

LINKING STRATEGY AND OPERATIONS IN UTILITIES

October 11 - 12, 2017
Hyatt Regency San Francisco
San Francisco, CA

PRE-CONFERENCE WORKSHOP

Benchmarking & Improving Process Performance in Utilities

WEDNESDAY, OCTOBER 11, 2017

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EUCI is authorized by IACET to offer 1.0 CEUs for this conference and 0.4 CEUs for the workshop.

At the date of this posting, IACET is approved by the Society for Human Resources Management (SHRM) for continuing education.

OVERVIEW

From the decline of coal power to the rise of energy storage, plummeting prices for renewables and energy storage to the proliferation of distributed energy resources, big changes are taking hold in the utility industry. Adding fuel to the fire, flat electricity demand, rising competition from non-utility service providers, and rapidly changing technologies are pushing utilities and their regulators to rethink traditional business models. As a utility executive, how do you respond to these changes in industry dynamics, and how should your strategy change to prepare for the new energy future?

This conference will address the pressing issues and concerns currently facing utilities, and explore different visions for how utilities can continue to thrive in a changing world. Featuring powerful presentations, compelling case studies, provocative panels, hands-on workshops, and interactive roundtable discussions, we'll demonstrate how utilities can align short-term actions with long-term strategic goals by linking key operational processes to strategy. We'll help utility companies connect the dots between high-level vision and what people do every day through a variety of performance management approaches being used in best-in-class utilities today.

LEARNING OUTCOMES

- Discuss the challenges facing utilities in the short & long term, and explore different visions for how utilities can thrive in a changing world
- Use brainstorming, scenario analysis, SWOT analysis, strategy mapping, and other techniques to forecast possible futures
- Derive your utility's strategy from your vision, mission, values, and stakeholder expectations within the context of potential future scenarios
- Bring your strategy to life through a strategic plan that serves as a roadmap to your desired destination
- Operationalize your strategy by linking it to key management processes including resource planning, risk management, budgeting, customer service and compensation
- Prioritize projects and initiatives based on their contribution to strategic goals and objectives
- Become a nimbler utility organization through a robust performance management system that can accommodate frequent change
- Connect quality and process management programs—such as Lean Six Sigma, ISO, and Baldrige—with your performance management system
- Benchmark performance results along key operational processes against best-in-class utilities
- Gain insight into how to make your project meetings more effective and efficient
- Lead the change to becoming a high-performance utility organization and get senior management buy-in

WHO SHOULD ATTEND

Utility professionals—electric, gas and water in the following areas:

- C-Suite Executives
- Strategic Planning
- Corporate Planning
- Finance & Budgeting
- Corporate Performance Measurement
- Customer Relations
- Information Systems/Technology
- Business Intelligence
- Quality, Six Sigma and Benchmarking
- Performance Reporting & Analytics
- Human Resources
- Workforce/Human Capital Analytics
- Organizational Change Management
- Knowledge Management
- Stakeholder Relations
- Regulatory Affairs

AGENDA

WEDNESDAY, OCTOBER 11, 2017

12:30 – 1:00 pm

Registration

1:00 – 1:15 pm

Conference Welcome and Opening Remarks

1:15 – 2:15 pm

Keynote Interview: The Critical Role of Utilities in Empowering the New Energy Future

Coal power in decline, natural gas growing fast, and renewables reaching grid parity. Rapid advances in utility-scale and roof-top solar, storage, demand response, smart grids and smart metering resulting in stagnant load growth and growing load defection. How are progressive power companies responding to these challenges and preparing for the new energy future? Our keynote speaker will share his insights and advice for:

- Getting in on the solar game—both utility scale and rooftop solar
- Devising strategies for valuing Distributed Energy Resources in various locations and times on the grid
- Modernizing the grid through smart meter rollouts, two-way grid communication devices, and new grid resources like energy storage
- Buying into grid-scale storage to optimize distribution grids and integrate more renewables
- Becoming more customer-centric and partnering with third parties to market new services, open new revenue streams, and keep customers happy
- Upgrading and modernizing transmission & distribution grids to prepare for increased penetration of distributed resources and two-way power flows

Fong Wan, Senior Vice President, Energy Policy and Procurement, Pacific Gas & Electric Company

Matt Rogers, Senior Partner, McKinsey & Company

2:15 – 3:00 pm

Translating Vision, Mission and Values into Strategic Initiatives and Excellence Plans at Energy Northwest

Energy Northwest, a consortium of 27 member public utility districts and municipalities located in the Pacific Northwest, built its own strategic management system from scratch over ten years ago. Energy Northwest's strategic plan, developed with the input of its member utilities, provides its five and ten-year goals, strategic focus areas, and associated high-level initiatives to be implemented during the next three-year horizon. Employee engagement is vital to meeting their strategic objectives, which ultimately tie to achieving and sustaining excellence across all agency assets, projects and activities. In this case study presentation, Brent Ridge will describe how Energy Northwest's strategic management system has evolved over the last decade, and how it continues to keep them aligned on their mission, vision and strategy.

