

JEA Utility of the Future workshop – July 9, 2019, 9a-4p ET

Introduction

- 9:00 - 9:20 - Aaron Zahn - Introduction to strategy build effort
 - [Show process slide]
 - **Thank you for joining today.** This will be our first of many workshops and group sessions as we kick off our strategy build. We have a lot of faces in the room today, and I think it speaks to the importance and the impact this strategy can have over our business over the next few years.
 - **We have spoken about the status quo for JEA,** the challenges we are facing and the scenario planning we have completed and presented to the Board that has outlined potential courses of action.
 - **You are also familiar with the constraints we face at JEA, given our current charter** that limits our options for addressing the status quo challenges.
 - **We are very happy that the JEA Board has recognized the challenges** we are facing and given us the opportunity to come back to the Board with a strategy for JEA that puts JEA on a sustainable path forward.
 - **This is a very exciting moment and is in many ways the launch of our strategy work** that we have been building up to in our baseline and scenario planning work
 - [Show 2030 slide]
 - **Today, you have the opportunity to think about how JEA could look in 2030, and to do so in an unconstrained way.** In 10 years - assuming we do not have the same constraints that we do today -- this is an exciting chance to set an unconstrained view of how we can run at opportunities that close the status quo gap
 - **Personally, I'm excited to see what comes out of today.** We have some big choices to make in the next few months about how we'll set a 10-year strategy. I'm looking forward to hearing from you: as you work through today's exercises, think about what you want to see JEA do differently in the future. I'd encourage you to be ambitious, and to keep an open mind
 - [Show strategic pillars slide]
 - **As JEA grows and changes, however, we should keep our core strategic pillars in mind.** We'll be delivering financial value through this strategy build, but also must consider our customers, communities, and the environment.
 - **A typical company would just focus on closing the financial gap --** we need to consider how our actions will impact our stakeholders
 - **I'm going to hand it over to Melissa and Julio,** who will give a bit more detail on the day and what we will cover
- 9:20 - 9:30 - Melissa and Julio - Introduction to the day
 - [Melissa]
 - **Thanks, Aaron. We would like to also put this day in context of our commitment to involving JEA leadership across the organization in actively shaping the JEA strategy.** This is the first workshop of many opportunities for you to help shape, define and deliver the future JEA strategy. Today is an opportunity to think broadly and specifically and put on the table all the ideas and opportunities you have for JEA, and there will be others.
 - **Our organizational health assessment was very clear** in telling us that JEA employees wanted to see more transparency on how JEA is moving

forward and engage more with leadership and hear from them clearly what decisions are being made and why.

- **Today is the launch of the strategy as Aaron noted**, but it is also the launch of a new way of working that directly addresses some of the areas that our OHI survey indicated we need to focus.
- **[Melissa - Show digital poll slide]**
 - OK. Before we get **into our agenda and goals for the day, let's get the creative juices flowing.**
 - **On your app - type in one word** that describes what you think JEA should be in 2030.
 - **Now type in one word** that describes where we are today [world cloud of 2030 words appears on screen]
 - **Throughout today, let's keep the adjectives in mind.**
- **[Julio - show ground rules slide]**
 - **And now, a few ground rules for the day.** Like Aaron mentioned, keep an open mind and don't worry about getting every detail of the strategy perfect.
 - **Today is all about developing the first view of how our 10-year strategy can look.** It doesn't have to be perfect.
 - **Our work today will be conducted in break-out groups** with numbers on your name tags. Each group will have a basecamp identified by a sign on a table with your group number. This is an excellent opportunity to work with colleagues you might not normally work with.
- **[Julio -show 4 step process slide]**
 - At the end of the day, we will have built - in cross-functional teams - aspirations for the year 2030, a description of how these aspirations meet various stakeholders' needs, and a path to achieve those aspirations while closing the status quo gap
 - **To get there, we will follow a 4-step process [detail on each step]. You will:**
 - 1 - Move through a gallery walk with your breakout groups to **learn about and engage some of the major trends** impacting utilities and JEA.
 - 2 - Work with your breakout groups to define your 2030 aspirations for JEA across a series of metrics.
 - 3 - Assess whether your selected outcomes and metrics the the needs of JEA's key stakeholders.
 - 4 - Build a financially viable plan for JEA by selecting the key building blocks / strategic actions required for the strategic plan.
- **[Julio - Show agenda]**
 - **I'm excited to move through the day with you**, from our morning gallery walk of major trends shaping the industry, to a series of sessions that lead us up to 2030 strategic plans.
 - **We will debrief after lunch and before our afternoon session to share observations** from across the breakout groups. We'll discuss which aspirations were selected most frequently, and where groups thought differently about JEA in 2030. We expect to have a number of unique strategic solutions but also will see the elements of consensus that emerge.
 - **While this is an exercise to define the strategy and one primary goal is to learn and engage, the strategies that are defined will feed into the strategy development process directly** and be used to define the list of initiatives we will focus on and prioritization of the strategic actions.
- **[Julio - Show Facilitators slide]**

