

Strategy/Asset Management

Developing a 5-year Corporate Strategy with the Leadership Team

Vermont Electric Power Company (VELCO) decided to strategically transform itself from a small company focused on operating its transmission system for the state's distribution companies, to building a robust transmission infrastructure that provides access to new power sources for its entire region. Viewed by outside utilities as an industry leader in managing large and complex infrastructure projects, this transformation ultimately resulted in increased capital investments. Focused on further advancements, the company identified a need for a more formal and comprehensive strategic plan that could be used as a blueprint for the next five-years.

Consequently, VELCO hired Davies Consulting to work with their senior management team to develop a strategy in order to accomplish their organizational goals. The strategy included:

- Developing the SWOT analysis (strengths, weaknesses, opportunities and threats);
- Identifying and assessing different types of risk (financial, operational, strategic, political and regulatory) based on consequence and probability;
- Facilitating the strategic initiative design;
- Evaluating business cases for each strategic initiative;
- Modeling financial alternatives and returns
- Creating the strategy implementation roadmap with specific milestones;
- Documenting the strategic plan; and
- Gaining approval from the Board of Directors.

In order to gain approval, VELCO and Davies developed the strategy around collaboratively engaging the key internal stakeholder groups - engineering, operations, corporate communications, legal and finance, and the Board of Directors. As a result, this practice cultivated support for the implementation of the proposed strategic initiatives.

Following a leadership transition, VELCO engaged Davies Consulting to assist the company with reviewing and updating the strategic plan. The resulting strategic plan became a roadmap for expanding the role of the organization in the state and regional electric transmission business. Enabling the utility to gain broad alignment across internal stakeholders on the mission, potential risks, and key strategic initiatives, it ultimately ensured adequate support by the Board of Directors for implementation and funding of the key strategies over a five-year period.