

*Special Report—Organizational Structure
Review and Recommendations*

Lighting Design Lab

prepared by

Hein Consulting Group

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SECTION ONE

Introduction

The purpose of this project is: To examine, given its current organizational vision, mission, and goals, how, in the best possible way, the Lighting Design Lab (LDL) can become a viable organization that continues to meet its customers' needs throughout the Pacific Northwest.

What follows represents a thorough exploration of the LDL's history, its current successes and challenges and the consultant's recommendations for the LDL's best possible future.

Methodology of the Review

The review has had three sections. First, information was gathered through extensive interviews, and a far reaching review of documents. Next, criteria were developed to enable a rational evaluation of the options to take place. Options for possible organization configurations were developed, and many were rejected as being unsuitable at first glance. Finally, five viable options were delineated and the criteria were applied to those options. The results of applying the criteria to the options resulted in the recommendations contained in this document. (Please see the appendix for a detailed listing of interviews conducted and materials referenced.)

Structure of the Report

This report contains five sections plus an appendix. The Introduction contains the project's purpose. Section two explores the LDL's history and current state. Section three reviews five possible organizational structures, in depth, as well as the criteria used to differentiate between the organizational structure options. Section four explains the recommendations for the future organizational structure for the LDL. Section five provides an outline for implementation plans to move the current organization toward its desired future state.

SECTION TWO

Overview of the Current Structure

History

The LDL was founded roughly ten years ago. It began as a project of Seattle City Light, the Northwest Conservation Act Coalition, the Natural Resources Defense Council, and the City of Seattle. It was funded by Bonneville Power Administration with the purpose of influencing conservation in the area of lighting and lighting design.

Since then, the funding from Bonneville has ceased, and the Northwest Energy Efficiency Alliance has become the largest funder of the Labs with about a third of the Lab's support continuing to come from Seattle City Light.

This report is to focus on a recommendation for the future organizational structure of the Lighting Design Labs. However, that is a difficult task for a number of reasons.

First, there is no broad agreement about the current "ownership" of the labs. By ownership I mean who is empowered to make decisions about the Lab and its future. It is clear that Seattle City Light, which has held the contract with Northwest Energy Efficiency Alliance (Alliance), and has consistently provided 3 Full Time Equivalent (FTE) employees is an owner of the Lab. The Alliance, as the major funder of the Lab could also be deemed to have an "ownership" interest in the Lab. In addition, the Steering Committee, which is made up of representatives from the region's utilities and the Northwest Energy Coalition and the Northwest Energy Efficiency Council has, over the years, provided guidance, and policy direction, and hence the Steering Committee members and the utilities they represent can also be deemed to have some degree of "ownership" of the lab.

The concern about the structure of the Lab seems to have become heightened as a result of some changes in the way staff is paid. Initially, and for about the most of the past 10 years, some of the staff were paid as consultant contractors. When Seattle City Light determined that this situation was not sustainable, the employees were transferred first to Northwest Energy Efficiency Council (NEEC), then to the Electric League (EL), where they are now employees. These employees are then loaned to the Lab on an ongoing basis.

Furthermore, since the increased level of involvement of the Alliance, the roles and responsibilities of the Steering Committee have been unclear. Decision making, and administrative practices have been perceived as cumbersome.

Hence the decision was made by the Alliance, and was supported by staff, to bring in an Organizational Development consultant. This report is the result of research and reflection performed by the consultant over the past few months.

Present Situation

The LDL is housed at 400 East Pine St. in Seattle, Washington. The current staff includes three Seattle City Light (SCL) employees. These are the Project Manager, the Librarian and the Scheduler/receptionist. Five additional staff members are employees of the Electric League on loan to the LDL and one staff person is contracted through the University of Washington. There are two main funding sources for the LDL. The Alliance, and SCL. They provide approximately two-thirds and one-third of the funding, respectively.

