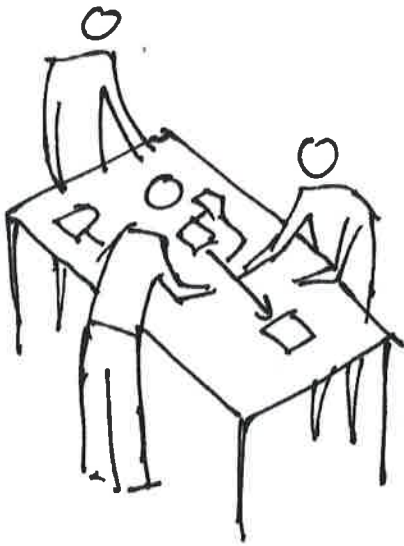


## Proposal - Strategic Planning Consulting and Facilitation

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**Hometown Connections®**  
DELIVERING VALUE TO PUBLIC POWER

Presented by Hometown Connections  
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## Strategic Planning Consulting and Facilitation

Utilities across the nation are experiencing challenges unlike any seen before, and the rate of change in the factors impacting our communities only seems to be accelerating. Changing technologies, changing demographics and customer expectations are just the beginning. In an increasingly mobile society, the reasons businesses and people choose to be where they are, are diverse and evolving. This is putting pressure on today's public power utilities in a way that hasn't been seen before.

Today, utilities can no longer depend on simply staying the course to ensure their long-term success. A strategic, deliberate and intentional conversation must be taking place to coordinate the strengths of the community with the changing needs and preferences of companies and individuals as they look to optimize their own livelihoods.

Hometown Connections has been working with a wide range of public power systems, helping them identify how to remain focused on the most critical drivers of success – for both the organization and the communities they serve. We believe that time for a strategic dialogue is now, and that community leaders must embrace strategic planning and their important role in it.

### **Hometown Connections Strategic Planning Philosophy and Values**

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Strategic Planning can be approached from many different directions and indeed, the number of books on strategic planning could fill a small library. Hometown Connections has synthesized what we believe are the most relevant components from among several strategic planning methodologies from both the for-profit and non-profit worlds. Throughout the development of our own methodology, we have placed a premium on simplicity, flexibility and logical flow. We have seen more than one strategic planning process stalled because of the complexity and/or inflexibility of the process used.

Additionally, we believe that in public agencies, certain values must be embraced by the organization in order to successfully implement a strategic plan. Specifically, the strategic planning process must be:

- Open and transparent: Process, decisions and priorities should be shared broadly with staff and your communities.
- 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 those strategic priorities.
- Iterative: 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: Lots of great ideas come out of a strategic planning process. Many organizations won't take the additional step of separating the many good ideas from the critical priorities, and end up carrying forward dozens, if not hundreds, of action items that can weigh the process down and create frustration and delay in moving forward.
- Focused on longer-term outcomes: Many strategic plans focus on near term improvements to existing infrastructure, programs and service, and not enough on the long-term outcomes that position the organization to serve its customers and community for the coming years and decades.

Our primary influences in the development of our strategic planning process come from several authorities on government and quality. These include:

- 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.



## Hometown Connections' Role

The role of Hometown Connections is primarily that of training and facilitation. Some consulting firms play a more hands-on role, providing specific recommendations and actions on behalf of their clients, and then managing the implementation of those actions. Hometown Connections is not an expert on the conditions, priorities and needs of the organization and its customers, residents and stakeholders. We believe it is presumptuous for us to assume we know the priorities of our clients should be. Our goal is to ensure that a sincere and robust conversation take place among key decision-makers. We facilitate the implementation of this process by leading our clients through the deliberation, prioritization and ultimately development of a strategic plan. This facilitation begins with broad conversations among the governing board and staff, and focuses efforts on key priorities, goals and finally action items, including the development and tracking of projects by working closely with the team leaders. We have found through experience that an outside trainer/facilitator can add tremendous value enabling all staff members to participate and be productive in this process.



Hometown Connections believes strongly that a strategic plan can only be successful if it has full ownership by both staff and board. It is for this reason that we prefer to refer to our services as facilitation rather than consulting. It is also for this reason that we encourage the client to author the strategic plan rather than delegate that to the consultant. We believe 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

All strategic planning processes attempt to answer, in so many words, the following questions:

1. What role do you play today/why do you exist?
2. What role do you aspire to in the future?
3. What values will you follow to achieve this future?
4. Who will you serve?
5. What will be the most important things to focus on to get there?
6. What's going to help you? What needs to be overcome?
7. What actions will you take to achieve your goals?
8. How will you measure your success?

Hometown Connections has developed an eight-step strategic planning process as shown below that answers the above eight questions in format conducive to local government. Throughout the development of our own methodology, we have placed a premium on simplicity, flexibility and logical flow. We have seen more than one strategic planning process stalled because of the complexity and/or inflexibility of the process used.

This is made clearer in the eight-step process described below





The vast majority of utilities with which Hometown Connections works on strategic planning, will engage us in one of two ways. First is a one-visit retreat with utility leaders addressing at a high level the first five questions outlined above. The emphasis is on establishing a common frame of reference and searching for levels of agreement – and disagreement – on the future of the organization. Implementation tools and templates will be made available, but facilitation support would not extend into building a final strategic plan with specific goals and action items. The second option is a three-visit engagement occurring over approximately three months. These engagements work through all eight steps of the process and result in the completion of a strategic plan with specific goals and preliminary action items.



