

Delivering More Citizen/Stakeholder Value:

A Leading Future Challenge in Kronenwetter
Strategic Planning and Budgeting

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Stakeholders

- A stakeholder is anyone who has the power to exert an influence on your organization or who is strongly influenced by your organization in some significant way.
- A stakeholder may be a citizen, a group of individuals, or another large organization or institution.
- Each has a unique involvement with your community and differing interests, priorities, and expectations.

Objectives

- Describe why Kronenwetter will need to create new types of value for their stakeholders in the future.
- Describe a new model that can help Kronenwetter create more value in the future.
- Explain how strategic planning can help Kronenwetter create (more value) stronger leadership in the future.

Starting Premises

1. Kronenwetter exists to create value for their stakeholders.
2. Entities that excel at creating value for their stakeholders will survive and thrive.
3. Strategic planning can help create more and better value for their stakeholders in the future.

The Big Three Questions

- Are you doing things right?
- Are you doing the right things?
- Are you creating enough value?

(Give Greater Attention Here.)

Value...

“Price is what you pay.
Value is what you get.”

Source: Warren Buffet

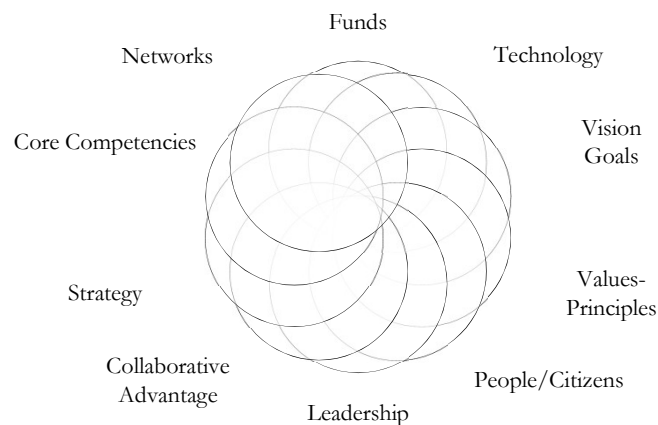
What value are your stakeholders getting from Kronenwetter?

What value is Kronenwetter getting from its stakeholders?

Starting value premises...

- External factors and trends are having a “driving effect” on most local economies.
- Kronenwetter exists because it provides “value.”
- Kronenwetter depends upon its stakeholders for “value.”
- Value-growth is a two-way street.
- It requires continuous improvement.
- “Value” exists in the eyes of the beholder.
- “Value” must be planned for and cultivated.
- Strategic planning is a valuable tool for defining and creating new value.

Ten Strategic Value-Builders



Closing the value gap...

- Does a gap exist in the value Kronenwetter provides and the value expected by our stakeholders?
- How do we close this gap?

Please Remember

- “It is not the long term of planning of activities that breeds success, rather the long term understanding of why (Kronenwetter) exists, and the values and beliefs that have guided operations over time.”

--Jim Collins, Author, Good to Great

Some Reminders About “Value”:

- Value = other side of cost.
- Value = what’s left over after you account for risk and uncertainty.
- Value depends upon quality, speed, focus, and at times uniqueness.
- Value exists in the “eyes of the beholder.”
- Value must be definable and measurable.
- No one-size-fits-all approach to creating value.
- Value must be planned and engineered into services.
- Stakeholders expect you to help them not only create value, but help them manage it.
- Board/Citizen-led models that organize around value chains work best.

Some Implications of the Value Model...

1. Resource allocation guided by performance-based strategic plan.
2. Resource allocations viewed as “value investments.”
3. The “value chain” is more important than programs and positions.
4. ROI is defined in short and long terms.
5. Management is used to reduce investment risks.
6. Positive synergy and leverage are expected outcomes.

Set value creation priorities...

- **You can't do it all.**
- What is the essential value you must create for your stakeholders?
- What is the essential value you must receive from your stakeholders?
- How do you manage the “give and take” balance?

Citizen – Stakeholder Value...