In extensive interviews for this project, customers, representatives from utilities and members of the Steering Committee all spoke highly of the work of the LDL. The organization appears to be uniformly well regarded. The staff is seen as knowledgeable and responsive. Prior concerns regarding the degree to which classes and access to staff exist for customers in Montana and Idaho seem to have been resolved in a positive manner. The LDL is seen as an informed neutral party that will provide unbiased information of a high technical quality and the staff are well regarded. The physical location provides for a multitude of uses and is designed to be able to respond to LDL users' questions.

The LDL is using a mainstream intervention strategy to influence LDL users. It is currently supported by SCL with such services as payroll, and information technology support. The location is accessible for a large number of users, and the facility can accommodate LDL demonstrations. There is regional outreach through Technical Advisory Committees in areas outside the I 5 corridor. And the LDL is in contact with other national resources, products and publications. Furthermore, the LDL's location in Seattle means that it is situated to influence the "big players".

However, there are some things that are not working optimally. Almost all of the issues relate to changes in administration services. The financial record keeping is also complex in that the records must reflect the requirements of four separate entities (SCL, the Alliance, the University of Washington and the EL). Income from services provided by the LDL has not been able to be deposited into a bank account for the specific use of the LDL. An example of the cumbersome nature of current fiscal policies is that employees are required to charge their travel on LDL business on their personal credit cards. The LDL, as part of SCL has not been able to compete with SCL for grant money that SCL is seeking simultaneously. Another clear impact is the cost of contracting for the administrative services. Regardless of the party holding the contract to provide administrative services, an additional cost is incurred here. In addition, the relationship between the LDL and its loaned employees is somewhat complex. It is always preferable to have all employees at the same location, doing essentially the same work be employed under the same terms and conditions by the same employer. Under the present structure, the legal ability of the Project Manager is impaired when it comes to making changes in work scope or assignment, as well as in terms of direct supervision. While the Project Manager can direct work in a general way, specific legal obligations and supervisory responsibilities must be reserved for the employees' of the Electric League's supervisor. The role of the Steering Committee has changed, and

they perceive they are less involved than they have been in the past in providing policy and direction to the LDL. The Steering Committee members, many of whom have been involved with the LDL for years, represent some of the core stakeholders and customers for the LDL.

SECTION THREE

Criteria Used to Evaluate the Options

The criteria used to evaluation the possible organizational structural options are as follows:

The organization:

1. Meets customer and stakeholder expectations
2. Is sustainable
3. Is flexible, responsive to environmental demands
4. Administrative tasks are efficiently managed
5. Is consistent with organizational mission
6. Decision making is clear and effective
7. Is supported by a variety of relationships
8. Has appropriate technical resources

In order to ensure that there is a shared understanding of the criteria and how they are being applied the definition for each criteria will be explored.

1. Meets customer and stakeholder expectations refers to understanding and meeting the expectations of such varied parties as residential customers, students, utilities throughout the region, and funders. A stakeholder in this context is " any group within or outside the organization that has a stake in the organization's performance. Creditors, suppliers, employees and Directors are all stakeholders." (Daft, 1992)
2. Is sustainable means that the organizational structure is such that the organization is likely to continue to be a vibrant, financially stable and viable entity.
3. Is flexible, responsive to environmental demands refers to the fact that the organization exists in a political, cultural, and industrial context. The assumption here is that in order to be effective the organization will need to be able to perceive and respond to what is happening in the world around it.
4. Administrative tasks are efficiently managed would mean that the amount of time and effort required to administer the organization is not burdensome, and the manner in which administration occurs is as simple and straightforward as possible.
5. Is consistent with organizational mission implies that no organizational values will be compromised for example the neutrality of being an independent entity, rather than one that is owned by, for example, a lighting products manufacturers.
6. Decision making is clear and effective. This criteria implies that the organization has an effective, well understood decision making structure.
7. Is supported by a variety of relationships be they relationships with funders, potential funders, research organizations, schools, representatives from utilities, product manufactures, local, state and federal agencies etceteras.
8. Has appropriate technical resources implies that the organization has the technical resources both to provide the information that customers are seeking, and also that it has the internal technical resources to support the work of the staff. It is the

consultant's belief that these criteria reflect core organizational needs and are preconditions for a healthy organization.

