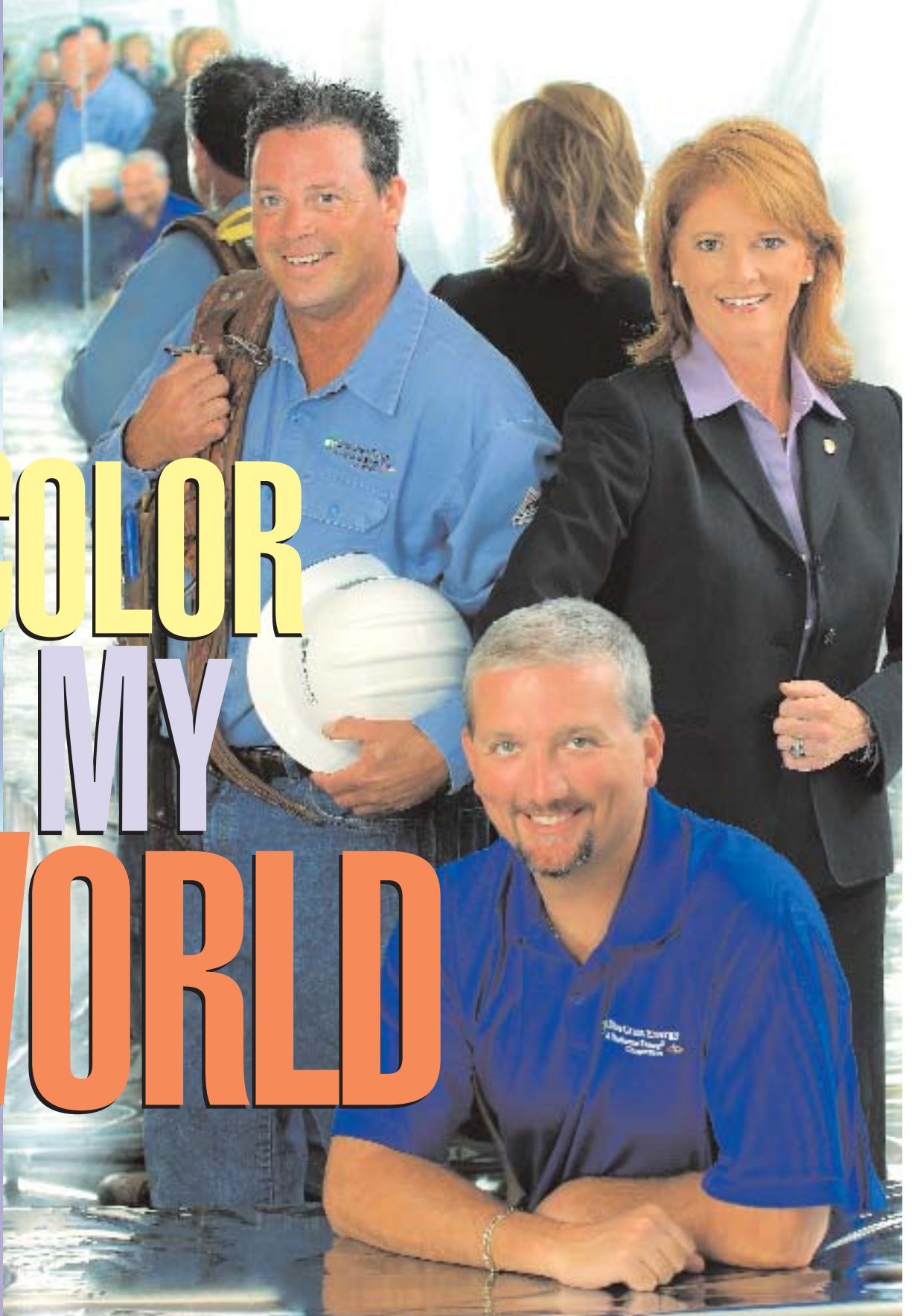


feature

CO-OP
WORKPLACE



COLOR MY WORLD

Assessing corporate culture and motivating employees to take ownership can breathe new life into electric cooperatives big and small

Caroline Fisher doesn't see workplace issues in black and white so much as red, green, yellow, and blue. Those colors are part of a business model the Denver, Colo.-based consultant uses to gauge strengths and weaknesses of an organization. In her view, the more hues, the better—a sign that a business boasts a defined purpose, remains adaptable and consistent, and involves everyone on the payroll.

