

# Branding Moments E-Message

## May 16 , 2008 - Sound Planning - Appropriate Investment

We previously stated that utilities are competing for investment within their communities, and that branding can help build the trust necessary to secure this investment. We will continue to explore the many aspects of the utility brand in future Branding Moments installments, including commitments to water reliability, water quality, public and environmental health, and sound financial management. However, it is important to be very clear about an overarching element of the brand that relates to the unique relationship that utilities have with their communities.

Most utilities are monopolies, which means that customers cannot change to a different service provider. Decisions made by utility staff and policy makers can have profound impacts on the customer's quality of life. Because of this unique relationship, the customer, for all practical purposes, becomes an investor and an owner of the utility and its infrastructure. This provides utilities with a strong incentive to commit to the principle of "sound planning and appropriate investment." This simple standard is the context for everything. Without sound planning and investment (the right price for water and wastewater services), the whole thing falls apart. Service levels drop, costly failures occur, and future improvements cost more than they should. This standard requires utility staff to become very good at making compelling cases for rate increases. This is especially important in an age where taxes are bad, government has been branded as inefficient and wasteful, and people have trouble differentiating between costs, wasteful spending, and investing in the future.

The concepts of planning and investment should be the cornerstone of the relationship between utility staff and policymakers. Look to future Branding Moments installments, case studies, and Utility Branding Network products for information on methods for building this cornerstone for your utility.

## Managing the Utility Starts with Managing the Brand

This may seem like a strange statement because utilities have existed for a long time without much thought given to branding. But if the brand articulates what people can count on from the utility for important value issues such as water reliability, public health, and finances, then the brand should also serve as the

strategic framework for the organization. This means that the brand provides the structure for strategic planning and communications, which requires that every decision be reviewed to ensure agreement with the commitments of the brand. In fact, no decision, investment, or activity is exempt from the standards articulated in the brand. Using the brand in this way helps the organization focus, improve the value it delivers to the community, increase efficiency, and develop support for appropriate investment.

*Coming Soon:* A UBN Case Study on using the brand to build the utility's strategic plan.