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YEARBOOK PROFILE PIECE

WILLEM THERON, GENERAL MANAGER, SOUTHERN AFRICAN ENERGY UNIT, ESKOM



Mr Willem JC Theron is employed by Eskom, South Africa, as a General Manager in the Southern African Energy Unit. Mr Theron played a pro-active role in the development of energy trading in the Southern African Power Pool and the implementation of Eskom's strategic direction in Southern Africa and beyond. Mr Theron has been with Eskom for 36 years and holds various tertiary qualifications in engineering and commerce. Prior to him establishing the Eskom's International Energy Trading function in 1995, he focussed on system operations at Eskom's National Control Centre. Mr Theron is currently accountable for all new business development opportunities in the SADC Region which include MPNK, STE and other Hydro and Gas projects in Mozambique.

He also serves as a member and official on various SAPP governance committees and is passionate about the socio economic empowerment of our people and the industrialisation of the Africa as a whole.

Willem, firstly congratulations on a career that has truly turned the lights on. You have worked tirelessly with your colleagues in the service of the public in a career spanning 36 years – was it worth it?

Unequivocally yes – reflecting on what has been achieved during this period, it is huge! Being so close to the day-to-day business operations sometimes we don't appreciate what has been done. Most notably was the evolution and transformation of the electricity market in the SADC, which was a massive step for the region. I am so proud of the whole SADC ESI who embrace challenges, search for opportunities and make ends meet with minimal resources. African utilities are so noble in their achievements, which is only understood when we return from yet another "capacity building" trip abroad only to realise that our experience and knowledge are deep, yet taken for granted as normal by ourselves.

With such a long history of working with great people, both at home in South Africa and regionally, what has given you most pride?

Through the years I have learnt that growth is impossible without trust relationships that have been forged between people over years. This culminates in respect that provides comfort and peace of mind that we as a community can learn from each other, and can learn to depend on one another

to survive any challenge emanating from the changes in the industry.

And through this, I was privileged to mentor numerous young talents and it makes me so proud to see how they excel in the industry operating at full capacity. I am also taking pride in that these strong foundations that have been laid will support the growth and industrialisation of Africa, making us a continent to contend with.

Blue Ocean Strategy is to some a business leader's bible – what kind of thinking does it take to survive in the electricity sector of Africa and other growing economies?



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The concept played a determining role in my decision to detach myself from the traditional electricity utility corporate world that is normally operated by defined rules, procedures, lengthy decision-making processes and market boundaries. The normal day-to-day utility conversations centre around competition, price wars, market share, loss of revenue, commoditisation, benchmarking, strategic positioning and value addition.

The business environment which most business strategy and management has been based on is evolving or disappearing. Some of this change may be due to changes in culture, increasing globalisation, the rapid rate of availability of new information, the role of changing demographics and the mere size of the infrastructure development challenges.

I see a future where the market space becomes increasingly less defined, driven greater by innovation, supported by trust relationships and establishing growing personal networks. If we are serious about the industrialisation of Africa and providing universal access to electricity, companies must stop competing with each other and live by the old adage, "the only way to beat the competition is to stop trying to beat the competition".

The focus should move to value innovation, pooling of resources and efforts, knowing full well that we are creating new opportunities for all in the ESI.

What's the future for SADC's electricity sector; how much regional decision-making is required and when will the tipping point be reached that will open the floodgates holding back the current stockpile of projects?

The future is bright and opportunities are plentiful. We in the SADC community have already organised ourselves through a power pool arrangement, have the benefit of a liquid and growing electricity spot market and recently established a project advisor unit to advance key infrastructure projects to financial close. So steps in the right direction have been made for creating a greater SADC electricity sector.

Governments are taking greater responsibilities in engaging and developing new energy resources to contribute to the region. Hence we are seeing improved decision-making at the different levels and commitments to developing bi- and multinational projects.

The immediate challenge is the obtaining of funding for much needed new transmission interconnectors and the strengthening of the current ones, which will improve reliability, capacity transfer and stability and will provide for improved redundancy. Unlocking capacity constraints through the interconnectors will create the tipping point and serve as the enabler for accelerated and sustained growth, enable and contribute to electricity access to all while making the pricing of the new generation projects more palatable.

This will also lead to access to new markets for the SADC's goods and services as we interconnect with other power pools in Africa, with eastern Africa as the immediate focus.



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I am also convinced that there is a growing market behind the utility meters and that the traditional utility target customers are busy sorting themselves out with renewables and energy efficient measures and that it will expand at a rapid pace such that they are busy organising themselves in new “utilities” that may well turn out to be a serious nett supplier to the utilities in the near future.

There isn't much you've not seen in a career spanning 36 years. In those years Eskom has been the hero and the villain. Now that you're stepping down from your role as Head of Regional Business Development, what is your message to the people that rely on Eskom?

Eskom has been around since 1923 and will be relevant for at least the next century. Eskom is heathy and will stay relevant, as it is managed and operated by excellent and competent people, and

being very mindful that it is owned by the people of South Africa.

The ESI is, however, changing and the traditional utility setup will change. Eskom most probably may opt to take stakes in new infrastructure projects and form strategic partnerships with its sister utilities in Africa, to promote and advance the expansion of the electricity transmission grid and generation fleet, consciously knowing that they will be the vehicles that will drive the industrialisation of Africa, and to provide access to all.

I had the privilege to experience a few highs and lows during my career, like surplus and shortage of generation capacity – but the support and response from the customers/trading partners were always astounding because of Eskom's trust relationships forged over years and delivered by its fantastic staff. ■



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