
From: Zahn, Aaron F. - Managing Director/CEO <zahnaf@jea.com>
Sent: Wednesday, January 9, 2019 2:47 PM
To: Wannemacher, Ryan F. - Chief Financial Officer
Cc: Bartley, La'Trece M. - Mgr Executive Administration
Subject: RE: RE: change leaders forum
Attachments: 2019-1-9 JEA strategic planning workplan - v2.pptx

See attached a draft w edits from me. Mostly Pg2 and Pg 8

Aaron Zahn

Managing Director & Chief Executive Officer

Direct: (904) 665-4396

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Email: zahnaf@jea.com

From: Wannemacher, Ryan F. - Chief Financial Officer
Sent: Wednesday, January 9, 2019 12:52 PM
To: Zahn, Aaron F. - Managing Director/CEO <zahnaf@jea.com>
Cc: Bartley, La'Trece M. - Mgr Executive Administration <bartlm@jea.com>
Subject: FW: RE: change leaders forum

Aaron,

Attached is the powerpoint version of the McKinsey presentation.

Thanks

Ryan

Ryan Wannemacher
Chief Financial Officer
Direct: (904) 665-7223

From: [Sarah Brody](#)
Sent: Tuesday, January 8, 2019 11:04 PM
To: [Anton Derkach](#); [Bartley, La'Trece M. - Mgr Executive Administration](#); [Wannemacher, Ryan F. - Chief Financial Officer](#)
Cc: [Aaron Bielenberg](#)
Subject: RE: RE: change leaders forum

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Ryan and La'Trece,

Please see attached for a draft of the strategy workplan presentation for the 1/22 Board meeting. We look forward to comments from you and Aaron, and can revise tomorrow.

Thanks,
Sarah

From: Anton Derkach
Sent: Monday, January 7, 2019 1:22 PM
To: Bartley, La'Trece M. - Mgr Executive Administration <bartlm@jea.com>
Cc: Aaron Bielenberg <Aaron_Bielenberg@mckinsey.com>; Sarah Brody <Sarah_Brody@mckinsey.com>
Subject: Re: [EXT]RE: change leaders forum

La'Trece,

Thank you for the information re: timeline ! We will work on the document and have a draft to you tomorrow. Aaron and Sarah will be on site today and sync up with Ryan in the content.

Thank you
Anton

On Jan 7, 2019, at 1:10 PM, Bartley, La'Trece M. - Mgr Executive Administration <bartlm@jea.com> wrote:

Anton,
I did not receive a response. Did you see my earlier email regarding Board Presentation on Strategic Planning from McKinsey. I need a copy of the draft for Melissa, Ryan and Aaron to review asap. Can you assist and forward to me, please?

Thank You!

La'Trece Bartley

Manager-Executive Administration

Aaron Zahn, Chief Executive Officer

Melissa Dykes, President/Chief Operating Officer and JEA Board of Directors

<image011.jpg> <image012.jpg> <image013.jpg> <image014.jpg> <image015.jpg>

From: Anton Derkach <anton_derkach@mckinsey.com>
Sent: Monday, January 7, 2019 12:35 PM
To: Bartley, La'Trece M. - Mgr Executive Administration <bartlm@jea.com>
Subject: FW: change leaders forum

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La'Trece,
Per below, very quick question – could you send me name and contact info of Kerri's assistant please?

Thank you very much
Anton

From: Dykes, Melissa H. - President/COO <dykemh@jea.com>
Sent: Monday, January 7, 2019 10:27 AM
To: Anton Derkach <anton_derkach@mckinsey.com>
Cc: Stewart, Kerri - VP & Chief Customer Officer <stewk@jea.com>; Bartley, La'Trece M. - Mgr Executive Administration <bartlm@jea.com>
Subject: [EXT]change leaders forum

Anton,

Kerri Stewart also plans to attend from JEA.

Thank you
Melissa

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Building a strategic framework for JEA

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Building Community

Given changes in the utility sector, the time is now to develop a strategic plan

PRELIMINARY WORKING DRAFT



1 Technology

Emerging energy economics of the supply stack shifting

Emerging operational technologies laying the foundation for digital transformation



3 Customer

Rising bar on customer experience driven by non-utility players

Customer awareness of emerging technologies rising



2 Policy

Push for decarbonization gaining momentum

More comprehensive policies (e.g. net metering, Energy Efficiency)



4 Capital

Entry of players with competitive capital has potential to change returns and competitive play profile (e.g. Canadian and European investors, activists)

Objectives of the effort: Develop a 10 year strategy for JEA that drives an increase in the value of JEA now and in the future. The strategy will:

- **Position JEA to succeed** in the face of trends that challenge the traditional utility model
- **Proactively shape talent and culture** to meet changing needs
- **Drive growth** in its core business
- **Identify investments** required to meet customer needs
- **Maintain affordability** for customers
- **Define key metrics and benchmarks** and the strategic initiatives needed to achieve success
- **Include a clear tracking structure**, supported by continuous change management and capability building



Building Community

Our path to an executable strategic plan will follow an phased approach

PRELIMINARY WORKING DRAFT

Internal stakeholder alignment (Board, SLT, appointed employees, Union)



External stakeholder consultation and feedback (e.g. City of Jacksonville)

Phase 1 will assess both JEA performance and health to set aspirations for strategy effort

PRELIMINARY WORKING DRAFT

Phase 1 (January through April)

Develop status quo / business as usual financial projections
to show impact on JEA performance of external trends

Assess current state of JEA health and culture *using organizational health index*

Develop scenarios
to assess potential strategic responses to trends

Set metrics and targets for performance and health *in line with existing strategic framework*

Set performance and health ambition + aspirations for JEA

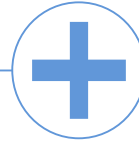


Building Community

The big idea: leaders need to measure and manage organizational health with the same rigor as performance

PRELIMINARY WORKING DRAFT

PERFORMANCE



HEALTH

What an enterprise does to improve how it **buys** raw materials, **makes** them into products, and **sells** them into the market to drive financial and operational results

Deliver Results

How an organization **aligns** itself, **executes** with excellence, and **renews** itself to sustainably achieve performance aspirations

Run the Place

We will assess JEA's baseline health and culture using the Organizational Health Index (OHI)



Building Community

The Organizational Health Index (OHI) offers proven insights and expert support to build an enduring organization that can sustain performance

PRELIMINARY WORKING DRAFT

Conducted an exhaustive academic review



800

books & articles

Interviewed key leaders across our client base



100

client executives

Developed the Organizational Health Index (OHI) Survey



20

minute survey



200

fact-based insights



30

functional leaders



3-5

precise recommendations

5m+

participants surveyed



~1,700

companies

What to expect at the end of the effort

PRELIMINARY WORKING DRAFT

- **Fully vetted financial forecasts** for status quo scenario and alignment around implication and case for change
- **Understanding of JEA current state organizational health** and implications for current and future state performance
- **Specific, measurable, achievable targets for JEA performance and health** aligned against JEA's existing strategic framework
- **Pipeline of initiatives** with initial estimate of value that exceeds strategic targets including **“quick win” initiatives** with short implementation timelines
- **Fully executable strategic plan for JEA**

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

January 10: Launch Organizational Health Index surveys

March 25: Present and discuss “status quo baseline scenario” for business as usual financial projections at JEA at Board meeting

April 23: JEA Board review and finalize of “status quo baseline scenario” for business as usual financial projections