

## BUSINESS DEFINITIONS

Approved and Adopted by the  
Springfield Utility Board of Directors  
April 10, 1985

**Business Purpose:** The purpose for which the organization exists. SUB's purpose is to provide reliable, low-cost water and electric service to the community. Service includes (but is not limited to) product delivery, product information, and timely response.

**Guiding Policy:** General, broad-based policies to be incorporated into all operations performed by the organization. The following are guiding policies subscribed to by SUB:

- a) To commit all resources on the basis of long-term cost-effectiveness, thereby providing satisfactory results at the least cost.
- b) To continually strive to provide the desired results (effective) with the least amount of resources (efficient).
- c) To provide for long-term planning which allows the organization to anticipate and prepare for changes in conditions affecting our work.
- d) To staff, manage, and administer the organization with people who have a high level of competence, integrity, and commitment.
- e) To continually develop and maintain the organization and its facilities, thereby insuring future strength and stability.
- f) To abide by all laws for administrative and procedural requirements for public organizations.
- g) To establish good community relations, recognizing SUB's role as a public body serving the community of Springfield.

**Business Goals:** General Direction and end points which the organization hopes to achieve. These are the starting point for developing performance objectives which are specific and measurable elements of goals to be assigned within the organization. The goals for SUB are as follows:

- a) To continually satisfy our Board's/customers' expectations of adequacy and competitiveness of our products and services. Adequacy includes providing both the right kind of services and satisfactory level of service.
- b) To be recognized by the community as a distinct public agency acknowledged as effective and efficient.
- c) To have the lowest competitive rates when compared to similar utilities which operate under similar conditions.

**Critical Success Factors:** Critical success factors are specific areas in which satisfactory results will ensure successful competitive performance for the organization. They are the few key areas where things must go right for the business to flourish. If results in these areas are not adequate, the organization's efforts for the period will be less than desired.

As a result, critical success factors are areas of activity that should receive constant and careful attention from management. The current status of performance in each area should be continually measured, and that information should be made available.

Critical success factors support the attainment of organizational goals. Goals represent the end points that an organization hopes to reach. They are, however, the areas in which good performance is necessary to ensure attainment of those goals.

Critical success factors for SUB are as follows:

- a) To continually define and measure the Board's and ratepayers' expectations and perceptions of the adequacy of our products and services.
- b) To be informed on and anticipate our local/regional political operating environment.
- c) To have effective representation on utility issues at both the regional and national levels.
- d) To communicate relevant and timely information on utility/industry issues to the Board, ratepayers, and employees, in order to improve their understanding of utility issues.
- e) To have ongoing communications with employees on SUB operational issues.
- f) To provide good cost measurement, reporting, and control on organizational activities.
- g) The existence of a strong management team within the organization.

- h) To have appropriate indices and comparables for measuring our competitiveness and performance.
- i) To have three- to five-year working business planning documents.
- j) To provide accurate and timely forecasting/analysis of product and service requirements.