- **You'll see a lot of new faces in the room** - these are the McKinsey experts and facilitators who will help us through each exercise. There is a lot of expertise in the room - I encourage you to ask questions, probe.
- **I'll now hand it over to Anjan Asthana and Anton Derkach** from the McKinsey team, who will introduce our first interactive session

Energy and water / wastewater trends

- **9:30 - 9:40 - Anton, Anjan - Introduction to gallery walk**
 - **[Introduce yourselves]**
 - **[Show trends slide]**
 - **The utility industry is truly at an inflection point.** Technology is disrupting the power and water sectors and changing both the way utilities business and the businesses utilities are in.
 - **Technology and how it is implemented by our customers and by utilities are creating opportunities for utilities**, and also threatening the monopoly of utilities position in the energy and water value chains. Technology providers reduce load, assume ownership of load and services and own the customer. These disrupters are often more nimble than utilities organizationally, have fewer constraints and are better and more flexibly funded.
 - **At the same time, climate change and customer demand for resilience and security** are requiring utilities to invest more to protect their assets and meet customer needs.
 - **This is truly a remarkable time** and power and water utilities are reacting differently, some are actively planning for the future, engaging in deploying new technologies and launching new businesses while others have to yet to recognize fully the changes at play
 - **Today, we will focus on 8 of trends at play.** Several trends, like infrastructure resilience and new business models, cut across the business, while others, like water innovation, are more narrow
 - *[Walk through overview slide with a brief statement on each trend and how other utilities are reacting]*
 - **[Show gallery walk instructions slide]**
 - **This morning, we'll dive into each of these trends through a gallery walk.** You'll be able to discuss with an expert on each trend - how the industry is being transformed, and how best in class utilities are taking advantage of these trends
 - **The goal of this gallery walk is to help us think big** and open the aperture to new ideas, before we move into creating the strategic vision
- **9:40 - 11:00 - Participants move through gallery walk with 8 stations, each run by a trend expert with 1-2 posters at his/her station**
 - *Teams will move to the trend station with their team number next to it. This will be their first stop*
 - *Teams spend 7 minutes at each station, discussing with the expert at each station*
 - *(1) what this trend means for utilities*
 - *(2) the opportunities related to this trend that JEA can take advantage of*
 - *When seven minutes are up, teams will rotate clockwise to their next station and repeat.*

[Break - 11:00-11:15]

Morning breakout sessions - aspirations and stakeholder impacts

- 11:15 - 11:30 - McKinsey Facilitators - Introduction to 3 exercises
 - **[Show 4-step process page]**
 - **Now that we've discussed these major trends, we will work through three exercises** that will help us build strategic plans which will close the status quo gap.
 - **We will first review a set of strategic variables** -- the pillars that make up the 2030 vision. Portfolio risk, customer and organizational culture are some example strategic variables.
 - **Against each of these strategic variables, there are a set of driving metrics**, you will work with your breakout group will set 2030 aspirations against each metric; in other words, each team will decide how far you think JEA needs to "move the needle" on that metric by 2030.
 - **For the second exercise, we will test how these aspirations will fulfill various stakeholders' needs**, detailed in persona cards that we will hand out. Your team will have the chance to update your aspirations if you think that you're not delivering on stakeholders' needs.
 - **Lastly, in our third exercise, we will build a financially viable strategic plan by selecting the "building blocks"**--the major actions--that will achieve your team's aspirations and close the status quo gap.
 - Again, you'll have a chance to update your Exercise 1 aspirations in order to develop a financially viable plan.
 - **This morning, we'll work on exercises 1 and 2 in our breakout groups**
 - **[Show exercise 1 instructions page]**
 - In the first exercise, your team will use the 4 "aspirations" posters at your table.
 - **You will each spend the next 5 minutes placing blue sticky dots** on where you think JEA should aspire to be on each metric by 2030
 - **After 5 minutes, each group will reconvene**, discuss your answers, and agree as a breakout group on where JEA should be on each metric by 2030
 - **Then, we'll use the remaining space on our poster boards** to brainstorm how JEA can achieve our aspirations
 - **[Show exercise 2 instructions page]**
 - **In the second exercise, you'll use "stakeholder cards"** with information about a persona related to JEA to test your aspirations. Your facilitator will keep time, and introduce this exercise.
 - We'll break for lunch at 1pm!
- **11:30 - 12:30 – Exercise 1**
- **Facilitator tips**
 - *Keep watch of time during the exercise and ask questions or interject when needed to move the conversation along to a conclusion or consensus.*
 - *Encourage your team to think creatively and openly, especially when they are placing sticky dots on the posters and brainstorming ways to achieve the metrics.*
 - *Push teams to think unconstrained -- if they bring up barriers, ask "what if that barrier didn't exist? What would it take to remove that barrier in the future?"*
- **[12:30 - Facilitator calls "time" for Exercise 1, teams move to Exercise 2]**
- **Instructions for facilitator to deliver to break-out group/team**
 - *You'll have 10 min to discuss with team members who have the same stakeholder card as you:*

