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January 18, 2006

Ms. Patty Bigner
Customer Connections Manager
Fort Collins Utilities
700 Wood St.
Fort Collins, CO 80522-0580

Subject: Key Accounts Program Development

Dear Ms. Bigner:

Based on our recent meeting, I have given some thought to the best way to approach the task of enhancing the Fort Collins Utilities ("FCU") Key Accounts ("KA") Program while complementing the training and direction of the APPA KA Certificate Program.

There is no doubt that FCU already performs at one of the highest levels of all municipal utility systems as shown by a comparison of customer satisfaction research data. Your interest in refining the KA Program is further evidence of this commitment to excellence. The scope presented here is focused on the development of a KA Plan specific to the Utilities. We will prepare the plan keeping in mind that there may be subsequent integration with other city functions that would dovetail with overall economic development efforts as they evolve.

Purpose

The stated purpose of this KA Program development effort is as follows:

- Streamline and integrate FCU's KA efforts in order to provide seamless value delivery to the customers.
- Shore up internal support for and provide recognition of the KA efforts.
- Clarify roles and responsibilities related to KA work, including full-time to KA personnel, as well as staff and executive commitment to the effort.
- Integrate with the direction provided by the APPA KA's Certificate Program.
- Develop a specific KA Business Plan.
- Develop specific Customer Marketing Plans.

Scope of Work

Given the purpose as stated above, the work begins with a broad look at the KA Program that integrates broad organizational perspectives. This would include those directly or indirectly involved in KA service. The focus will then narrow to a small working team that will develop plan specifics to be later reviewed with the larger group to build understanding and buy-in. For the purposes of this effort, there is a core team comprised of KA Representatives Sharon Held and Dennis Sumner, as well as a project sponsor, Patty Bigner. Others to be involved will be detailed in Task 2 below.

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Task 1 - Background and Context

R. W. Beck, Inc. ("Consultant") will review all relevant background materials including APPA course materials, the 2001 KA Plan, KA focus group work, market research (FCU and APPA) and so on.

Time estimate:
Review materials: 3 hours[1]
Task total: 3 hours

Task 2 - Internal Stakeholders

Consultant, core team, and sponsor will identify internal stakeholders who have an interest and/or role in relation to KAs. Based on initial brainstorming, this group is likely to include:

- Mike Smith
- Executive Staff
- Lisa (wind)
- Joanne (billing)
- Kevin Gertig
- Dennis Bode
- Bob Micek
- Bill Tamerlin
- Bob Smith
- Sharon Held
- Dennis Sumner
- Patty Bigner
- Climate-Wise staff and supervisor

During a conference call to review the final scope prior to proceeding, we will also finalize this list.

Time estimate: included in agenda development for Task 3 below.

Task 3 - Planning Meeting #1

KA Business Plan development will start with a broad-based look at internal and external issues. A meeting will be designed to solicit input from stakeholders identified in Task 2 above, and start to build a common understanding and buy-in to the KA Program. This session will include open discussion of a variety of elements such as (per the APPA Certificate Program):

- What is the need to undertake this action now?
- Why aren't all customers KAs?

[1] Note that the "time estimate" is for Consultant hours only. Internal staff hours are not detailed in this proposal.

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- How are others in the industry addressing this issue?
- What happens if we do nothing?
- Isn't this just customer service?

Consultant will facilitate this session, relying on Sharon and Dennis to lead a portion of the session based on their recent training and to further position them as the leaders in relation to the KAs.

In addition, the session will seek high-level input on other elements of the KAs Business Plan including, but not limited to:

- Market segments
- Competitive situation
- Organizational analysis including optimal methods to respond to KA's needs
- General input to job descriptions, resource requirements and required level of commitment for KA executives and support personnel

The closing portion of this session will solicit broad input from the participants regarding the "why" of a KA program, that is, the mission statement.

Time estimate:
Agenda development, review, and final agenda preparation: 6 hours
Group meeting: 4 hours
Meeting synthesis & documentation for next step: 8 hours
Task total: 18 hours

Task 4 - Work Sessions

The KA Representatives and Consultant will have a series of three work sessions building on the input from the planning session (Task 3). These sessions will each be four hours in length. The purpose of these meetings will be to draft the elements of the KA plan. It is anticipated that there will be other work to be completed off line as well, such as research to support KA identification. It is anticipated that FCU staff will complete most of the background/research work. The project sponsor is welcome to attend these sessions as well, or may choose to attend briefly for progress updates.

Time estimate:
Meeting preparation: 4 hours
Work sessions: 12 hours
Plan documentation/preparation: 8 hours
Task total: 24 hours

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Task 5 - Sponsor Review and Refinement

After the KA plan is drafted, a detailed review will occur with the project sponsor, Patty Bigner (who will receive the plan prior for review prior to the session). This will be a two hour meeting whereby the KA Representatives will present the plan and lead a discussion. Based on this review, the KA Representatives and Consultant will finalize the plan.

