The Constantly Changing World of the Power Cooperative

America's power cooperatives electrify over 56% of the United States' landmass; over 40 million people's homes and businesses. Electric cooperatives play a crucial role in economic development and transforming communities. It is likely that if you are not fed by a major public utility, you are connected to one of the 834 distribution cooperatives, which are often fed by one of the 63 Generation and Transmission cooperatives.

Cooperatives are dealing with all the major issues facing utilities in today's world, including getting the appropriate mix of generation assets, improving reliability, containing costs, interconnection agreements, and loss of experienced workforce. Reliability of the system is by far one of the greatest concerns for electric cooperatives in a time where momentary outages can cause millions of dollars of lost revenue. Additionally, shifting loads as a result of Covid-19 is something that is impacting the growth of cooperatives. During 2020, up to 16 million people made a move- many leaving the city, working remotely, or at a minimum, moving in with relatives.

Prior to Covid-19, it was generally accepted that all utilities needed to invest in their infrastructure. Transmission infrastructure has been on the fast track for the last 10 years, however, there is significant work to be done. Distribution networks have the added stress of distributed generation and the need for constant improvement in CAIDI, SAIDI, and SAIFI. Customers, whether industrial, commercial, or residential have expectations that have continued to increase, and cooperatives are on the hook for meeting both customers' and members' needs. How do cooperatives meet the demands while also maintaining a cost-viable business model and reasonable rates?

The major components of success must all come together to meet the needs of both G&T cooperatives and Distribution Cooperatives. Each organization must evaluate how efficient they are in key areas including human capital, process, system usability, and project management. Although these are far from the only key elements, they will put an organization on a pathway to success if a continual improvement plan is in place.

Human Capital is nothing new. Hiring and developing good employees is key to any organization's success. The changing attitudes of generations have created a situation where developing in-house expertise remains critical for organizations, but employees are focused on engaging career paths that drive intrinsic values. Utilizing the right tools to assure the right people are doing the right jobs allows your team to stay engaged and establishes a culture that drives success.

Although it is clear that process is crucial in successfully executing work, it must be a process that is fit for purpose. More and more, we see a process that has been overly complex. A process should be designed to fit 90%-95% of your work, not encompass all outlier situations. When developing process, organizations need to ensure they don't build in unnecessary steps that are not value-added.

The third crucial element is the utilization of technology. Far too often we see systems that were installed to maximize productivity but are never implemented properly. A key element of this is the difference between installation and implementation. Technology installers simply put, install a given system.

Although the term "implementation" is often used, in most situations, a technology solution is installed and organizations are forced to adopt the given process flow. An optimized work management process, coupled with proper project management practices, allows organizations the ability to customize a technological solution that maximizes capital investment and workflow productivity. Utilizing technology that supports a fit-for-purpose process allows the organization to capitalize on the promise of metrics and continuous improvement.

Finally, ensuring capital projects are completed on time, on budget, and within scope is key to the success of cooperatives. Prioritization of work is simply the first step in a process that includes proper resource management, proper scoping, stage gates, and clear accountabilities. Many cooperatives don't have the size to develop a PMO or the available budget to hire dedicated project managers. Understanding the core principles and applying them can often lead to outstanding results without the need to add additional resources or layers of management.

At i3 Consulting, we specialize in creating processes, work management, human capital development, and project management that meets the customer needs. By aligning your strategic business processes, technology solutions, and people strategies, your coop can stay at the forefront of an ever-changing landscape. Contact us today to understand more about how we may be able to help you improve your organization.