A discussion of the key ratings on the criteria will be included in the comments which follow each options' ratings. The ratings and the weightings were assigned by the consultant based on an assessment of the available information.

The measurement of goodness of fit with each criteria will be on a one to five scale.

- 1 = does not meet this criteria,
- 2 = marginally meets this criteria,
- 3 = adequately meets this criteria,
- 4 = definitely meets this criteria, and
- 5 = meets this criteria to the highest degree.

Similarly, the criteria have been weighted to reflect their relative importance. The weighting reflects the views of stakeholders and those elements which are generally recognized as essential for organizational viability. They have been weighted as follows:

1. Meets customer and stakeholder expectations	20%
2. Is sustainable	25
3. Is flexible, responsive to environmental demands	15
4. Administrative tasks are efficiently managed	15
5. Is consistent with organizational mission	10
6. Decision making is clear and effective	05
7. Is supported by a variety of relationships	05
8. Has appropriate technical resources	<u>05</u>
	100%

Before the options listed below were considered in any depth, several options were examined and deemed not to be worth further exploration. They are mentioned here for the sake of thoroughness. For example, it is not reasonable for the LDL to become a for-profit corporation. The services it offers would not be likely to generate the level of revenue required to sustain the organization. Similarly, it would not make sense for the LDL to become a membership organization. The potential members are already being served by existing organizations in the region. Nor could it reasonably become a trade organization. One of the core values of the LDL is its neutrality. It could not reasonably be expected to be a trade organization and continue to be viewed as an entirely objective entity.

Option One: Seattle City Light Operates, Electric League Loans Employees

This option reflects the status quo. The existing strengths and weaknesses of this configuration are mostly known. (See Present Situation summary above.)

1. Meets customer and stakeholder expectations	4	20%	.8
2. Is sustainable	2	25	.5
3. Is flexible, responsive to environmental demands	3	15	.45
4. Administrative tasks are efficiently managed	1	15	.15
5. Is consistent with organizational mission	2	10	.2
6. Decision making is clear and effective	1	05	.05
7. Is supported by a variety of relationships	4	05	.2
8. Has appropriate technical resources	4	05	.2
			<u>2.55</u>

Notable issues involved in this option are listed above in the section describing the present situation. The most is known about this option in terms of actual day to day effects. The issues particularly around the complexity of administration, and the lack of clear decision making structures, make this option less attractive than some of the others.

Problems this option will resolve:

The biggest problem that a commitment to this issue will resolve is uncertainty about the organization's future. The strain on the staff of possible reorganization is considerable. Similarly, there is an inevitable impact on short term productivity which results from any organizational transition. Leaving the organization as it is currently configured will obviate the need for transition management and planning, retain current staff, as well as eliminate costs which may be associated with creating a new organizational structure.

Problems that will remain:

It is likely that the types of problems which are detailed in the Present Situation section above will reoccur. It is also possible that an ongoing discussion of the need for reorganization will undermine the stability which the selection of this option would be designed to accomplish. The fact that two organizations are responsible for administration in this scenario leads to sustainability problems. The lack of clarity in decision making and the disjointed employee situation will persist under this option.

Option Two: Lighting Design Lab Becomes Their Own Not-For-Profit Organization

1. Meets customer and stakeholder expectations	4	20%	.8
2. Is sustainable	2*	25	.5
3. Is flexible, responsive to environmental demands	4	15	.6
4. Administrative tasks are efficiently managed	3	15	.45
5. Is consistent with organizational mission	4	10	.4
6. Decision making is clear and effective	4	05	.2
7. Is supported by a variety of relationships	4	05	.2
8. Has appropriate technical resources	3*	05	<u>.15</u>
			3.30

Since this Not-for-Profit is hypothetical, it is difficult to assert that a new organization would be sustainable. In addition, if funding is uncertain, the availability of appropriate technical resources may be called into question.