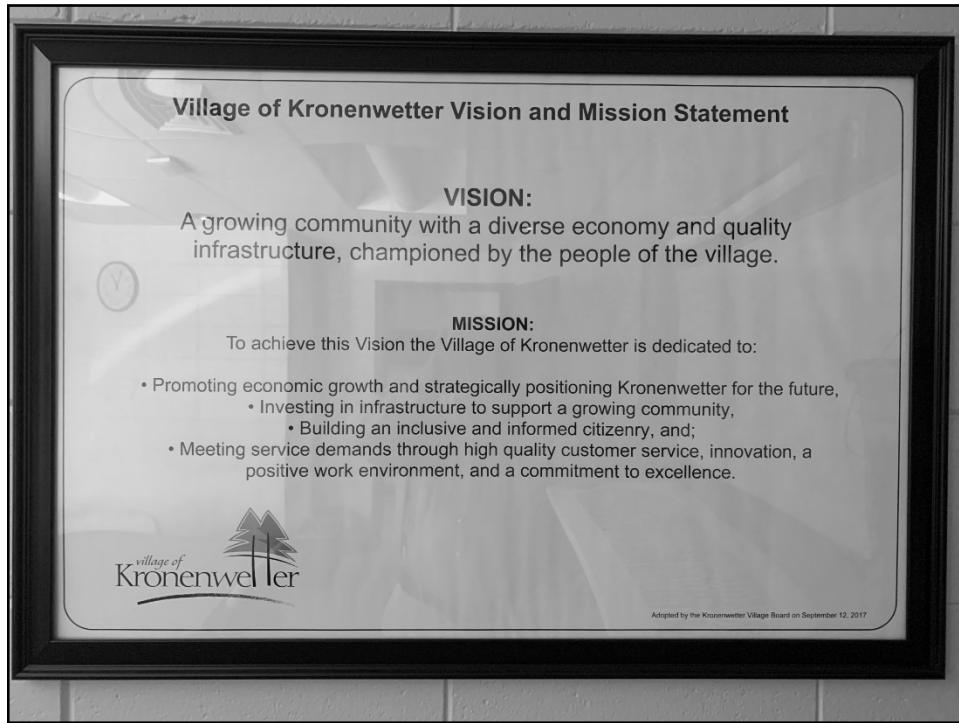
- Quality jobs.
- Income/wealth.
- Property value growth.
- Reasonable cost-of-living.
- High-quality community amenities.
- High-quality public services.
- Safety, security and stability.
- Interesting and exciting community life.
- Fairness/equity.
- Recognition.

Business Owner – Stakeholder value...

- Growth resources (people, sites, capital, etc.)
- Short and long run cost-savings.
- Long term asset value growth.
- Quality.
- Flexibility/adaptability.
- Equity/fairness.
- Speed.
- Connectivity.
- Risk minimization.
- Recognition.
- Image.

Concrete Action Steps...

1. Add clear value creation statements in our vision and mission statements.
2. Conduct a “value audit” of our programs and services.
3. Define stakeholder value to be delivered by our Team .
4. Re-organize our TEAM to reflect “value chains.” Strive to be “value-aligned!”
5. Convert our annual Budget Report into an “Annual Value Creation Statement.”
6. Reward and motivate “value-added” behavior & outcomes by our Team and its Stakeholders.
7. Monitor and measure how much value our Team adds. Identify factors reducing or impairing value growth. Be well-informed about our costs of creating certain value.



If Kronenwetter has...					The result will be:
Vision	Incentives	Competencies	Resources	Action Plan	Growth
	Incentives	Competencies	Resources	Action Plan	Slow Growth
Vision		Competencies	Resources	Action Plan	Confusion
Vision	Incentives		Resources	Action Plan	Anxiety
Vision	Incentives	Competencies		Action Plan	Frustration
Vision	Incentives	Competencies	Resources		Failure

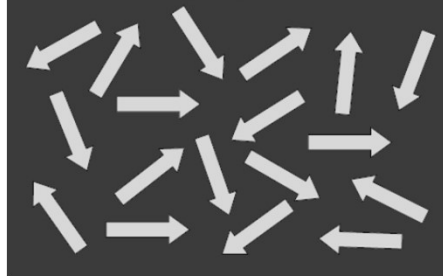
Assessing the Readiness for Joint Work

<i>Networking</i>	<i>Coordination</i>	<i>Cooperation</i>	<i>Collaboration</i>
Information exchange	Information exchange	Information exchange	Information exchange
	Authority retained by parties	Authority defined by parties	Shared authority, risk, resources, and responsibility
<i>Goal: more knowledge of existing actives</i>	Some planning or discussion of roles take place	Significant planning and discussion of roles takes place	Comprehensive strategic planning
	Regular communication among parties	Regular communication among parties	Clear communication channels
	<i>Goal: better efficiency in a specific task</i>	Access to one another's turf and span of responsibility	Alteration of current activities
		<i>Goal: better organizational performance</i>	Noncompetitive environment
			Creation of new structure for operation
			<i>Goal: achievement of common purpose or mission</i>

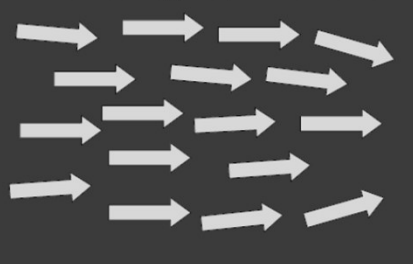
Commitments of Time-Trust-Access

Note: This chart draws on the work of Arthur T. Himmelman's "Communities Working Collaboratively for change," in *Resolving Conflict: Strategies for Local Government*, Margaret Herman, ed. Washington, D.C.: International City/County Management Association, 1994, pp. 24-47

Committed groups - unfocused



Committed groups – focused



Questions?