pages in the Cooperative Connections monthly magazine, published by the South Dakota Rural Electric Association.

The core of the cooperative's outstanding service is the seven employees of Douglas Electric – their commitment and their connections. Three of the cooperative's four linemen have parents on the cooperative's lines; they feel a personal responsibility. "The last thing they want to hear over dinner at Thanksgiving, 'Why were my lights blinking again?'" he says.

Van Zee is in his 40th year with the cooperative. He started as a lineman in 1971. In 1992 he was promoted to line superintendent and manager of member services. He was named manager in 1998. "So now I do all three. . . . Everybody wears at least two hats. When you have 14 job descriptions and seven people, the math just works that way," he says.

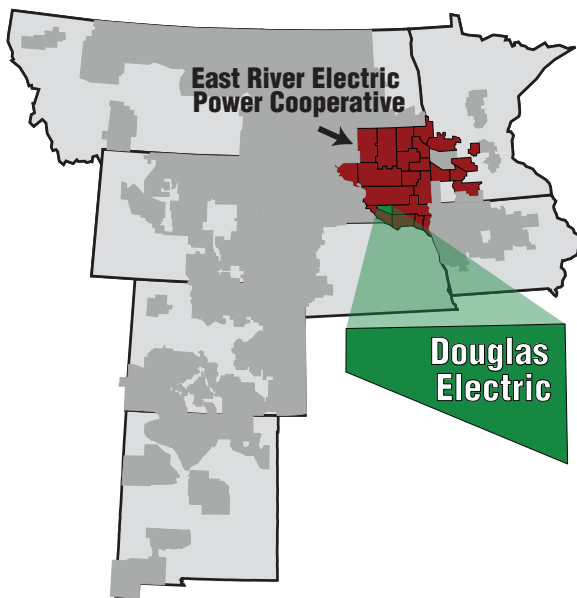
Office manager/billing coordinator, Phyllis Hrdlicka, is in her 42nd year with the cooperative; receptionist/billing clerk, Sheila Sanders, is in her 36th year. "In the front office we have 118 years of service. With that kind of longevity, there aren't many things we haven't seen before – not many 'ah-ha' moments," he says.



Douglas Electric's work force is seven strong: (from left) Ken Van Zee, Sheila Sanders, Brandon Metzinger, Jay Spaans, Randy Van Zee, Phyllis Hrdlicka and Troy Ziebart.



Douglas Electric extends the cooperative connection to Douglas Electric's youth. Ken Van Zee (left) and Troy Ziebart teach students how to be cautious with farm machinery around power lines.



Douglas Electric is a Class C member of Basin Electric, one of 25 cooperatives that comprise District 1 – East River Electric Power Cooperative. Mike Lynch of East River Electric says, for Douglas Electric and all of the East River Electric member systems, “the ACSI scores are an affirmation of end consumers’ approval of the outstanding work the co-ops do on a regular basis.”

Small and rural

For all Douglas Electric has going for it, Van Zee acknowledges it can't go on forever. The cooperative averages about 1.52 members per mile of line. And those members are aging and declining in number. Van Zee says the service territory is almost entirely rural, and the area population is declining about 1 percent annually. In a membership base of 825, that's eight members a year.

“This is our 64th annual meeting. My first one was our 24th. Our membership is 20 percent lower now than it was in 1971. And according to our end-use survey, 38 percent of our members are over the age of 64; 60 percent are over the age of 50.”

Down the road, Van Zee says the cooperative will face tough decisions about what's best for the membership. “I've dedicated my entire life to this co-op; I've been here since I was 19.”

Uncertainty aside, the employees have a job to do – keep the lights on for their friends, family and neighbors. “Everyone at the co-op has the same mindset – we really enjoy our co-op. We like the fact we can do a good job. . . . So much of it is about attitude. Treat people well, with respect, show interest in their problem – it's amazing how we can all get along.”

What gets measured gets done

Touchstone Energy® Cooperatives have consistently rated high in the American Customer Satisfaction Index (ACSI) – higher than investor-owned utilities and higher than cooperatives that do not measure their customer satisfaction. Collectively, Touchstone Energy Cooperatives averaged a score of 79 on a scale of 100 in the fourth quarter of 2009.

Basin Electric has funds available to assist member cooperatives in getting individual ACSI scores – information that can help benchmark customer service performance and lend a hand in marketing efforts.

Basin Electric will pay half of what it costs the cooperatives to survey their members, up to \$1,050. For a cooperative to get their individual ACSI score, they must ask members four standard ACSI questions that can be worked in to any written or telephone survey. A minimum of 250 responses must be received.

For more information, member cooperatives can contact Dennis Gad at 701-557-5617 or dgad@bepc.com.

