

## Strategic Planning Consulting and Facilitation

### Introduction

To develop a strategic planning approach for public power, Hometown Connections synthesized components from several methodologies designed for both the for-profit and non-profit sectors. The Hometown Connections approach places a premium on simplicity, flexibility, and logical flow. Too often, complexity and inflexibility hampers the strategic planning process.

Reflecting the unique requirements and values of public organizations, the Hometown Connections strategic planning process is:

- Open and transparent:** Process, decisions and priorities should be shared broadly with staff and the community.
- Inclusive:** Opportunities for inclusion should exist for stakeholders, interested citizens, and businesses.
- Empowering:** Employees at all levels should understand how the strategic plan affects them and be encouraged to align their own work closely with strategic priorities.
- Adaptable:** A strategic plan starts to become outdated the moment it is finished. As conditions internal and external to the organization change, the plan should be built to adapt and remain relevant to organization's operations and role in serving its customers and the broader community.
- Values-driven:** Local government holds a unique position as the level of government closest to its constituents. As such it must reflect the community's values.
- Disciplined:** While the strategic planning process often generates many good ideas, organizations must select a realistic and workable number of priorities and projects. An overly ambitious agenda will frustrate and discourage staff and governing officials.
- Focused on longer-term outcomes:** Effective strategic plans focus on long-term outcomes that will position the organization to serve its customers and community far into the future. Organizations must resist the temptation to focus a strategic plan on near-term improvements to existing infrastructure, programs, and service.

### Hometown Connections Role

While providing observations and input based on knowledge and experience, Hometown Connections' primary value in the strategic planning process is *training* and *facilitation* of boards and staff on how to conduct a successful strategic planning process. Hometown staff leads clients through the deliberation, prioritization, and development of a strategic plan. Facilitation begins with broad conversations among the governing board and staff, concentrating on key priorities, goals, action items, and project tracking methods. We believe that a neutral, outside, independent

trainer/facilitator enables board and staff to move through the strategic planning process in comfort and with confidence.

The Hometown Connections approach, which focuses on serving as facilitators rather than traditional strategic planning consultants, results in the organization's staff and governing board building stronger ownership of the strategic planning process. Although many consultants will write the strategic plan on behalf of their clients, Hometown finds the document takes on more meaning to the organization if it is written internally. Nonetheless, Hometown Connections can assist with as much or as little of writing of the strategic plan as the client prefers.

## Hometown Connections Strategic Planning Process

Hometown Connections conducts an eight-step strategic planning process as shown below. The process emphasizes a focus on customers, customer segmentation, and strong business practices.



Elements of the Hometown Connections strategic planning process have been heavily influenced by:

- John Bryson, author of *Strategic Planning for Public and Nonprofit Organizations*
- John Carver, author of several books on Policy Governance, including *Boards That Make a Difference*, and *Reinventing Your Board*
- W. Edwards Deming, author of many important works on total quality management, including *Out of Crisis*

- Hans and Annemarie Bleiker, founders of the Institute for Participatory Management and Planning and tireless trainers in the skill of Systematic Development of Informed Consent.

## Approach to Strategic Planning Implementation

Many public agencies ask staff members to write a strategic plan for the governing board to approve. Hometown Connections considers this approach shortsighted. Today, rapidly changing technologies, customer demographics, and customer expectations present significant challenges to public power organizations and their communities. Therefore, as representatives of the community, governing officials must play a role in analyzing and selecting the long-term priorities for the organization. Through the Hometown model, the governing board plays an important role throughout the strategic planning process.

The actual approach to strategic planning can take on many forms, depending on several factors, including budgets, available time, presence of existing strategic plans or strategic orientation or culture. An organization with a strong strategic culture and a strategic plan a few years old may find that a one day retreat is sufficient to provide realignment and confirmation among board and staff. Other organizations with no previous strategic planning orientation in place would likely need several onsite meetings over several months to establish the foundations of a strategic plan and identify organizational priorities, goals and action plans.

For those strategic planning engagements that are more than a single day retreat, Hometown Connections recommends a *two-team approach* to development and execution of the strategic plan: An Advisory Team and the Implementation Team.

### Advisory Team

The Advisory Team consists of the organization's chief executive and governing board members. This team is responsible for setting major strategic and policy direction, removing roadblocks, and evaluating and approving the strategic plan along the way. Depending on the goals identified through the strategic planning process, this team may also have responsibility for specific policy or governing level action items.

Because flexibility in the process is paramount, the Advisory Team can include additional stakeholders from the community. These might include representatives from local businesses, low-income constituents, environmental organizations, military base personnel, or officials from other government agencies.