The formation of a new organization is complex, time-consuming and can be somewhat costly. Additionally, not for profit organizations must compete for funding from public and private sources, and as a result their sustainability is always in question. Similarly, this organization's basic requirement to stay in touch with new technologies and provide access to technically sophisticated equipment can be costly. However, not-for-profit organizations tend to become extremely adept at fostering and maintaining a variety of relationships, and must, almost by definition be responsive to their environments. The ability to be self-governing, and self-directed is primarily what makes this option most appealing. The new organization would, presumably, have a board of directors made up of many of the same people and/or organizations which have supported the LDL through their participation on the Steering Committee.

Problems this option will resolve:

This option will resolve the issues around having employees who materially contribute to the same work products being employees of two different organizations. It will standardize employment and other administrative practices and enable the organization to retain current staff. It should clarify the decision making and governance structure. The ability of the organization to respond rapidly to environmental and customers should also be enhanced.

Problems that will remain:

The future for the LDL will retain the same level of uncertainty that currently exists. The manner in which the organization conducts its work, and the difficulty it has encountered in reaching decision makers, specifiers, and trend setters will remain.

Option Three: University of Washington Houses the Lighting Design Lab

1. Meets customer and stakeholder expectations	4	20%	.8
2. Is sustainable	2	25	.5
3. Is flexible, responsive to environmental demands	2	15	.30
4. Administrative tasks are efficiently managed	1	15	.15
5. Is consistent with organizational mission	2	10	.2
6. Decision making is clear and effective	2	05	.1
7. Is supported by a variety of relationships	3	05	.15
8. Has appropriate technical resources	4	05	<u>.2</u>
			2.40

Projects or programs inside large organizations tend to run into the same kinds of difficulties. These projects are usually complex to administer, often needing to comply with the umbrella organization's policies and procedures which may not overlap with the highest needs of the project's operation. The same issues currently faced by the LDL in being housed in a large organization are likely to re-occur. Complex or protracted administrative requirements, lack of autonomy, and an uncertain status if the goals of the parent organization change.

Problems this option will resolve:

The sponsorship of a large organization such as the University of Washington will likely have the effect of reducing the LDL's staff's responsibility for some administrative tasks. The LDL would have all of the employees working for the same organization. It is likely that all of the technical requirements the LDL has would continue to be well met.

Problems that will remain:

The LDL could continue to fall short of the level of autonomy at which it might best operate. The LDL would also remain a small part of an organization whose primary focus is not the same as the LDL's focus. The decision-making structure inside another large organization is likely to continue to be complex. The decision making may well be driven by factors that are more political and budgetary than reflective of the LDL's own needs.

Option Four: Seattle City Light Houses the Lab, and the LDL is established as a 501c3

1. Meets customer and stakeholder expectations	4	20%	.8
2. Is sustainable	4	25	1
3. Is flexible, responsive to environmental demands	3	15	.45
4. Administrative tasks are efficiently managed	1	15	.15
5. Is consistent with organizational mission	2	10	.2
6. Decision making is clear and effective	1	05	.05
7. Is supported by a variety of relationships	4	05	.2
8. Has appropriate technical resources	4	05	<u>.2</u>
			3.05

This option reflects a compromise between the relative security of being sponsored by a large, stable organization and the need for some real autonomy for the LDL. In this scenario, the project would continue to meet the requirements and expectations of SCL. Simultaneously, a separate not-for-profit organization would be created, and would be co-located at the LDL. This would mean actually creating a whole new not-for-profit organization. The existing location and resources of the LDL would be used by both the SCL employees and by the employees of the new not-for-profit organization. The not-for-profit organization would share the current address and resources of the LDL. The new not-for-profit would also be able to avail itself of funding opportunities and participate in or innovate programs or projects which might not be able to be supported by SCL. This structure would not resolve the issue of having employees who perform essentially the same tasks having different employers, however, it would resolve many of the autonomy issues which crop up in the LDL's relationship with SCL. In addition, this option would presumably provide appropriate technical resources, as the SCL infrastructure would continue to be available. Again, the new organization would, presumably, have a Board of Directors made up of many of the same participants as the current Steering Committee. The new Board of Directors would have normal types of responsibilities for the non-profit. Note that this option could also be used as a transitional step between the present situation, and the formation of an entirely independent not-for-profit organization.

