

CPUC Strategic Directives Drafting Checklist

The purpose of this checklist is to help assure a consistent and effective approach to drafting and refining strategic directives.

Definition: A strategic directive should state in clear, understandable terms what results the governing body wants the organization to achieve. Strategic directives should define the full universe of how the performance of the organization will be judged by the governing body. They are usually organized in categories reflecting the major areas of focus for the organization, for example, customer service, reliability, market development, communications, and financial performance.

Where to start: First ask: What is essential for the organization's success in this area? Frame the overall outcome you want to achieve. For example, in the area of customer service, one might write: "The organization shall assure high levels of customer satisfaction in all areas, as measured by a rating of no less than 90% in the annual industry survey."

Focus on the "what," not the "how": A strategic directive should be explicit about what results or outcomes or end state is expected. It should not prescribe specific means to getting there, except in rare instances. That should be left up to management to figure out.

How specific should it be? A strategic directive tries to strike a balance between being broad and being specific. The language is too broad if a reasonable person could not interpret how to achieve it. The language is too specific if it doesn't provide sufficient flexibility for management to adjust course as circumstances change.

What if I have a strong interest in a specific area? If the governing body has a particular interest in assuring a specific result, it should be included. For example, it may want to add: "The organization will provide all customers a mechanism to provide feedback and file complaints."

What if we have certain requirements in the law or government policy? If the desired performance is spelled out in law or in policy, the strategic directive should include it – or at least refer to it. Management shouldn't have to go hunting for information about what is expected.

Once the strategic directives are adopted, what happens? Once adopted by the governing body, it is up to management to figure out how best to achieve the results laid out in each directive. Management provides evidence, via regular monitoring reports, that the directives are being achieved. The governing body determines whether the evidence is sufficient and convincing that management is meeting expectations. That feedback loop establishes a strong system of communication and accountability.