- **Which 1-2 aspirations** that your group chose are most important to meeting this stakeholder's needs? With Sharpies, write in that aspiration on the left column of the stakeholder needs poster [point to poster]
 - **How can JEA meet those needs?** On the right side of the poster, add ideas about how JEA can meet that stakeholder's needs by delivering on the aspiration. You can use the thought starters on your table as inspiration for new ideas
- **For the last 20 min of the morning, we will read out on your selections and ideas**
- **Facilitator tips**
 - **Step in and provide guiding questions or suggestions as needed**, in order to help the different sub-groups arrive at their 1-2 most important aspirations, and then ideas about how they would meet them
 - **Bring in the thought starters** (e.g., cards detailing aspirational/potential future technology applications) as needed to help spark ideas for the group
 - **Time box** ideation to 10 min, spending most of the session on discussion

[1:00 - 1:30 - lunch. McKinsey facilitators will synthesize results from the day's workshop for debrief]

Morning session debrief

- 1:30 - 1:50 - Melissa and Julio - debrief morning's exercises based on McKinsey team generated findings of most common aspirations
 - Most common aspirations
 - Areas of difference

Afternoon breakout - "building blocks"

- 1:50 - 2:00 - McKinsey Facilitators - Introduction to exercise
 - **[Show exercise 3 instructions page]**
 - **The goal of this exercise** is to use these "building blocks" that your facilitator will hand out to decide on the major actions necessary for a strategic plan that both meets your aspirations from the previous exercises and that bridges the status quo gap.
 - **You should remain at the same table**, and your table facilitator will provide a set of pre-populated "building blocks," along with blank ones that you can fill out yourself.
 - **In your teams, place building blocks on your table's poster** to develop a high-level 10 year plan. The blocks should meet the aspirations you decided on this morning, and bridge the status quo cash gap. You can also take and fill in the blank building blocks with other actions that JEA could take that you think of.
 - **After you're done placing building blocks, add up the opportunities you've chosen.** Do your aspirations bridge the status quo gap? If not, update your original aspirations and the subsequent building blocks.
 - **Continue to do this** until your building blocks meet both your aspirations and bridge the status quo gap.
- 2:00 - 3:20 - Exercise 3
 - **Guidance for facilitators**

- *Help the group to keep time, and have them start with the aspirations they felt were most critical*
- *Teams are free to add building blocks -- keep % opportunity sizing high level (order of magnitude estimate is fine)*
- *You may have to get up and participate a bit in the activity to help them understand the thought process and proper procedure. For example, it might be a good idea to walk through an example before your group matches building blocks to their first aspiration.*

Gallery walk and closing

- 3:20 – 4:00p - Gallery walk of teams' outputs and closing –
 - 3:20 - 3:25 - Introduction Melissa and Julio -
 - **Now, we'll take 20 minutes to walk throughout the room** and see how other teams set aspirations and building blocks.
 - **Before you leave today**, spend time thinking about your strategy and other teams' to answer questions on our digital poll:
 - What surprised you most about the strategy you developed?
 - Which metrics and aspirations ended up being most helpful to closing the status quo gap?
 - Which metrics do we want to spend more time on developing?
 - *3:25 – 4:00 - Teams have time to gallery walk outputs and respond to online poll questions*