Problems this option will resolve:

Almost all management of employees and most administration of the LDL will be at one location. The LDL will have the ongoing support and sponsorship of SCL. The transition is likely to be invisible to customers. The new LDL organization will be able to build upon a stable base, over time, without being confronted all at once with having to find its own sources of funding, facilities, and administrative and technical support. The existing relationships which have sustained the organization to this point will be unlikely to be jeopardized by this option. Current skilled staff will be able to be retained.

Problems that will remain:

The lack of clarity of decision making, and a continued need for dual administration, and compensation structures will persist as problems. The organization will still be a small part of a larger organization whose primary focus is not the same as the LDL's focus. The role of the non-profit's board vis-a-vis the funders and SCL will continue to be ambiguous enough to potentially impair the course charting and autonomy of the new organization. The employees will still be working for two different organizations.

Option Five: Seattle City Light Houses All LDL Employees

1. Meets customer and stakeholder expectations	4	20%	.8
2. Is sustainable	4	25	1
3. Is flexible, responsive to environmental demands	2	15	.3
4. Administrative tasks are efficiently managed	2	15	.3
5. Is consistent with organizational mission	2	10	.2
6. Decision making is clear and effective	3	05	.15
7. Is supported by a variety of relationships	3	05	.2
8. Has appropriate technical resources	5	05	<u>.25</u>
			3.20

This option reflects the relative security of being sponsored by a large, stable organization. This structure would resolve the issue of having employees who perform essentially the same tasks reporting to different employers. In addition, this option would presumably provide appropriate technical resources, as the SCL infrastructure would continue to be available. There are also various difficulties associated with this option. Those being, that SCL Management would need to go to the Seattle City Council to gain approval for the four new positions. This occurs at a time when it appears that SCL has been asked to control expenditures. In addition, the administrative hiring requirements for SCL might mean a substantial delay in hiring the consultants. Similarly, these hiring requirements may make it difficult to hire the people who are presently providing high quality services. If SCL chooses to become the sole sponsor of the LDL and additional funding ends, SCL will have more employees than the LDL's level of assistance to the service area would justify.

Problems this option will resolve:

The lines of responsibility and authority will be clear under this option. The Steering Committee would be an advisory board in service of SCL's operation of the LDL. All of the employees would be working for the same organization under the same terms and conditions of employment. If we assume that SCL will be able to find a way to hire the current employees, the current staff and their expertise will also be conserved. The LDL will continue to have the kind of infrastructure support it has enjoyed until now. The LDL may continue to participate in the one percent for art program. The reasons for the high sustainability rating for this option lie in the fact that even were all outside funding for the LDL to be terminated, it is likely that SCL would continue to support the LDL albeit in some much more limited form.

Problems that will remain:

The biggest problems with this option are the difficulties which may be encountered in implementing it, and the fact that a regional resource administered by one utility may not appear to be truly regional in its focus. Also, being entirely part of a large organization tends to limit the ability of any sub-units to innovate, or respond rapidly, as the environment changes. The costs of housing the additional staff as employees (burdened overhead) of SCL will likely be higher than in other options. It may not be possible to retain the highly respected and experienced staff who are now working on the project as a result of the SCL compensation structure; this is unknowable at this time. Lastly, administrative tasks in large organizations tend to be elaborate and expensive.

SECTION FOUR

Determining the Future of the Lighting Design Lab

General Recommendation

Because the future of the LDL depends in large measure on successful collaboration between SCL and the Alliance, ongoing and comprehensive discussions should be held between appropriate representatives of these two entities. Whether these discussions are held in response to, or independent of, these recommendations is much less important than that the discussions take place in a timely manner and in an open atmosphere.

There are clearly two viable and potentially desirable options for how to configure the LDL in the future.

The decision as to which form is most desirable depends upon a number of variables. The relative merit of these variables depends on one's perspective and the future envisioned for the LDL.

