It's Time to Get Good at Local Investment

By John Ruetten

The national dialogue on infrastructure investment is at best confusing and at worst very disturbing. Despite the fact that the case for national investment is compelling, the debate is dominated by polar politics, allegiance to ideologies like small government, and the negative branding of spending and earmarks. The very idea that the federal government has a strategic investment role is being assaulted, which means that the outlook is cloudy if not bleak. The conclusion: We better get good at making the case for local investment.

Unfortunately, most utility managers are not trained in making this case or navigating the politics of rate setting. Consequently, rate increases have typically defaulted to what policymakers consider to be politically palatable. The unfortunate result—systematic underinvestment in water resources, infrastructure, and environmental health.

Given the need for local investment, it's quite interesting that in the world of utility management we have no widely accepted procedure for securing this investment. This is where branding can be useful. Branding focuses on clarity of value and price. Most of us will pay more for brands we trust. Contrary to popular belief, the brand is not the logo, but what people expect from the company or product that the logo represents. These expectations or judgments can be described as categorizing value. For example, people buy Monster or Red Bull because they categorize these beverages as leading energy drinks. They expect Red Bull to give them a boost, and they have a whole series of expectations when they enter a Starbucks coffee shop. Great brands meet customer needs and often dominate a category. For example, Volvo has historically dominated the safe-car category, and today Google is the dominant search engine.

So how does this relate to utilities? It's relevant because in the absence of a branding strategy people's perceptions of utilities and needed investment are arbitrary and often erroneous. Active community members can categorize the utility as inefficient because it has no competitors, or claim that water rates are a tax, and taxes are bad. They can brand tap water as unfit for drinking and pass judgment on recycled water because of its source (instead of appreciating the purification processes used to produce it). Or, people and policymakers can simply brand the utility staff as unsophisticated about finances and financial decisions.

Since utilities are already being branded, the obvious solution is to implement a branding strategy. This strategy involves actually defining the utility brand in terms of water reliability, public health, efficiency, and sound financial management. This brand clarity is then employed in very specific ways to help policy makers feel safe to vote for needed investment (because needed investment is now politically palatable). In simple terms, this means that every planning document and every message in every communication piece is linked to the brand. It also means that outreach activities are more efficient and focused on giving policymakers the support they need. The outcome: We won't have to continue hoping that policy makers are brave, because we will have given them the clarity and cover to do the right thing.

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