For the past eight years, Fisher has helped about a dozen electric co-ops (including Herndon, Va.-based National Rural Utilities Cooperative Finance Corporation [CFC], the premier private market lender to rural electric systems) take a hard look at their workplaces. She assesses the existing culture—beliefs, perceptions, and behavior of employees—and then helps her clients develop a new one that improves performance and, ultimately, the bottom line.

“The most basic definition of culture is, simply, ‘It’s the way things get done around here,’” Fisher explains. “It’s about business direction and getting staff aligned around that direction. You determine where you are, define where you want to go, get people leading in that way, and invite everybody in to drive it forward.”

She continues: “No longer can you have just one person at the top doing the thinking. With so many changes in the electric utility

industry, all hands must be on deck. You need everyone bringing their creativity, innovation, and problem solving to work every day so when change occurs, you don't spend six months fighting resistance from within.”

Following are three electric co-op culture assessment case studies from her files.

A new day dawns

At New Hampshire Electric Cooperative, business as usual has been anything but that for the past 15-plus years. The co-op spent the 1990s working itself out of bankruptcy due to a troubled nuclear power plant investment, only to usher in the new century with negative equity, zero growth, and 700 miles of an outdated, outage-prone system.

“We knew we had to do something different or put out the ‘For Sale’ sign,” recalls Fred Anderson, who took over as president/CEO of the Plymouth, N.H.-based co-op in 1992. “Finally, in 2001, we decided we’d been in the foxholes fighting for so long that it was time to move out. The only way to do that was with ‘people power’—getting our employees really involved and focused.”

Working with Fisher (who employs what’s known as the Denison survey model) and incorporating guidelines of another business tool, Anderson and his senior staff zeroed in on the co-op’s “reason for being.”

“The theory was that if we determined

PHOTOGRAPH BY ED THOMPSON

At Blue Grass Energy in Kentucky, Crew Chief Jeff Cox, Chief Operating Officer Mike Williams, and Vice President of Member Services Cathryn Gibson, left to right, have discovered that the co-op's culture development program helps break down a strategic plan into everyday, actionable items.

what our goals were and communicated who we are and where we're going, improvement would follow," Anderson relates.

The first hurdle was figuring out what the co-op wanted to be.

"In 1939, when this system was organized, the mission was simple: 'Bring power to people who didn't have it,'" Anderson says. "But in 2001, to distinguish ourselves, we decided to establish an identity as an energy solutions organization and communicate that internally."

As part of the process, Anderson told those under him that getting the 80,000-member co-op healthy would not come from a few big decisions but, rather, thousands of little ones made collectively.

New Hampshire Electric Financial Analyst Autumn Doan took those words to heart. After attending a leadership summit—designed to empower employees—she was inspired to review the co-op's debt portfolio. After analyzing the pros and cons of refinancing, Doan ran her idea by a representative of CFC to see if it was feasible, then took the results to senior management and the board of directors.

She modestly answers a question about how much money was saved. "It's something like a couple million dollars. We were encouraged to look at things differently and take the lead to do what's best for our members."

Over seven years of culture change, New Hampshire Electric staff have launched initia-

tives to aggressively market Marathon electric water heaters, offer high-speed Internet service, establish the NHEC Foundation to fund community programs and charitable projects, and greatly reduce lost-time accidents.

District Representative Ernie Covey feels more a part of the organization, too. "The first 10 years I worked here, I probably made five trips to the main office. But now I'm down there three to four times a month. The close contact makes us stronger."

Comments Anderson, "As a chief executive, you can say, 'Rah, rah, rah, we have to do something,' but employees must buy in as well. They have to know why something's being done to make it happen."

Although there's still work ahead, encouraging signs abound. A board goal to build 20 percent equity by 2012 was achieved last summer—five years ahead of schedule.

"If we had hunkered down, I'm guessing we wouldn't be here," Anderson reflects. "But at the same time, I don't believe we would have taken that direction due to the people we have working here."

No 'I' in team

With just 35 employees, it seems Butler County Rural Electric Cooperative co-workers would know each other's every move. But, as can happen in a mix of office and field personnel, a bit of a disconnect prevailed.

"We felt like we were two separate

groups," recounts Sandi Miller, office manager for the Allison, Iowa-based distribution system. "And productivity could sometimes suffer because of it. Those of us on the inside were doing things to make our work as efficient as possible without realizing the impact it had on outside crews and vice versa."