The point of choice appears to be a question of the relative merits of autonomy versus stability. The possible scenarios are as follows: if the current supporters (both funders and customers) of the lab believe that the Lab will be most effective in the future if it is a truly independent organization, free to act and react rapidly then the option to create a new 501c3 remains the best choice regardless of the fact that 501c3 type organizations must typically spend a great deal of effort securing and maintaining funding sources. If however, the current supporters of the Lab believe that the best hope for sustaining the project lies in closely linking it to a large and relatively stable parent organization, then the best choice would be to urge SCL to go to the City Council and request the allocation of the additional positions. As far as time frames to implement either option, my best estimate would be that the options would require approximately equal time to fully implement.

Therefore, the consultant's recommendations are as follows:

1. Hold a structured conversation with key stakeholders and decision makers to decide which option represents the best interests of the LDL.
2. Create an action plan with a time line and definitive responsibility chart to manage the organizational transition.

The Transition Plan should include the following:

1. Appoint a transition plan project manager or project team with a clear leader.
2. Create an inclusive communications plan to ensure that all stakeholders remain knowledgeable and involved, to the appropriate degree, in the organizational change.
3. Create a plan to manage any personnel issues, including staffing, morale and administration.
4. Designate a clear decision making structure for the new organizational structure including financial, and administrative practices.

This transition plan will be necessary regardless of which option is selected.

Additional Issues

There are larger environmental issues at work here. The future of power generation and distribution is still uncertain, and the proper place for projects such as the LDL in the future remains unclear. However, a smaller, autonomous, and therefore more nimble and flexible organization is most likely to be able to avail itself of opportunities as they present themselves. In order to be assured that the organizational change is not disruptive and customers of the LDL continue to receive the same quality of services they have come to expect, an evaluation of performance should be planned for approximately nine months into the change. Some of the hallmarks of effective change efforts are to commit to an exceptionally high level of communication and education during the change, and to encourage and support participation and involvement on the part of important stakeholders. It is the consultant's belief that the LDL can become a viable, successful and high performing organization within the next eighteen to twenty-four months.

Summary Of The Necessary Actions For Each Of The Two Possible Options

Recommendations for Future Organizational Structure of the Lab As a 501c3

The LDL is currently an example of a semiautonomous organization. It is a project of SCL, and is housed separately from other SCL activities, and for most of its existence has been operated as an independent entity. It has "the characteristics of a loosely coupled system." (Morgan, 1996) This means that "the organization struggles to maintain a degree of independence while working under the name and framework provided" by SCL. In this situation where "a desire for autonomy or sub-unit goals becomes more important than the aims of the wider organization, schismatic tendencies may be a constant feature and transforming force. Such organizations usually spawn new organizations." (Morgan, 1996). The concerns with the present organizational structure exist in a number of areas. First, decision making seems to be delayed and problematic. Secondly, the organization as it currently exists seems unable to avail itself of opportunities. For example, it can not offer profit generating courses and retain the revenue which the courses generate. It similarly is unable to benefit from fee-for-services arrangements; additionally it seems to have been unable to compete for additional grants or to pursue alternate sources of funding. Also, there are performance

consequences in having multiple employment and administrative structures existing side by side in such a small organization.

If the LDL becomes a separate not-for-profit entity, there is one important caveat. This is that SCL be willing to enter into a transitional support agreement for a minimum of three years. The form that this support would take would, of course, be subject to negotiation; however, at a minimum, the level of commitment would need to reflect support for the employees, the facility, and a level of funding that reflects the level of usage of SCL's customer base.

Legal Requirements

The requirements for becoming a non-profit corporation are fairly straightforward. Though they will take time and some money to manage, the procedures themselves are entirely knowable. The steps to become a legal entity include:

Choosing and reserving a name, filling out and filing the articles of incorporation, writing the bylaws, appointing directors, holding an organizational meeting, registering with the State of Washington, applying for a federal tax ID number, obtaining licenses and permits, and applying for postal benefits. (Sohl, Cumfer, 1996). This process will probably require between six and twelve months to complete.