### **Stakeholder Engagement in Strategic Planning**

Many strategic planning processes in use in public agencies rely heavily on senior staff or a designated strategic planning team or committee, charging them with the development of a strategic plan and bringing a finished – or nearly finished – plan to the governing board for approval. This is probably a reasonable approach for quickly working through a strategic plan for an organization whose mission, constituents and governing board have remained fairly static over time. If the goal is to “do things right” then this approach is likely sufficient. In today’s society, however, we believe public agencies must really question whether they are not only “doing things right” but whether they are even “doing the right things.” Rapidly changing technologies, customer demographics and customer expectations are presenting increasingly significant challenges to these agencies to understand how they can best add value to their constituents and communities. Our view of strategic planning is that it must include

meaningful involvement of the governing board, and by extension either through the governing board or by other means, input from customers and other stakeholder groups. Under this model, the governing board plays key roles early in the process and periodically throughout the process before approving the plan at its completion. Simply from the standpoint of available time and practicality, staff must still play an extensive role, but the governing board must be involved from the start.

### **Three-Day Strategic Planning Engagement**

For the three-visit engagement, we recommend a two-team approach to development and execution of a strategic plan. The first team, the *Advisory Team*, is typically comprised of the organization's CEO and governing board members. As described above, there may be a desire to include other stakeholders as well. This team serves as the voice of the community or customer and is responsible for setting major strategic and policy direction, removing road blocks, reviewing 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.

The second team, the *Implementation Team*, would be comprised of staff responsible for developing and implementing the strategic plan. The Implementation Team will often act in support of the Advisory Team, providing operational, financial and customer service information, as well as other insights as needed for the Advisory Team to act with appropriate and current information. This team is ultimately responsible for executing actions necessary to move forward the priorities identified in the strategic plan.

The typical scope of these meetings is as follows:

<b>Site Visit One</b>	<p><b>Advisory Meeting:</b> ½ day session. The purpose of this meeting will be for the Advisory Team to understand and approve the process as well as define 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. This meeting will be followed by an Implementation Team Meeting.</p>
	<p><b>Implementation Meeting:</b> 1 and ½ day session. Day 1 would be Strategic Planning Process training for all Implementation Team participants and sharing of the Advisory Team’s expectations of initial priority areas. Day 2 would include a process of identifying deliverables, responsible parties, and a start on the work at hand. This meeting will result in an understanding of the overall process, objectives and timeline to complete. Also identified will be the next meeting’s deliverables, the responsible parties, and a date for the next meeting.</p>
<b>Site Visit Two</b>	<p><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 other tasks, will prepare and present an update to the Advisory Team, and by meeting’s end, assign deliverables for the next meeting. This meeting will result in an update to the Advisory Team, the completion of certain deliverables, the assignment of new deliverables, the responsible parties, and the timeline to complete along with a date for the next meeting.</p>
	<p><b>Advisory Meeting:</b> ½ day session. This meeting will overlap an Implementation Team’s meeting. This meeting will begin with an update from the Implementation Team on the work completed to date. The meeting will conclude with updated Implementation Team deliverables and timelines for completion along with the establishment of the next Advisory Team meeting.</p>
<b>Site Visit Three</b>	<p><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.</p>
	<p><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.</p>



At the conclusion of these three meetings, utilities typically will have completed work through the Goal Setting. Hometown Connections has found that two of the final steps of strategy planning that are often completed by the consultant, are more effective if turned over to the organization. The first is the development and execution of Action Items. As consultants, we certainly have opinions about the best ways of carrying out specific actions, but the reality is that the utility knows its own needs, strengths and capabilities far better than any outside consultant. The second piece is the writing of the final Strategic Plan. Our experience is that consultant-authored strategic plans tend to be longer, more complicated and less accessible to staff and stakeholders. For this reason, our preference is to advise on report creation, but leave the writing to the organization itself.

## **Pricing**

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Hometown Connections typically prices engagements on time and materials, but is happy to create firm pricing, with or without travel and expenses, if desired. The large majority of our strategic planning engagements will involve three onsite visits of a day and a half to two days each, spaced about three to five weeks apart. This assumes three total days of prep, six days onsite and three travel days to get to Lewes (depending on flight availability, we would assume evening return flights are available). The engagement described here would run just under \$24,000 plus travel and expenses.

Pricing is based on a daily rate of \$2,250, which reflects a 10% discount for APPA members. Travel days are billed at 50% of the daily rate and assumes Hometown Connections staff can fly out the evening of the last day of consulting, resulting in a travel day only for day prior to the meetings. Hometown Connections can also price strategic planning facilitation based on time and materials, allowing scope to be ramped up or down according to the client's situation and needs.

We believe there is great value to the client if they create their own strategic plan document. It uses their words, and not the consultants, and encourages brevity and a customer-focused document. Through the course of the strategic planning process, much of the language that ends up in a plan will already be created. Further, Hometown Connections is happy to provide examples of other strategic plans as well as a template the utility may use to assist in the creation of their plan. Nonetheless, we recognize that for some utilities, staff resources that can be devoted to drafting the plan may be limited. With this in mind, Hometown Connections is happy to create a professionally designed and written draft strategic plan, delivered in printer-ready format, should the utility desire this. This is priced at \$7,500. This assumes three days of preparation, writing and formatting. The final report will run 10 – 15 pages and be submitted in electronic form only.

## **About Hometown Connections**

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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 utility 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 22 public power joint action agencies and state associations.
- 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.

## **The Hometown Connections Team**

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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 2000 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.

**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.

**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 (FFLM), and the Consumer Federation of America (CFA).

**Other Resources**

While not necessary in all strategic planning engagements, Hometown Connections also utilizes the services of our market research partner, GreatBlue Research for a wide range of 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.