

Building a strategic framework for JEA

September 24, 2018



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Today's agenda

Guiding principles going forward

Draft workplan

Questions on stakeholder engagement

Next steps

Are there any other topics you would like to cover?

Are there any of these topics that are most important to cover?





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Guiding principles for the effort – others to add?

Guiding principles

Engagement

- **External stakeholders:** Aligning all relevant stakeholders outside the organization on the strategic framework and key metrics is crucial for success
- **Employees:** Engaging employees to provide insights, concerns, and ideas creates broad followership within the organization
- **JEA leadership:** Involving JEA leaders from day-1 and turning them into sponsors of strategic initiatives ensures the implementation of the initiatives

Fact-based insights

- **Underlying trends:** Developing an understanding of industry trends and emerging technologies is vital to set the right strategic priorities
- **Clear, quantitative metrics and goals:** Defining clear targets against which initiative impact can be measured allows to measure the success of initiatives

Not starting from zero

- **Existing knowledge base:** Leveraging previous work of the organization and building on existing insights helps to kickstart this effort

Co-creation

- **Co-development is key:** Developing detailed plans in coordination with JEA initiative owners enables capability building and generates organizational buy-in
- **Build capabilities:** Building capabilities allows the organization to tackle strategic planning in a continuous process going forward



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Two-phase approach to strategy development



Phase 1: Framework and principles



Phase 2: Strategic initiative planning

Refining the existing strategic framework and building internal and external stakeholder alignment through a rapid review of key trends facing JEA

Identifying, prioritizing, and driving progress towards strategic initiatives to achieve the goals set in the strategic framework



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Proposed approach



Phase 1: Framework and principles (4 weeks)

- ① Assess the **status quo** of the organization
 - Review existing framework & materials, and interview senior leadership
 - Conduct benchmarks
- ② Align perspectives on **major trends** and create common demand forecast
- ③ Develop **key metrics**, guiding principles, and **strategic framework**
- ④ Build **stakeholder support**, i.e.,
 - Engage employees on strategic framework
 - Closely involve board members and JEA leadership in decision making process



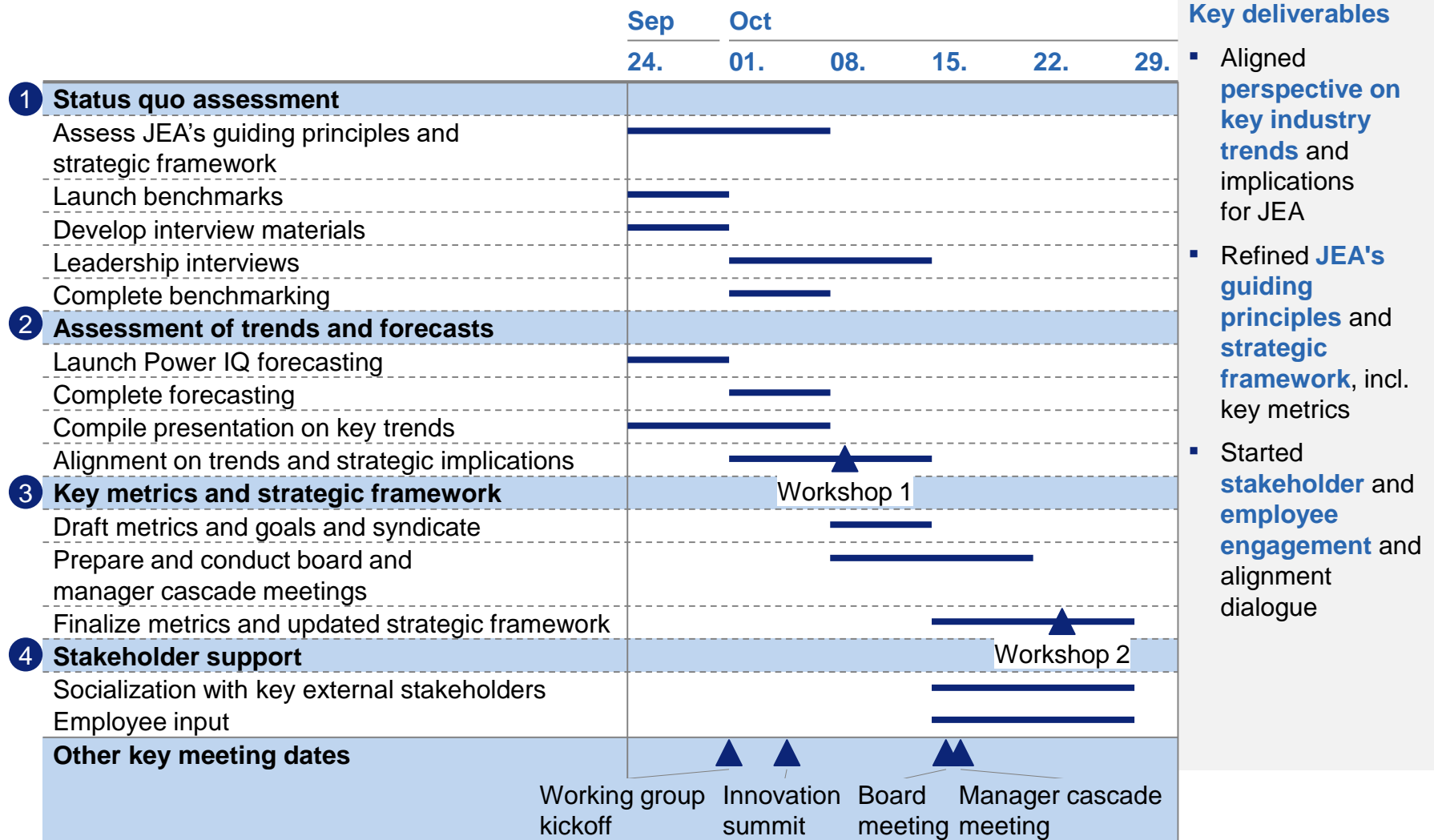
Phase 2: Strategic initiative planning (4-5 months +)