The estimated cost for creating the new organization range from zero to \$10,000 depending upon the ability to locate professionals who may donate services and/or the ability of individuals within the organization to draft bylaws and articles of incorporation.

Structural Requirements

The new organization will need to attend to a wide variety of organizational structural requirements. The Board of Directors must be chosen and must provide a vision and mission for the organization. Employees must be hired, and compensation structures must be designed which will attract and retain qualified employees. Organizational policies and procedures covering topics ranging from purchasing to progressive discipline must be established. The use of independent contractors and volunteers must be addressed. Decision-making structures, lines of authority, and conflict resolution practices need to be stipulated. Fiscal policies must be developed, and procedures for day to day management of funds must be delineated. Bookkeeping and payroll systems must be put into place. Budgets must be formulated and approved by the Board of Directors. Inventories of capital assets and computer and telephone systems must be performed, and facilities costs will need to be calculated. It is entirely possible that some additional staff with different skills sets will be needed. The skills needed, however, are also of the type most often contracted for by organizations such as payroll services. The time frame for completing these tasks is estimated to be between ten and eighteen months.

Best Practices to Ensure Success

The best practices to ensure organizational success which are proposed here come from a wide variety of organizational thinkers. The first important practice is to ensure that the organizational systems and structures support the organizational goals. This means that the administrative policies and budgetary decisions flow from the vision. The vision guides the organizational mission, which is operationalized by identifying concrete goals, and putting into place strategies that will enable progress to occur. This assumes that the organization's directors have a thorough knowledge of the current political and funding climate, and that the organization is responsive in its key relationships. In addition, the organization must be agile and able to respond to emerging trends and opportunities.

In addition, the leadership style should mesh with the organizational purpose. For example, an organization which seeks to include community participation will probably wish to reflect that type of inclusiveness in its management structure. This could result in self-managing work teams, or customer advisory groups. The objective being to make sure that the organizational structure reflects, and never hinders, the organizational goals.

Similarly, the creation of the new organization's culture should be deliberate. This can in part be accomplished through the formulation of effective personnel policies. However, the crafting of an organization's culture is a combination of what makes sense for the type of work people in the organization are performing, the leadership of the organization, and the culture inherited from the previous organizational form. The new organization must be especially vigilant in making choices which truly support the functionality of the organization, rather than relying on existing practices.

The deliberate construction of clear, frequent, and effective communications strategies would be one example of creating organizational culture. For example, weekly staff meetings, shared scheduling software, and a constant flow of information available to all employees regarding the degree of organizational movement toward goals. The next important task for a new organization is to attend to inter-organizational linkages. This means attending to existing relationships with individuals and organizations throughout the region, as well as seeking to expand the network of affiliations. A list of existing and possible linkages that was generated by the Steering Committee is contained in the appendix of this report.

SECTION FIVE: Implementation Plan Outline For a 501c3

First Steps

The first step toward creating an independent not-for-profit organization could well be that which was suggested in Option Four. The organization would benefit by remaining in the same location. Any changes in organizational structure should be invisible to users of the LDL. An initial chartering meeting with Steering Committee members, and other interested stakeholders should include a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis. This large (sometimes referred to as whole system) event would lead to the formation of a number of Disappearing Task Forces (DTF - committees which will exist for a limited time and which exist for a limited purpose), the most important one of which would be a key transition management group. These DTFs would be charged with specific individual tasks, such as bylaw formation, Board of Director recruitment, policy development, etcetera. The DTFs would be charged with looking at the cultural, political and technical requirements in each area.

The goal for this organizational change would be to use the same model of transformation which is already in use in the work the LDL does. This is a continuous progression toward state-of-the-art practices, rather than a radical change in the organization or how it does business.

SECTION SIX

Recommendations for Future Organizational Structure of the Lab As a SCL Sub-Unit

Legal Requirements

The key issues in this option would be creating the required additional positions through approval by SCL's management and the Seattle City Council. There would be a need to terminate the existing contract with the Electric League and address any contractual issues which may remain between the EL, SCL, the Alliance, and the employees.

