

## ALIGNING THE UTILITY TO MEET FUTURE NEEDS: STRATEGIC PLANNING, ORGANIZATIONAL CHANGE AND PERFORMANCE MANAGEMENT AT AURORA WATER

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Historically the City of Aurora’s Utilities Department was composed of three relatively independent organizations. Because of the rapid growth that the city was experiencing and to provide better service to their customers, in 2005 the Department re-organized to create Aurora Water. As a part of the reorganization, utility leadership felt that the organization should also become a leader in the utility industry; a commitment that formed the foundation and direction for Organizational Change.

In a growing organization—Aurora expects to grow from a current population of 325,000 to 500,000 in the next 20 years—change is inevitable. However, the way this change is approached can make the difference between a rough or even ineffective transition and a smooth one. Fortunately, Aurora Water has seen the latter, thanks to the development and implementation of a comprehensive Strategic Plan. Aurora Water utilized a strategic planning process that embraced the need to restructure the organization while addressing the changes inherent in today’s operating environment and incorporating a broad spectrum of internal and external factors.

Led by TAP Resource Development Group, Inc., the Strategic Plan has helped Aurora Water continue to be an award-winning organization and a productive and efficient leader in its field. The strategic planning process (Figure 1) used by Aurora Water involves a four step process focused on and supportive of the utility’s mission and core functions.

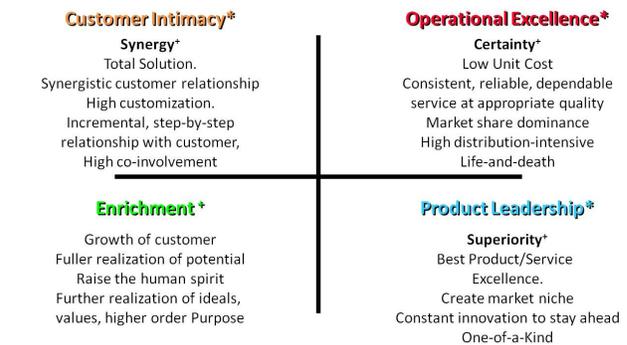


Figure 1

### ORGANIZATIONAL ASSESSMENT

To begin the re-organization process, it was important for leaders to understand the organization, including its culture, leadership and the alignment of culture, leadership and process with the utility’s purpose and mission. Aurora Water began its re-organization with a comprehensive assessment that included an in-depth understanding of how the organization provides value to its customers, the organization’s culture, and how leadership functions within the organization. The Organizational Assessment process also looked at how supportive and aligned organizational culture and leadership as a whole were with how the organization provided value to its customers.

### Strategic Focus



\* Treacy & Wiersema  
\* William Schneider

Figure 2

An important piece of the organizational assessment was in understanding the type of organization—how the organization provided value to its customers—and why that was important (Figure 2). Aurora Water is an Operational Excellence, or “Certainty” Type of organization. “We provide a dependable, reliable service at a reasonable cost,” says Mark Donelson, Wastewater Division Manager for Aurora Water. He explains that it helps in the strategic planning process for managers and employees to have an understanding of the type of organization they are a part of, so that everyone in the organization is ultimately heading in the same direction. “As a manager it’s important for me to understand the organization’s purpose and how the organization provides value to its customers because when I communicate to my staff, I can help them see the bigger picture.” Also, managers from different divisions understand the purpose and it reduces that chance of falling into a silo

mentality. Donelson continues, “We’re all on the same team and we should all be pulling the cart in the same direction and with the same objective; otherwise it is easy to get off track.”

TAP Resource also assisted the new organization in clarifying its culture and leadership. The culture of an organization is the way it does things in order to succeed. It is essential to align culture with the organization’s leadership and mission in order to identify its short and long-term goals. Because the assessment is specific, it makes the Strategic Plan about more than just setting random goals and hoping they can be met. Rather, it looks at where the organization has been, where it wants to go, and the method and tools needed to get there. It identifies what is working, but also finds what isn’t working and offers real solutions to fix it. Donelson notes that the Organizational Assessment “helped us formulate goals better – goals that are supportive and in alignment with Aurora Water’s mission rather than conflicting with it.”

**STRATEGIC DIRECTION SETTING**

Once the assessment was complete, Aurora Water started the development of a comprehensive Strategic Plan. The process began with the leadership team creating a strategic profile consisting of an examination of the future direction of the utility, including its strategic variables, driving forces and core competencies. It reexamined the Utility’s vision, mission, and values and discussed its strengths and weaknesses, and internal and external demands. From that an overall picture of the future organization was created.

**LONG-TERM PLANNING/KEY RESULTS**

From that picture Aurora Water created a set of long-term results (big picture goals) that it wanted to achieve in four specific Key Results Areas (KRAs): Customer, Employees, Organizational and Financial (Figure 3). From these long-term results, intermediate and short-term goals were developed to ensure the accomplishment of each ultimate result. An example of a long-term goal for Aurora Water is to become a leader in the utility industry. Intermediate and short-term goals of 5, 3, and 1-year needed to be developed to attain the long-term goal. Implementation plans with specific action

items, implementation team assignments, metrics and resource requirements were then created for the short-term goals. Donelson states “From the Strategic Plan, we develop divisional goals that support accomplishment of the plan, and then each manager develops their goals and objectives from that; our staff then develops their goals and objectives to support divisional goals; it’s all connected.”

**IMPLEMENTATION PLANNING**

To provide structure in attaining goals, a Business Initiative Development Process was implemented. “It’s all about having a specific process to attain our goals,” notes Donelson. Implementation planning creates a structured process with specific deliverables, timelines, responsibilities and resource requirements. Implementation planning also includes a tracking, monitoring, and accountability process designed to keep you on track.

“The Business Initiative Process started at the organizational level where we took on some big organizational Business Initiatives” says Donelson. But as managers have become more comfortable with the process, they have expanded it down to the supervisor level where now it becomes part of what they do in their sectional and workgroup goals. Donelson continues, “As an example, this year we’re having all of our supervisors utilize the Business Initiative Process to get some divisional goals accomplished, such as New Employee Orientation programs and tactical response plans for emergency response.”

**CONCLUSION**

In the beginning of the re-organization the challenges were real and at times difficult. As the leadership team began to address issues and resolve problems and work to maintain consistency; the vision and new direction of Aurora Water began to be realized. The challenges have now become opportunities for many at Aurora Water.

With the development and implementation of the Strategic Plan, Aurora Water has experienced some positive results and developed a new way of thinking and planning. It helps the organization stay focused on its core functions and long-term results and not get caught up in the here and now. “Strategic planning has helped us in maintaining our clarity and focus, and kept us attuned to what we’re all about, what our core functions are, and assisted us in providing that Certainty element that our customers expect. In addition, staying on that cutting edge is also important and our annual strategic planning process keeps us there,” Donelson concludes.

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**Key Results Areas**

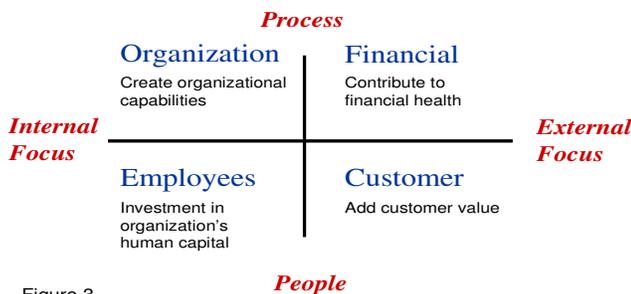


Figure 3