



SANEA

The South African National Energy Association

Energy People Working Together

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SOUTH AFRICAN NATIONAL

ENERGY ASSOCIATION

(SANEA)

BUSINESS PLAN

2007 – 2009



Member Committee: WORLD ENERGY COUNCIL
CONSEIL MONDIAL DE L'ENERGIE

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FOREWORD

Energy is at the root of all social endeavours. Nothing can be achieved without it. Sadly, for so many years, we have taken energy for granted. We have used it indiscriminately in the apparent belief that reserves are infinite and we have been ignorant of the detrimental effects of inappropriate use.

More recently the oil shocks of the seventies and the political turmoil in various parts of the world have alerted us to our dependence on energy and to the potential limits of traditional sources of energy. Increasing awareness of the physical environment, and climate change in particular, has stimulated an enhanced awareness of the delicate balance that needs to be struck between the progressive development of mankind and the sustainability of the world in which we live.



The dilemma this balance represents is as acute in South Africa as it is anywhere else in the world. We are in the process of tremendous social transformation and development of millions of people who have been deprived of access to the mainstream activities of the modern economy. The demand for modern commercial energy to support this social and economic transformation will represent a growth in energy requirements greater than experienced in living memory. On the other hand, as South Africa increasingly becomes a player on the global stage, we will be under pressure to exhibit environmental and energy custodianship in line with the most developed of nations.

SANEA, as a non-partisan, diverse energy association with international networks, has an opportunity, in fact an obligation, to make a significant contribution to charting a course for South Africa through this dilemma. To deliver on this obligation will require strong and visible leadership from the Board of SANEA and the concerted effort of all SANEA members.

This Business Plan sets out the first steps on this very important journey towards our vision of **“Energy People Working Together”** to achieve the sustainable supply and use of energy for the benefit of all.

Brian A Statham
Chairman

1 BACKGROUND

SANEA, the **South African National Energy Association**, is a registered private company in terms of South African law and is also registered as a non-profit organisation in terms of Income Tax legislation.

SANEA is rooted in the South African National Committee of the World Energy Council (SANCWEC). This body was established in the early 1920's as the South African Member Committee of what was then the World Power Conference (WPC). In view of the focus on power, SANCWEC was managed by Eskom. Subsequently the WPC transformed to the World Energy Council, but the management and effective control of SANCWEC remained with Eskom.

The transformation of SANCWEC into SANEA began in 1996. However the formal business approach was only conceptualised at a General Meeting of SANEA in November 1999. At this meeting it was decided that SANEA should be transformed from a loose association of parties with interests in energy to a formal body managed along business lines and independent in terms of its actions. The new organisation would continue to be the South African Member Committee of the World Energy Council but it would diversify its activities to take greater account of local needs and interests.

SANEA was registered as a company in 2001 and at its first Annual General Meeting, Fred Phaswana (Chairman of BP Southern Africa) was elected as the first Chairman.

SANEA had very little in the way of assets and the Board set a target of strengthening the Balance Sheet to a point where liquid assets were at least twice the annual operating expenditure. This would free SANEA of its absolute dependence on the contributions of its two existing Sustaining Members.

By 2004, at the end of Fred Phaswana's term of office, the financial objectives had been achieved. Siphon Nkosi (Chief Executive of Eyesizwe Coal) was appointed as Chairman at the Annual General Meeting. He led SANEA through a period of consolidation of business practice while focus was on enhancing the technical content of SANEA's activities.

Three years later, in March 2007, Brian Statham was appointed to succeed Siphon Nkosi as Chairman. Given that SANEA was now a stable organisation the Board mandated the Chairman to launch and drive a growth initiative with specific objectives. This document sets forth the plan for this 3-year cycle.

2. GOVERNANCE

At the Annual General Meeting of SANEA in March 2007 the following persons were appointed to the Board of SANEA.

NAME	POSITION
Brian Statham	Chairman
Alison von Ketelhodt (SASOL)	Secretary-General
Vicky Basson (KZN Energy Services)	Member
Dr Chris Cooper (Univ. of Johannesburg)	Member
Thulani Gcabashe (Eskom)	Member
Jean Madzongwe (Dev. Bank of SA)	Member
Kevin Morgan (BHP Billiton)	Member
Sipho Nkosi (Exxarro Resources)	Member
Rose Phetoe (Private)	Member
Marius Willemse (RAPS)	Member

SANEA has outsourced key functions to the following parties

Marketing and Communication Manager

Sarita Cronje CC, represented by Sarita Cronje

Programme Director

University of Johannesburg, represented by Dr Chris Cooper

Secretariat and Business Service

Vd Walt & Company, represented by Jean Venter and Gillian Le Cordeur

3 STRATEGIC POSITIONING

SANEA represents a hub for the exchange of energy related information. In so doing, SANEA stimulates original thought and catalyses transformation of the Energy Sector.

3.1 Vision

“Energy People Working Together”

3.2 Mission Statement

“To promote the sustainable supply and use of energy for the greatest benefit of all”

3.3 Strategic Intent

“To be acknowledged as a credible centre of knowledge, expertise and opinion on energy matters.”