### Implementation Team

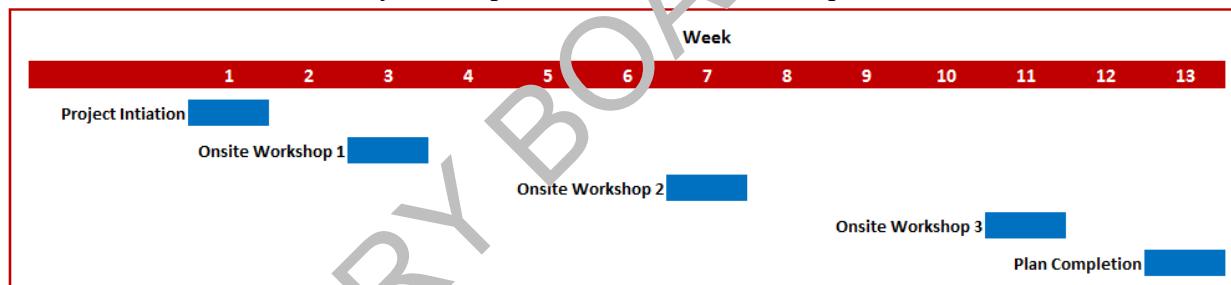
The Implementation Team consists of staff responsible for developing and implementing the strategic plan. The Implementation Team supports the Advisory Team, providing operational, financial, and customer service information.

## Stakeholder Engagement

As the strategic planning process must reflect the priorities of the organization's "owners," there is often the need for dialogue between the organization and its owners. In some cases, prior surveys and/or conversations with those stakeholders will provide adequate input into the strategic planning process for the Advisory Team to feel comfortable speaking on their owners' behalf. In other cases, the strategic planning process may benefit from new research. For example, a multiple-choice phone or online survey may collect important information from the residential and commercial/industrial customer segments. With smaller customer segments, such as key accounts or homeowners' associations, it may be more effective to conduct one-on-one interviews or focus groups where the opportunity for more give and take provides greater insights. Other participating stakeholders may include chambers of commerce, economic development corporations, environmental groups, city councils or county commissions, joint action agencies among others. Hometown Connections can facilitate any of these outreach tools, or work with the client to build questionnaires that may be used by the organization to conduct its own interviews.

## Duration and Scope

While the Hometown Connections approach adapts to the organization's specific requirements, a typical strategic planning engagement involves three site visits over an estimated duration of two to five months. Ideally, the site visits are spaced three to six weeks apart. Each of these meetings includes time with the advisory and implementation teams. A sample timeline could look like this:



The typical scope of these meetings is as follows:

<b>Site Visit One</b>	<b>Advisory Meeting:</b> ½ day session. The Advisory Team defines the objectives, deliverables, and timeline for the Implementation Team. Additionally, the Advisory Team will go through an initial discussion of the key issues facing the organization from the board's perspective. This meeting will result in an initial list of board priority areas, as well as clear Implementation Team objectives and timing to complete along with a date for the next Advisory Team meeting.
<b>Site Visit Two</b>	<b>Implementation Meeting:</b> 1 and ½ day session. Day 1 covers Strategic Planning Process training for all Implementation Team participants and sharing of the Advisory Team's expectations of initial priority areas. Day 2 identifies deliverables, responsible parties, and a start on the work at hand. Participants acquire an understanding of the process and timeline, including a date, deliverables and assignments for the next meeting.
<b>Site Visit Three</b>	<b>Implementation Meeting:</b> 1 and ½ day session. This meeting will overlap an Advisory Team's meeting. Responsible parties present their assigned deliverables to their colleagues on the Implementation team. The team will work as a group to complete other tasks, will prepare and present an update to the Advisory Team, and by meeting's end, assign deliverables for the next meeting.
<b>Site Visit Three</b>	<b>Advisory Meeting:</b> ½ day session. This meeting will overlap an Implementation Team's meeting. This Advisory meeting will begin with an update from the Implementation Team on the work completed to date. The meeting will conclude with approval of the Implementation Team's next deliverables and timelines for completion along with the establishment of the next Advisory Team meeting schedule.
<b>Site Visit Three</b>	<b>Implementation Meeting:</b> 1 and ½ day session. This meeting will overlap an Advisory Team's meeting. This meeting will begin with the responsible parties presenting their assigned deliverables to the team. The team will work as a group to complete remaining tasks and will prepare and present its final work to the Advisory Team. This meeting will result in the completion of the project objectives and deliverables assigned by the Advisory Team.
<b>Site Visit Three</b>	<b>Advisory Meeting:</b> ½ day session. This meeting will overlap an Implementation Team's meeting. This meeting will begin with a presentation of the Implementation Team's final work. The Advisory Team will then determine the need for future projects and if any, define the objectives, deliverables, and timeline for the Implementation Team.