So a few years ago, as part of the co-op's foray into culture development, staff traded places. The job shadowing showed line crews how something as simple as not having a member's contact information on a form created extra work for those at headquarters. And consumer service representatives discovered how asking a lineworker to check a meter took time away from a regular job.

"It opened both sets of eyes to what was needed to get things done," Miller points out.

Today, Butler County REC has become all-inclusive. Cross-departmental teams representing four core areas deal with issues involving safety, technology, communications, and more. When the job shadowing revealed flaws in how the co-op completed service orders, for example, folks formed an ad hoc team and established a procedure for getting it done right.

"We didn't have to wait for our CEO to give us permission," Miller reveals.

Butler County REC CEO Bob Bauman hoped such nimbleness would result when the co-op engaged Fisher. Although Butler REC scored high in all areas of her initial survey, Bauman saw room for improvement.

"We wanted to build an organization

PHOTOGRAPH BY MARK LUINENBURG

A job shadowing exercise resulted in a more flexible approach for managing change at Iowa's Butler County Rural Electric Cooperative, according to, from left, CEO Bob Bauman, Office Manager Sandi Miller, and Line Crew Chief John Endleman.





As a result of a culture assessment process, New Hampshire Electric Cooperative worked its way back to health through thousands of small decisions made collectively by employees. From left are New Hampshire Electric Cooperative District Representative Ernie Covey, President/CEO Fred Anderson, and Financial Analyst Autumn Doan.

PHOTOGRAPH BY TIM LLEWELLYN

where employees recognized that change is part of normal business operation," he indicates. "We can't spend time lamenting change. We had to deal with it and find ways to benefit from it. We got into the habit of saying, 'Let's get a few people together, work on something a few weeks, get it done, and move on.' The outcome is that we have a more motivated group, which leads to better financial performance and consumer service."

Over time, teamwork has become more natural. A case in point came recently when the co-op, with just over 5,000 members, needed to hire three apprentice linemen. In the past, Miller and the operations manager would have conducted interviews on their own. But this time, they included Line Crew Chief John Endleman.

"It broadened his perspective about the process and provided good training for the future," Bauman reports.

If a candidate for the job had any questions, the co-op could turn to the five "keys to success" it had developed.

"It's a simple document that cuts out jargon and gets right to the point of what's expected of employees: work hard, get along, ask questions, learn, and be safe," Bauman says. "When folks start hearing that's the way you do things, those attracted to that type of culture want in, while those who want top-

down decision-making won't be interested. It becomes a self-fulfilling prophecy."

Employee focus

After three consolidations and with four district offices, employees at Blue Grass Energy in Nicholasville, Ky., seemed pulled in different directions. So last fall, management brought them all under one roof to honor their role as the co-op's biggest asset.

At a surprise celebration and luncheon, Blue Grass Energy's management staff prepared and served employees a steak lunch with all of the trimmings, and applauded and cheered as they entered a warehouse decorated with festive streamers, ribbons, and balloons.

"It was our way of saying that things are different and we're moving forward," remarks Blue Grass Energy Chief Operating Officer Mike Williams.

The event, a kickoff of the co-op's culture development program, also provided an opportunity for Blue Grass Energy to re-emphasize its mission and values.

"It marked a renewed focus on employees and changing ourselves from the inside out," stresses Blue Grass Energy Vice President of Member Services Cathryn Gibson. "In many ways, it translates a strategic plan into everyday, actionable items. We are

encouraged to make a difference every day; entrusted to work together to brainstorm, develop, or streamline procedures—such as standardizing our consumer service representative training manual—all in the name of being a better co-op."

Crew Chief Jeff Cox, a 22-year veteran of the 55,000-member co-op, observes: "Now, the catch phrase around here is 'If I see it, I own it.' I may not have to physically fix the problem, but I have to follow it through."

Cox has already noticed a change in attitude. At morning safety meetings, line crews are encouraged to share stories from the field so others can learn from their experiences.

"People are a lot more open now to asking questions and sharing things," he emphasizes. "It all comes naturally."

Williams notes that some of the change flows from a trickle-down effect. "To get employees involved, they need to see it's not just another flavor of the month. They need to know the co-op is serious about changing."

Although Blue Grass Energy remains in the early stages of its culture shift, consultant Fisher acknowledges it has already taken the biggest step. "You have to take a snapshot of where you're at, so you know where to go."

For Gibson, there's no doubt where the co-op is headed. "We're going from good to great!" she concludes. ■