

SPU Strategic Business Plan for 2015-2020: Process and Plan Components Overview

What's the process?

SPU will develop the component parts of the Plan. The Panel will be asked to comment on these components as they are developed.

The Panel will participate with SPU staff (and potentially other city staff) in 2 rounds of public outreach.

After the second round of outreach, SPU will draft the Plan. The Panel will comment on the plan.

When the Utility sends the Plan to the Mayor and/or Council, the Panel will submit a comment letter about the Plan and the process. The Panel could also submit comment letters to the Mayor and/or Council at other times during the process.

Why have 2 rounds of outreach? What's the purpose of each?

The first round of outreach (October?) takes place before any major decisions are made. The purpose is primarily to:

- Inform stakeholders about the **baseline**—what customers can expect if nothing changes
- Get reactions on the proposed **framework** (focus areas, strategic objectives), potentially including some ranking or prioritization; and
- Get **specific ideas** about things customers would like to see included in the Plan

The second round of outreach (next Spring) is primarily to present a **preferred scenario** and 2-3 alternatives scenarios.

- Scenarios are sets of projects/initiatives/investments grouped using *different priorities*, and therefore including different sets of projects with different cumulative rate impacts

What's going to be in the Plan?

Ideally, the Plan will be (1) not overly long, and (2) accessible and understandable to the general public.

The final Plan will likely include the following elements. These may shift as we continue working.

- Present a brief description of SPU services.
- Present SPU's Mission, Vision, Values, Strategic Role
- Present the "SWOC" assessment
- Present the major conclusions from the Baseline
- Present a "preferred path"
 - Identify the Focus Areas and related Strategic Objectives, and explain how they relate to the SWOC and Baseline. Identify the key investments/efficiency initiatives/projects to move the utility toward achieving the strategic objectives (and associated costs/savings with each)
 - Identify the cumulative rate impact associated with "preferred path"
 - Identify how progress will be measured/targets for success
- Discuss other "alternative paths" that were considered but not recommended (and why?)
- Summarize the results of the stakeholder outreach

What's next?

Complete initial review of SWOC, Focus Areas, Strategic Objectives...and the Baseline. Then we can design the initial outreach process in more detail—and launch it!

Can you help connect the dots a little more?

SWOC → identifies gaps in service, gaps in internal operations, or major opportunities for improvement-- both generally across the department and by Line of Business → based on this, staff develop major categories for action: **Focus areas and Strategic objectives**

Focus Areas and Strategic Objectives → these are vetted with the Panel → staff works to develop ideas within these strategic objectives that will address “gaps” and take advantage of key opportunities → a list of these ideas gets an initial scan by Panel → ideas that “pass the sniff test” are developed into full-fledged “**gap action plans**” for later deliberation, prioritization. Also, Panel may add ideas to the list to be developed into “action plans.”

Baseline → helps identify cost drivers, trends. Full range of current programs reviewed.

Initial outreach will occur at about this point, while work continues on the items below.

Benchmarking → helps identify specific actions that SPU can take to reduce costs, increase service levels → staff will review ideas and share their reactions with the Panel (“we can do this, we can’t probably do that, we could do this if xyz”) → after getting Panel input, staff develop further detailed action plans around these “**benchmarking action plans**”

Prioritization → Using *Decision Lens* tool, consider:

- Which **strategic objectives** are most important? (comparative ratings)
- Which **current programs (baseline)** are most important?
- Which **gap action plans** are most important?
- Which **benchmarking action plans** are most important?
- Given these ratings, what combined set of actions will get the most out of **limited funding**?
 - Test at several funding levels
 - Test with funding per utility
 - Test various prioritization of strategic objectives to develop “alternate strategic paths”

Adding it all up and re-assessing → Given the strategic objective priorities, what is the mix of action plans that will give us the best bang for our buck and what will that do to rates, collectively and by Line of Business? Does the project mix, or timing need to be adjusted or otherwise shaved down to address cost concerns or other issues, and if so how?

Initial Draft Plan prepared

Here's where we do the final round of outreach

Final Draft Plan Prepared, considering input, and submitted to Mayor/Council.

As we work through the Plan components, we will be considering:

- **Four business areas where actions will occur (shown below)**
- **SWOC issues for each area**
- **Four Focus Areas--with Strategic Objectives relevant to each**
- **Individual revenue requirements for each LOB – and a combined revenue requirement for SPU as a whole**