## Pricing

Hometown Connections prices its strategic plan facilitation based on time and materials, with APPA members receiving a 10% discount on fees. The scope of services is set according to the client's situation and needs. Based on the three-site visit approach outlined above, consulting fees would typically run between \$25,000 - \$30,000. Upon request and based on identification of the client's needs, Hometown Connections will provide a specific proposal for strategic planning as well as for additional consulting and research services identified, which could include customer surveys, employee surveys, focus groups and other public participation, compensation studies, cost of service studies and rate studies. In addition, Hometown invoices for staff travel and living expenses at actual cost.

## About Hometown Connections

Hometown Connections is a utility services subsidiary of the American Public Power Association (APPA). APPA is the national service organization representing the nation's more than 2,000 community- and state-owned electric utilities. It owns 65% of Hometown Connections through its Public Power, Inc., subsidiary. Alabama Municipal Electric Authority owns the remaining 35% of Hometown Connections.

Hometown provides management guidance and access to quality products/services from a trusted entity with public power's best interests in mind. Hometown Connections is a resource to APPA members large and small, providing discounted pricing on technology, services, and other solutions from industry-leading companies. The products and services offered through Hometown Connections include the full range of smart grid solutions, as well as financial and organizational management tools and consulting.

Hometown Connections was formed in 1998 and provides value to public power communities in two primary ways:

- Hometown assesses public power product and service needs and identifies best-in-class vendors that can meet these needs. By partnering with these vendors, Hometown Connections secures discounted pricing, group packaging and high levels of service for members of the American Public Power Association. Hometown Connections makes products and services directly available in every part of the country through its direct sales staff and alliances with 23 public power joint action agencies, state associations and individual utilities.
- Hometown leverages substantial in-house expertise to provide consulting and facilitation of utilities' operations and planning. Hometown Connections staff bring considerable experience and expertise in the energy industry, public power and municipal government. Since 1998, Hometown Connections has worked with over 900 public power utilities, joint action agencies, and state associations across the U.S., giving the staff unique insights into the operations of an enormous variety of public power organizations. Hometown Connections offers several pre-packaged consulting services and also provides customized consulting, facilitation and research services.

## Qualifications and Strategic Planning Experience

Hometown Connections works exclusively with public power utilities and has built its organization, product and service offerings, and organizational philosophy around meeting the needs of the 2,000 public power utilities across the nation. Since our inception in 1998, Hometown Connections has provided strategic planning consulting and facilitation to over 50 utilities, large and small.

**Timothy L. Blodgett****President and CEO of Hometown Connections**

Mr. Blodgett is responsible for Hometown's overall efforts in delivering value to public power utilities. Mr. Blodgett has worked with many public power utilities in the area of strategic consulting with an emphasis on continuous improvement and is a frequent guest speaker at industry forums across the country.

Mr. Blodgett joined Hometown in May of 1998 as the Vice President, Sales and Marketing where he assisted in the molding of a startup organization into a well-recognized company known for value adding products and services specifically designed to meet public power's needs.

Prior to joining Hometown, he was the Director of Sales for en-able, an affiliate of KN Energy and PacifiCorp, where he assisted energy distribution companies with their customer care programs. Mr. Blodgett played a key role in the development and sales of Simple Choice, a broad residential package of products and services including energy and home services, infotainment and communications services.

Prior to the formation of en-able, Mr. Blodgett worked for KN Energy where he focused on the sale of energy and related services to local distribution companies. He also participated on the consumer services team that led the industry in becoming one of the first to promote consumer choice. The end result of this effort was the largest retail consumer choice program in the natural gas industry in 1996. Mr. Blodgett spent 6 years with Phillips Petroleum Company in various positions ranging from natural gas marketing to business development in exploration and production.

Mr. Blodgett holds a Bachelor of Arts Degree from Northwestern Oklahoma State University in Business Management.

**Steven P. VanderMeer****Senior Vice-President for Planning and Marketing for Hometown Connections**

Mr. VanderMeer joined Hometown Connections in October of 1998. In this role he has facilitated number strategic planning efforts within public power and teaches the strategic planning course offered each year by the American Public Power Association (APPA) at its national conference. Mr. VanderMeer also teaches several of the governance sections offered by APPA and is the recent author of "Customer Service-Building a Strong Infrastructure for Your Utility."

He comes to Hometown Connections from Fort Collins Utilities, where he was the Director of Marketing and Energy Services. There, Mr. VanderMeer directed the development and promotion of a stronger utility image and brand.

Prior to his work with Light & Power, Mr. VanderMeer was Assistant to the City Manager with the City of Fort Collins. During this time, he managed numerous community outreach and public participation programs, working closely with the city council, community members and the media. He facilitated strategic planning efforts at the department, organization and community levels, and directed the City's total quality management program becoming certified as a TQM instructor and facilitator.

