



ADD DEPARTMENT STRATEGIC PLANNING TO YOUR UTILITY'S STRATEGY

By Julie Ryan

Strategic plans can atrophy, much in the way muscles can waste away if not actively used. There are four contributing factors to weak strategic plans.

One: The weak strategic plan collects dust on a shelf, because it is not an actionable strategic plan for decision making and resource decisions.

Two: In a weak strategic plan, only a few people participated in the strategy development. With a top-down management style, employees often expect senior management to develop the strategy. This inadvertently creates passivity. Without opportunities to work on strategy, individual professional growth may be stunted. A perceived 'lack of strategic thinking' may not be the fault of an individual, but be due to the limited opportunities to practice strategic thinking.

Three: Many department managers are busy putting out fires (literally and figuratively), which keeps them from looking much further than this week or this month. Implementing the utility's strategic plan is challenging if mid-level managers focus on short-term tasks. This also weakens the effectiveness of a strategic plan.

Four: Employees fail to connect to a weak strategic plan. While many can articulate the utility vision, they cannot speak knowledgeably about the utility strategies, let alone how the utility will implement the strategies. As a result, employees have trouble connecting their contributions in the workplace to the utility's overarching strategies.

Department-level strategic planning can correct these ills and strengthen a utility strategic plan. Utilities need innovation at all levels of the organization, and department strategic planning is an excellent opportunity for future leaders to work on strategy. It is a safe way for up-and-coming managers to practice strategic thinking and has the added benefit of spreading strategy ownership further down into the organization.

Adding department-level strategy requires an up-front time investment, but it yields long-term value over the multiple-year strategic plan horizon. Happily, modest changes in the strategic planning process can accommodate department strategic planning.

Here are a few tips to add in department-level strategic planning. First, look at your planning schedule to identify final dates, or "finish lines," for major initiatives. Before you start a new fiscal year, there are several key planning elements (influenced by the strategic plan) that must be in place. Examples include, but are not limited to, budgets and the annual operating plans.

Second, note the starting point (i.e., the completion of the utility strategic plan). This will be the North Star for the department strategic plans. In this way, the two bookends to the schedule are the completion of the utility strategic plan at one end and the beginning of the new fiscal year at the other end. Third, it is important to define the key dates for deliverables and approvals in the schedule between the bookends. After

Strategic Planning Bookends



these additions to the schedule, it is time to add the department strategic planning activities.

Map the process to allow for adequate time. If this year is one where the strategic plan is newly drafted, then more time is required for department strategic planning. If there is an existing strategic plan, the time needed to add department strategic planning will be shorter.

Here are a few suggestions to make your department strategic planning process successful:

- **Appoint an internal lead and sponsor.** Identify the internal lead(s) who will collaborate with the managers to facilitate the department strategic planning. The CEO or another executive will be the sponsor, to add credibility and serve as a resource for the internal lead.
- **Socialize the utility strategic plan.** Once the utility strategic plan is complete, allow time to socialize it with managers, to let them ask questions about it. They cannot develop robust department strategic plans until they are familiar with the overarching utility strategic plan.
- **Design the end-product.** Decide what the department plans should include. For example, will the content include tactics, timeline, milestones, budget, resources, and success measures? To provide better direction to managers, determine how the department strategic plan content will be used (such as in the budgeting process, for annual operating plans, and/or for setting performance goals).
- **Keep the process simple.** Department managers are very busy and have limited time to devote to strategic planning. Develop easy-to-use templates and provide clear instructions. Recognize that the first year's department plans will be a little less polished than in future years.
- **Launch department strategic planning.** Engage the managers in a kick-off meeting to explain the process and how department strategic planning fits into other processes. Clearly explain their action items and provide the tools they will use. Provide examples and answer questions.
- **Check in midway.** Set clear dates and have one or more check-in points. This is particularly important for the first time the utility is developing department strategic plans. This check-in allows time for any mid-course corrections and helps managers who need assistance.

- **Exchange plans among departments.** Give managers access to other departments' plans, so they can identify coordination needed across departments. Managers should also share plans with their respective executives, who will own their departments' strategic plans.
- **Share with the leadership team.** Share the department strategic plans with the leadership team, so they can look at them next to the utility strategic plan. Executives are responsible for setting high-level priorities, allocating resources, and ensuring the utility strategic plan success measures are met.
- **Tie department strategic plans to other processes.** Show managers how the department strategic plans inform and tie into other processes like budgeting, risk analysis, workforce plans, performance goals, and annual operating plans. Develop templates and instructions for this final stage.
- **Engage employees.** Share the department strategic plans with employees in the respective departments. Managers should collaborate with each employee to show how their work ties to the department strategic plan and, by extension, to the utility strategic plan.

In the midst of the Great Resignation, a recent McKinsey article noted, "Our survey showed that money and other transactional rewards are just the baseline for keeping top talent; the relational side of work is what makes the difference. The top reasons people reported quitting their job recently are not feeling valued and lacking a sense of belonging at work." Engaging employees in department strategic plans will give more meaning and purpose to people's work. And department strategic planning ensures smooth implementation of the utility strategic plan. **NWPPA**

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Julie Ryan will be the instructor for Developing Your Department's Strategic Plan, March 29-30, 2022, in Bend, Ore. Register today at www.nwppa.org. Questions? Contact jenny@nwppa.org.