3.4 Core Values

<u>Core Value</u>	<u>Description</u>
Professionalism	Our Honesty, Integrity and Behaviour are beyond reproach
Passion	We believe in and are enthusiastic about everything we do
Respect	We recognize and value the specific contribution of everyone we engage with
Commitment	We take our responsibilities as members and officials seriously
Non-Partisan	We will act in the best interests of the collective membership of the association as a whole

4. SITUATIONAL ANALYSIS / ENVIRONMENTAL SCAN

4.1 External Business Environment

The currently unfolding transformation of the Energy Sector in South Africa will substantially influence the future corporate structure of the players in the sector and will therefore also impact the member and stakeholder base for SANEA. What is certain though, is that in order to pursue its strategic goals and maximise emerging business opportunities, SANEA will have to transform from its current position as a reticent satellite of the WEC to a vibrant and trend-setting Association that is both at the forefront of energy initiatives within South Africa and is recognised as a leading player within WEC. Further, whilst SANEA is currently focused, almost exclusively, on working alone it must gear up to actively engage strategic partners in pursuit of its strategic objectives, locally and globally.

4.2 Internal Business Environment

Despite the uncertainties prevalent in the external business environment, SANEA will strive to ensure that its internal business environment serves to maintain the integrity of SANEA, and the WEC, as a whole. This translates to actively ensuring that collective benefit and synergy is maximised and that, ultimately, our members and customers receive the best value possible.

4.3 Consolidation of Environmental Forces

An analysis of the forces working for and against SANEA's ability to achieve its Strategic Intent was carried out (details in Appendix 2). Those forces with common causes or effects were grouped and the consolidation follows:

Driving Forces

- ◆ There is a lot of interest in energy matters in South Africa
- ◆ The connection with WEC provides access to extensive information and networks
- ◆ SANEA has the foundations of being a communication and networking node on energy matters
- ◆ SANEA is highly regarded within the WEC Community

Restraining Forces

- ◆ Part-time Executive Management makes it difficult to follow-through and sustain the effort on initiatives
- ◆ SANEA is generally little known in the South African Energy Sector
- ◆ There is low Brand Recognition and no "Face of SANEA"
- ◆ Benefits are perceived as irrelevant or of low value

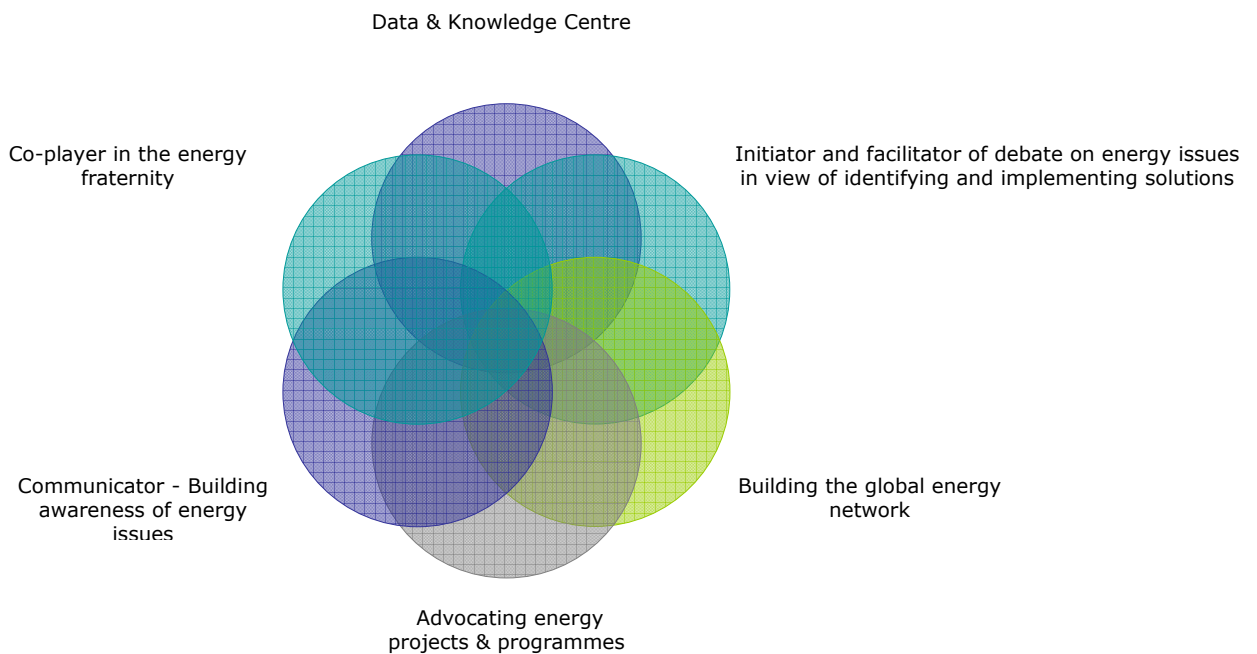
5. STRATEGIC DIRECTION

SANEA has clearly articulated its strategic intent:

“To be acknowledged as a credible centre of knowledge, expertise and opinion on energy matters.”