Time estimate:
Meeting: 2 hours
Plan finalization: 3 hours
Task total: 5 hours

Task 6 - Customer Marketing Plan Development

As soon as the KA Plan is in a final draft phase, the KA Representatives and Consultant will turn to developing specific Customer Marketing Plans for two sample customers per the APPA Certificate Program guidelines. This task will start with a work session to detail the elements of the Customer Marketing Plans while tailoring the contents to the specific needs of FCU (perhaps additional information). This task involves research on individual customers, so the KA representatives and other FCU staff will complete most of the background work for this step. There will be one additional work session at the end of the task where KA Representatives and Consultant will meet to review the three sample plans for thoroughness and effectiveness. The KA Representatives will be responsible for completing the remainder of the customer-specific marketing plans.

Time estimate:
Work sessions (two): 8 hours
Task total: 8 hours

Any other research or background work requested of the Consultant is not included in the scope at this time and would represent additional effort.

Task 7 - Customer Information Management

In most organizations, one of the barriers to seamless value delivery is access to and sharing of timely information. There are many software applications that can help accomplish the necessary information management. This task will look at the need for such a software tool and possible solutions. Given the array of options, from simple to complex, selection is often a matter of finding the least complicated, most user-friendly solution to meet your needs. Consultant will help KA Representatives outline their needs and identify resources, and then KA Representatives will do the legwork to investigate and make a specific recommendation. Something appropriate may already exist in-house, perhaps is even in use but in need of broader application.

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Time estimate:
Meeting: 2 hours added to one of the Task 6 meetings
Identification of alternatives, if necessary: 2 hours
Task total: 4 hours

Task 8 - Presentation to Stakeholders and Plan Adoption

When the KA Plan is in the final draft stage, the larger group of stakeholders convened in Task 3 above will meet again for two hours. The purpose of this meeting will be for the KA Representatives to present the plan, to solicit any further input for refinement from the larger stakeholder group, build buy-in to the plan, and develop understanding of the direction and the team's various roles in KA Program implementation.

Time estimate:
Meeting preparation: 3 hours
Group meeting: 2 hours
Documentation and follow-up: 3 hours
Task total: 8 hours

Task 9 - External Validation (optional; not included in scope)

After a three- to six-month period for implementation of the new KA Plan, Consultant will validate the process with the end users – the customers themselves. The Consultant will conduct 30-minute interviews with 20 KA customers, based on their availability, at their site. A report summarizing this input, with any recommended changes, will be prepared.

Time estimate:
Interviews: 15 hours (at 45 minutes per interview to allow transit time)
Summary report: 6 hours
Task total: 21 hours

Task 10 - Ongoing Support for Implementation (optional; not included in scope)

Consultant is available for ongoing support as determined during the course of the project. No additional work is included in the scope at this point, but there could be an ongoing need for organizational work to move the plan to a daily reality.

Time estimate: to be determined

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Work Products

The following deliverables will result from this effort:

- KA Business Plan, which will include but not be limited to:
  - KA Mission
  - Revised list of KAs based on new analysis
  - Identification of KA team and how they will integrate efforts
  - Attributes of a successful KA Manager
  - Elements detailed in the APPA KA Certifications Business Plan Guide
- Customer Information Management Recommendation
- Customer Marketing Plans – three sample plans as template for others
- Customer Validation Report (optional; not budgeted at this time)

Budget Summary

Table 1 is a summary of estimated Consultant hours for this project, by task.

Table 1
Estimated Consultant Hours

Task	Description	Hours
Task 1	Background and Context	3
Task 2	Internal Stakeholders	0
Task 3	Planning Meeting #1	18
Task 4	Work Sessions	24
Task 5	Sponsor Review and Refinement	5
Task 6	Customer Marketing Plan Development	8
Task 7	Customer Information Management	4
Task 8	Presentation to Stakeholders and Plan Adoption	8
Total	**Tasks 1-8**	**70**
Task 9	External Validation	not budgeted at this time
Task 10	Ongoing Support	to be determined

Total Estimated Cost for Tasks 1 – 8: $8,750 plus expenses

All expenses (e.g., mileage, copies, phone charges) are additional and will be billed at direct cost. Consultant does not charge FCU for travel time.

Our aim is to precisely meet your project needs through work tasks, work products, and level of effort. Please call me at 303-299-5248 to discuss and finalize the work plan for this project.

Thank you for contacting me, and I look forward to contributing to an enhanced KA Program!

Sincerely,

R. W. BECK, INC.

Lynn L. Adams
Senior Director Strategic Planning

LLA/cmr

c: Financial Services/Marketing - R. W. Beck, Denver