WHAT THE CUSTOMER WANTS
"A Pole User's Perspective "

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When compared to a number of the other utilities in Canada, Manitoba Hydro is often thought of as on of the little guys with just under 3 90,000 customers. They are however spread out over a 250,000 square mile area. To service these customers, there are over I 1,000 kilometres of transmission line built on both wood and steel structures. The 30,000+ kilometres of distribution system is built almost exclusively with wood poles. The utilities usage of new poles range from 15-20,000 annually with expenditures in excess of $5 million. So by no means is it one of the largest utilities in the country but it is are a significant user of treated wood poles.

To understand "What the customer wants", from a utility's point of view, it must be realized that a utility has a number of different departments that are involved with wood poles. Each of these departments has its own wants and expectations from wood poles.

- The system design engineers need poles that meet a minimum specified strength value so that their calculations for loads and stresses will accurately predict the actual applications.
- The Safety department wants material free from defects or conditions that could compromise the safety of workers.
- Those involved in the environmental aspects of the utility are concerned with the preservatives used and how they can effect the environment.
- Linemen want poles that they are comfortable on and secure in the feeling that they are safe.
- The wood products specialists want material that has been selected, conditioned, and treated so as to obtain the maximum service life out of each individual piece.
- The Purchasing Department wants the best value for their dollars spent. and the Stores Department or the Construction Departments want what they ordered.

The Canadian Standards Association's CSA 015 and 080 which cover the physical properties of wood poles and the preservative treating standards respectively, cover many of these requirements. However, in most cases they are general in nature, open for interpretation, and do not address a utilities specific requirements or concerns. They are the basis that a utility uses to develop their own product specification.

These specifications or specs normally include additional requirements or limitations beyond the CSA Standards. They are meant to address the concerns which are related to the individual utility's work practices or Corporate philosophies. This is how a utility can tailor their pole plant to meet the requirements of their various departments.

These specifications are meant to identify to the suppliers what specifically is required and should be used to firstly determine if they can supply the material and secondly in formulating a bid price.

So, from a pole users perspective, "What the customer wants" is "What the customer asks for". In other words quality and adherence to the specification.

Up until several years ago, Manitoba Hydro had a very casual inspection and acceptance procedure for the majority of the poles that were received in their yards. However, after several incidences of poles breaking during handling or construction, a much more intensive inspection was made of the material in stock and what was being received. Much to every one's surprise, it was found that in excess of 10% of the pole stocks were sub-standard and did not meet specification. In some incidences they were minor defects and may of resulted from different interpretations of the standards. Others though, were serious defects that affected the structural integrity of the poles. It should be noted that this sub-standard material was not attributable to any one supplier.

The poles with minor defects could of been used in construction projects and no one would of been the wiser, as a number of the defects influenced the long term service life of the material. The serious defects however, did have a significant impact on pole usage. The fact that no one was injured in the use of these poles was pure luck. There were incidences of poles breaking in transport, while being handled, and even after they had been erected and climbed by linemen. News of these occurrences spread rapidly throughout the corporation. To address this situation, a considerable amount of time and money was expended to re-inspect all pole stocks and develop new receiving procedures. Meetings were held with suppliers and the various departments involved with poles. Presentations were made to the field staff as well. Explanations of what had .gone wrong and what corrective measures had been taken were necessary to try rebuild their confidence in wood poles. Much of this is still going on today.

So one of the major wants or needs of a customer is **Quality Products.**

Another "want" of the customer is "on time deliveries". Over the past ten or so years, controlling costs has become paramount for any business to survive. Part of the way of controlling cost is through the reduction of inventories. Utilities no longer carry the six months to a year supply of poles that they did at one time. The orders may be placed a year or more in advance, but with staggered deliveries to coincide with expected requirements. Problems can occur with deliveries, when a utility is forced to try purchase additional materials of specific sizes on short notice throughout the year due to unexpected situations or requirements. However, on major annual purchases, lead times of six, twelve, or even eighteen months should provide the suppliers enough notice to know if they can meet the scheduled delivery dates.

Suppliers have actually defaulted on orders. At the time of tendering, they have committed to supply a specified number of pieces for a certain date. When the dates come they claim they can't supply all of the poles, or there will be an additional three to four month delay. This leaves the utility in a bind, as work may of been scheduled. The purchasing agents are then forced to try buy even more poles on short notice, and usually at inflated prices. So missed delivery dates not only effect scheduling of work but can also have a serious effect on the bottom line of a project.

A third and final "want" of Manitoba Hydro, as a customer, is to work with suppliers. The market place is in a state of constant change, and these changes are coming faster. Utilities are no longer doing business the way they did ten years ago, nor how they will be doing business five years from now. The same can probably be said for suppliers. Long term agreements or alliances between the customer and supplier are one way of dealing or responding to these changes. By working together and forming long term commitments, questions of quality, scheduling, deliveries, lead times, and special requirements can be address by both parties. Plans can then be developed to their mutual benefit. The openness created through these alliances or partnerships fosters improved working relationships. This is not to say that Manitoba Hydro did not have good working relationships with some of their suppliers in the past, but a formal commitment of this nature will maximize the benefits to both parties.

So to summarize, "What the Customer Wants" and "Wants" may not be the correct term, is "Starting to Demand" may be more accurate, is quality material that meets their own specific requirements. There is a lot of pressure now from manufactured alternatives to round wood poles. If quality cannot be maintained with the traditional materials, some of these engineered products may become a more attractive alternative.

Next is "on time deliveries". Scheduling of material has become an integral part of any construction project. If a supplier continually fails to meet the delivery schedule, a utility will be hesitant to deal with them in the future, regardless of price.

And finally, "the working together of customers and suppliers". By working together, both operations can be optimized by dealing with the constant changes in the market place to their mutual benefit.