- ⑤ Conduct an **organizational health assessment** and develop **change management** approach
- ⑥ Define **strategic initiatives** and prioritization to achieve company objectives
- ⑦ Develop **business plans, overall financial impact** (e.g., capital requirements) and **implementation roadmap**, as well as a **tracking system**
- ⑧ Syndicate **10 year strategic plan** in series of leadership and board meetings



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Phase 1: Refinement and alignment on JEA's framework and principles





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For discussion

Stakeholder	Open questions	Thought starters
External	<ul style="list-style-type: none"> ▪ Who are the key external stakeholders to engage? ▪ What are the main topics of interest to them in the process? ▪ What were successful ways in the past to engage them? 	<ul style="list-style-type: none"> ▪ Offsite half-day strategic initiative workshop
Employees	<ul style="list-style-type: none"> ▪ On which topics do we want employees' input? ▪ What forums/methods should we use to engage them? ▪ How do we align employees around strategic initiatives? 	<ul style="list-style-type: none"> ▪ Idea generation, strategic direction, initiative outlining and detailing ▪ Open forum to comment on strategy material (phase 1); Idea generation workshops (phase 2) ▪ Plan for cascading change story
Leadership	<ul style="list-style-type: none"> ▪ Who are the right JEA leadership members to interview? ▪ Who should we continuously engage within workshops? 	<ul style="list-style-type: none"> ▪ Top 10-20 leaders across core functions ▪ Potential initiative sponsors and influencers



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Next steps

Schedule leadership interviews for week of Oct 1 and 8

Schedule regular meetings weeks, e.g., working team, SteerCos, employee check-ins

Start data collection for benchmarking effort

Start working on overarching data requests



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Backup



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Initial data requests

Category

General

- Last 3-5 years Company and BU financials, incl. O&M-costs, Capital
- Any financial forecasts
- Org charts

Strategic initiatives

- Current strategy documents
- Off-the-shelf KPIs and/or metrics that are being tracked
- Forecasts, e.g., power demand and supply by customer class
- Any strategy documents you have recently presented on trends, e.g., market, customers, etc
- Documentation on recent and ongoing initiatives, e.g., grid modernization, cost reduction, distributed generation



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Calendar for the next 4 weeks

October 2018

M	T	W	T	F
1	2	3	4	5
McK-team in JAX				
Working team kickoff				Innovation summit
8	9	10	11	12
McK-team in JAX				McK-team remote
	Trend alignment workshop (tbc)			
15	16	17	18	19
McK-team in JAX				McK-team remote
	Board meeting	Manager cascade meeting		
22	23	24	25	26
McK-team in JAX				McK-team remote
	Strategic framework mtg (tbc)			



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A successful strategic plan is underpinned by 7 core principles informing our approach

An effective strategy requires:

- ✓ A strategic plan responsive to trends
- ✓ A clearly articulated vision for the future
- ✓ Defined goals and metrics for success
- ✓ An aligned organization

- ✓ Discrete initiatives, clearly prioritized
- ✓ Owners accountable for driving each initiative
- ✓ A clear process to track and measure progress

Phase 1 priorities

- JEA has articulated an understanding of trends and defined a Framework supported by Corporate Metrics
- The goal of phase 1 is to supplement view of trends, drive organizational alignment and establish a rigorous framework of metrics and benchmarks

Phase 2 priorities

- Phase 2 will aim to identify, prioritize and drive progress towards strategic initiatives that will achieve JEA's corporate metrics
- It will also create a clear tracking structure, supported by continuous change management and capability building



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What is a change story ...

What are the objectives of a Change Story

- To rally the organization around a change program, creating **excitement and buy-in at all levels**
- To make the change **personal and relevant** to each level of the organization

What are the benefits for a transformational program?

- To make the transformational program change more **clear, actionable and structured**, by requiring to craft a change story to be shared with the team
- To build **awareness of the need for change at all levels** by making the change relevant for each unit
- To **ensure buy-in** by having employees write their own change stories and provide their feedback on their managers' vision for change

In which setting should it be used?

- In development phase:
 - When leadership team need to develop a change story collaboratively at each level
 - When customizing the change story from the level above to your own level
- In rollout
 - When sharing change stories widely and creatively (e.g., town halls, gallery walks)
 - When presenting the change story at rollouts with leaders' direct reports