Structural Requirements

The positions currently held by the employees of the Electric League who are on loan to the LDL, would need to be evaluated and classified. Job descriptions would need to be written and a compensation level would need to be determined. Next, the positions would need to be advertised and filled competitively. Existing administrative difficulties such as those involving revenue generation will need to be addressed.

SECTION SEVEN

Implementation Plan for Future Organizational Structure of the Lab As a SCL Sub-Unit

Best Practices to Ensure Success

The LDL needs to reaffirm its core mission, and/or revise its mission to address any new opportunities. The transition manager or team should map out a detailed plan for the transitioning of the positions to SCL. In addition, existing administrative processes which are now in effect, but which are more complex than they might need to be, should be examined, and streamlined wherever possible. An ideal relationship between the SCL and the Steering Committee should be arrived at jointly, and the mechanisms for ensuring that communication between the two entities is clear and timely should be put into place. The Steering Committee (SC) needs a clear description of the types of advice, counsel, or other roles the SC may play. Similarly, goals for funding and performance for the LDL should be reviewed and either affirmed or adjusted. Interim or temporary structures should be implemented wherever it is clear that a transition will be taking place. This means that Disappearing Task Forces should be set up with specific responsibilities and time frames.

First Steps

The first steps for this option include confirming that SCL is committed to pursuing this path. A clear and agreed-upon statement of what the ideal state for the future of the LDL and the date by which that state is expected to be reached needs to be articulated. Next, is putting into place a transition team or manager who is able to mobilize the resources necessary to effect these changes. This would be followed by a period of DTF work and the assignment of tasks to various specialists within SCL. Also, please note that the steps outlined under the General Recommendations section apply here.

Appendix

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Wally Crowshaw, Tacoma Public Utility
Steve Negretti, Avista Utilities
Darlene Nemnich, Idaho Power Company
Betty Olsgaard, Bonneville Power Administration
Stan Price, NEEC, Electric League
Dave Ryan, Montana Power Company

Cal Shirley, Snohomish Co PUD
Bruce Haagsland, University of Idaho
Joel Loveland, University of Washington

NETWORKING OPPORTUNITIES

Already Networked With

Alaska, Hawaii and Guam Utilities
Environmental Protection Agency (e.g., Green Lights, Rebuild America)
DOE (e.g., FEMP)
NCQLP
Puget Sound Pollution Prevention Resource Center
ASHRAE 90.1
Construction Specifiers Institute
Trade allies (e.g., NEEC, Electric League)
National Energy Centers (e.g., Wisconsin Energy Center)
Technology Centers (e.g., Montanaís)
National Labs (e.g., LBL, Battelle, RMI, E-Source, EPRI)
Vocational Technical Schools
Canada (e.g., Calgary, BC Hydro)
State Energy Offices but potentially could have stronger relationships with some
Universities and Community Colleges (e.g., UW, WSU, U of OR, U of ID)
Association of Idaho Cities and Counties
Montana League of Governments Energy Office
Alliance Ventures (e.g., Lightwise)
DCU and Building Departments
Lighting Research Center
Regional Utilities
Trade Associations (e.g., AIA, BOMA, IFMA, ASID, IES)
Lighting Manufacturers
National Electrical Contractors

Should Consider Pursuing

Commercial and residential real estate companies
Restaurant Associations
Building Developer Associations
Mortgage Banking Organizations and Banking in General
Retailer Associations (e.g., grocery stores, mom and pops) ñ LDL has done some
working with the Seattle Gift Center
Hotel Associations
Hospital Associations
Hospitality Associations
Parks and Recreation
Canadian Standards Association
Canadian Electrical Association
Technical Advisory Groups (e.g., SBCC)

Renewable Organizations (e.g., ENRL)
Passive Solar Organizations (e.g., Eco-Building Guild)
US Green Buildings Council
Regulatory Bodies (e.g., WUTC, PUC)
Association of Washington Cities
League of Oregon Cities
Other Alliance Ventures (e.g., NEEI, EBPI)
Salt Lake City or Las Vegas Resources (???)