Mr. VanderMeer has served on several governing boards. In 1987 Mr. VanderMeer was a founding board member and vice-president of the Friends of Philadelphia Parks. From 2001 to 2014 he was on the board of directors of the Fort Collins Museum of Discovery, six years as board president, during which time the museum fund-raised, constructed and opened a new \$29 million facility.

Mr. VanderMeer brings a great deal of experience managing public participation projects for municipal governments. He has worked with wide range of governing bodies, as employee, as consultant, and as a board member and chairman. He has facilitated several board planning retreats. In his consultant role with Hometown Connections, Mr. VanderMeer has worked with staff and governing board members of dozens of utilities throughout the nation, and has developed strong insights into the many issues that affect governance of public power utilities.

Mr. VanderMeer holds a Bachelor of Arts Degree from the University of Michigan and a Master's Degree in Public Administration from the University of Pennsylvania. He is a graduate of the APPA Executive Development Program and completed the three-year Boettcher Foundation Cultural Leadership Program. He has completed the Policy Governance workshop held by John Carver.

#### **Phyllis E. Currie**

#### **Executive Consultant, Hometown Connections**

Ms. Currie served for 14 years as the general manager of Pasadena Water and Power in California preceded by a 30-year career with the City of Los Angeles. She has been board chair of the American Public Power Association, president of the California Municipal Utilities Association and president of the Southern California Public Power Authority. She was recently appointed to the Electricity Advisory Committee for the U. S. Department of Energy.

Under her leadership as General Manager of Pasadena Water and Power (PWP), from 2001 to her retirement in June, 2015, PWP added new electric generation units to its power plant, a water treatment plant funded by the National Aeronautics and Space Administration to clean up ground water contamination; and embarked on multi-year infrastructure improvement programs to upgrade the city's water and electrical distribution systems. She also led the

development of water and energy resource plans which include aggressive goals for renewable energy and water conservation.

During her 30-year career with the city of Los Angeles, Ms. Currie held the positions of Chief Financial Officer for the Los Angeles Department of Water and Power; Assistant City Administrative Officer overseeing development of the city's annual operating and capital budgets and director of the Los Angeles rent control program.

She is a member of the American Water Works Association, the Government Finance Officers Association and the National Forum of Black Public Administrators. Past affiliations include the board of directors of the Electric Power Research Institute, the Municipal Securities Rulemaking Board, and the California Debt Advisory Commission.

Her community service includes the board of directors of the Association of Women in Water, Energy and the Environment(AWEE) and Pasadena Rotary.

During 2015, Ms. Currie received the Alex Radin Distinguished Service Award from APPA and the Public Power Champion Award from the Northern California Power Authority. She has been a frequent presenter on Financial Operations and Performance Planning for Management at the APPA Public Power Leadership Workshop.

Ms. Currie received a bachelor's degree in political science and a master's in business administration degree from UCLA. She also completed the Program for Senior Executives in State and Local Government at the John F. Kennedy School of Government at Harvard University.

#### Dan Ebert

#### Executive Consultant, Hometown Connections

Mr. Ebert joined Hometown Connections in 2016. He brings 25 years of experience in energy policy and advocacy, management, energy market formation and operation, corporate communications and coalition management. His combination of public power, policy development, regulatory oversight and utility industry experience brings a unique skill, strategic vision and practical experience to some of the most pressing market and policy challenges facing public power and the energy industry.

As Senior Vice President of Government Affairs and External Relations for WPPI Energy, Ebert was responsible for legislative and regulatory affairs, corporate communication, and policy development functions for the Sun Prairie, Wis.-based electric utility serving 51 municipal members in three states.

Ebert also served on the Public Service Commission (PSC) of Wisconsin from January 2003 to May 2008 and was appointed Chairman in 2005. While at the PSC, Ebert served on the Board

of Directors of the Organization of MISO States (OMS), serving as Vice-President from 2005-2008, focused on transmission planning and cost allocation issues. He also played a leadership role on two gubernatorial task forces exploring policy options to address renewable energy, energy efficiency and climate change.

During a 15-year career in Washington, D.C., Ebert served in public and private sector policy roles, including both the U.S. Senate and the U.S. House of Representatives, ultimately serving as Legislative Director for United States Senator Maria Cantwell (D-Washington). Ebert also has extensive regional and national board experience, having served on the Boards of the Transmission Access Policy Study Group (TAPS), the Fund for Lake Michigan (FLM), and the Consumer Federation of America (CFA).

### **Other Resources**

While not necessary in all strategic planning engagements, Hometown Connections also utilizes the services of its market research partner, GreatBlue Research, for exploration of customer preferences, perceptions, and expectations. Should scoping suggest the desire for customer, key account or employee surveys, we would be happy to provide pricing or information on these options.