SANEA has, over the years, established and subsequently maintained itself as a credible member of the WEC. This continuous strive for excellence and innovation has in the past fully complemented the intent to have South Africa recognized as a force to be reckoned with in the WEC family. It is envisaged that in the future this experience and achievement will also serve as a solid platform from which to effectively facilitate energy initiatives in South Africa and to participate in the future work of the WEC.

In order to achieve this, SANEA intends playing a pivotal part in the future of energy in South Africa, bringing influential role-players together with a view of identifying and implementing sustainable and effective solutions, providing factual and relevant data and knowledge, strengthening the energy network in South Africa and globally, and enhancing awareness of energy issues in South Africa.



6.0 BUSINESS MODEL

The SANEA business model is firmly founded on its **Core Values**. These values provide the reference against which to measure our behaviour and performance.

There are three focus areas which are the pillars of the business model:-

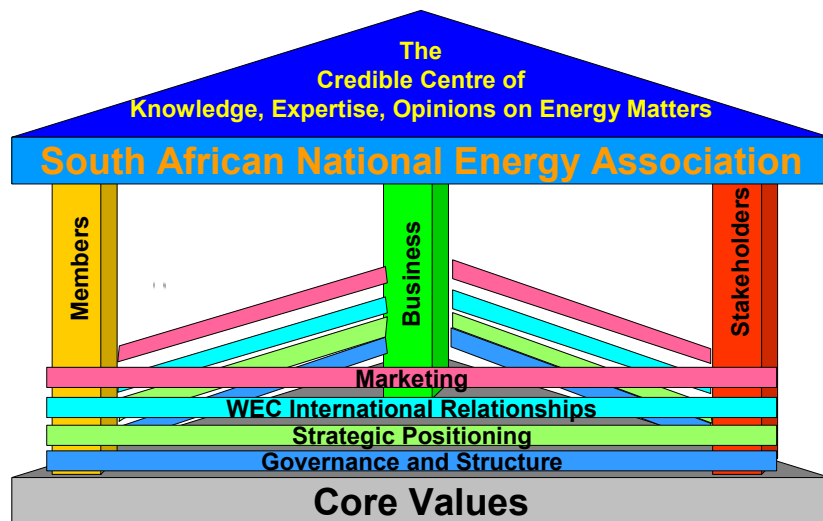
- ◆ **Membership Engagement**
- ◆ **Stakeholder Engagement**
- ◆ **Business Performance**

These three pillars are equally important to the achievement of the Strategic Intent.

There are four cross-cutting forces that serve to bind the organisation as a coherent unit. They are:-

- ◆ **Governance and Structure**
- ◆ **Strategic Positioning**
- ◆ **WEC International Relationships**
- ◆ **Marketing and Communication**

These binding forces make the organisation robust.



7.0 STRATEGIC OBJECTIVES (2007 – 2009)

During the strategic positioning assessment process and the development of strategic objectives, the aim has been to “position SANEA as the ‘leading’ energy association in South Africa”.

The Board has mandated the following key strategic objectives for SANEA during the current business cycle:-

FOCUS AREAS	SANEA KEY STRATEGIC OBJECTIVES	PRIMARY OBJECTIVES
Membership Engagement	1 To develop and implement a Membership Value Proposition Model that will attract and retain members	<ul style="list-style-type: none"> ▪ Increase membership numbers from 58 to 135 ▪ Implement and maintain pro-active communication channels
Stakeholder Engagement	2 To position SANEA as a strategic partner / resource at the hub of the energy sector	<ul style="list-style-type: none"> ▪ Allocate adequate funding to support programmes and activities
	3 To provide focussed and relevant interaction to SANEA’s diverse stakeholder network	<ul style="list-style-type: none"> ▪ Regain support from the Department of Minerals and Energy ▪ Collaborate with other organisations in the energy sector
	4 To position SANEA as the hub of global energy networking	<ul style="list-style-type: none"> ▪ Bid for and win the right to host the 2013 WEC Congress ▪ Complete and promote the Global Energy Scenarios to 2050 study
Business Performance	5 To develop and implement a sustainable financial business model for SANEA	<ul style="list-style-type: none"> ▪ Reduce dependency on Eskom funding ▪ To be sustainable for two years without any subscription income ▪ Reduce administration costs to below 15% of the total annual budget ▪ Reduce subscriptions to WEC to below 15% of the total annual budget
	6 To deliver the Strategic Intent in an effective and efficient manner	<ul style="list-style-type: none"> ▪ Growth initiative to deliver positive returns from 2009

8. ADDRESSING THE CONSTRAINTS

The first priority is to strengthen the SANEA executive resources. This is being achieved via secondments from member organisations. This will address the first constraining force. A marketing manager has been sourced to market and promote SANEA, its activities and value proposition. This will address the remaining three restraining forces.

The Exco has initiated a campaign to raise the profile of SANEA, making use of a “growth initiative”. This initiative was envisaged by the out-going Board and provision was made in the Budget for this activity.

The 2013 Congress Bid Committee has also been activated to work in conjunction with the promotion campaign.