Brent Ridge, Vice President, Corporate Services and Chief Financial/Risk Officer, Energy Northwest



3:00 – 3:30 pm

Networking Break

3:30 – 4:15 pm

Using the Balanced Scorecard to Link Planning & Governance to Strategy at City of Palo Alto

City of Palo Alto Utilities introduced the Balanced Scorecard in 2011, and they're using it with their executive leadership team, Utilities Advisory Commission and City Council to align the day-to-day work with City priorities. They've integrated it into the strategic planning and governance processes, including translating their vision and mission into strategic objectives, performance measures, and strategic initiatives, which are updated and reported on regularly. The BSC system has served them well and the department has begun the process of updating its five-year Strategic Plan. The goal of the Strategic Plan is to ensure maximum alignment between their resources and activities with the City Council's policy direction, citywide organizational culture, employee and stakeholder interests, and customer service expectations.

Dave Yuan, Strategic Business Manager, City of Palo Alto Utilities



AGENDA

WEDNESDAY, OCTOBER 11, 2017 (CONTINUED)

4:15 – 5:00 pm



Countdown To 2020: Aligning Strategic and Operational Planning at SMUD

As the nation's sixth-largest community-owned electric service provider, SMUD is a recognized industry leader and award winner for its innovative energy efficiency programs, renewable power technologies, and sustainable solutions for a healthier environment. SMUD's strategic plan recognizes that it will operate under a different business model by 2020. The plan takes into account the changes transforming the utility industry—increasingly sophisticated customer expectations, greater dependence on technology, third parties entering the market, the importance of big data and analytics, and the need to transition to a low-carbon future. Ariel Cumigad and Sandra Kopp will describe how they execute strategy through their work with SMUD's Project Management Office and other internal organizations, how they ensure alignment of operational plans with long-term strategies, and how they help keep the business on track to deliver on their customer mandate.

Ariel Cumigad, Senior Strategic Business Planner, Sacramento Municipal Utility District (SMUD)
Sandra Kopp, Strategic Business Planner, Sacramento Municipal Utility District (SMUD)

THURSDAY, OCTOBER 12, 2017

8:00 – 8:30 am

Continental Breakfast

8:30 – 8:45 am

Recap of Day One and Introduction to Day Two

8:45 – 9:45 am

Executing Strategy in Utilities with Two Speed Execution (2SE)

Strategy execution remains the number one challenge cited by executives around the globe. In this practical and engaging session, strategy execution expert, author, and consultant, Paul Niven will share the "Two Speed Execution" model for accelerating results throughout the organization. The premise of 2SE is that different levels of a company have differing responsibilities and needs related to execution. Mr. Niven will show these contrasts and demonstrate how Strategy Maps and Objectives and Key Results (OKRs) can ensure aligned execution from top to bottom.

Paul R. Niven, Founder & President, The Senalosa Group, Author, Objectives and Key Results: Driving Focus, Alignment, and Engagement with OKRs

9:45 – 10:30 am



Using the Balanced Scorecard as a Strategic Management System At PSE&G

Public Service Electric & Gas, New Jersey's largest investor-owned utility, has been using the Balanced Scorecard approach since 2002 to execute on their Operational Excellence strategy. The scorecard has been rolled out vertically and horizontally—down to all lines-of-business and across all shared service units—and it's linked to employee performance reviews and compensation. Benchmarking is a key component of the performance management process, driving target setting and process improvement, and there's a dedicated employee who champions best practice implementation. Rob Woudenberg will describe PSEG's strategic management process that starts by clarifying vision and strategy, links metrics, targets and benchmarks to the strategy, identifies initiatives and best practices to execute on the strategy, and measures and communicates performance results.

Robert W. Woudenberg, Manager, Performance Analysis & Reporting, Public Service Electric & Gas Company

10:30 – 11:00 am

Networking Break

AGENDA

THURSDAY, OCTOBER 12, 2017 (CONTINUED)

- 11:00 – 11:45 am** **Roundtable Discussion: Spotlight on the Customer—Meeting Changing Customer Expectations**
- Looking at the world through the customer’s eyes
 - Shifting the culture of the company from monopoly-centric to customer-centric
 - Determining which customer metrics are most relevant—customer engagement, satisfaction, loyalty—and how to measure them
 - Developing dashboards and scorecards to track and improve performance
 - Using data analytics to analyze the results
- Michael Owens, Senior Manager, Customer Strategy, Analytics & Planning, Snohomish County PUD**
- 11:45 am – 12:30 pm** **Roundtable Discussion: Benchmarking Your Performance Against Best-In-Class Utilities**
- Identifying which metrics can and should be benchmarked
 - Using benchmarking data to set targets and drive bottom-line value
 - Embedding benchmarking into the performance management process
 - Sources of benchmark data and KPIs for utilities
 - Doing due diligence on benchmarking data results
- Ken Buckstaff, Managing Director, First Quartile Consulting**
- 12:30 – 1:30 pm** **Group Luncheon**
- 1:30 – 2:30 pm** **Group Exercise: The Art & Science Of Meeting Management For Major Utility Projects**
- Understanding the difference between running a project planning meeting vs. a project status meeting
 - Tools and techniques to use in status meetings to make them more effective and efficient
 - Determining which issues to focus on and how to best allocate meeting time
 - Revisiting this process for each and every project
 - Lessons learned, and how to capture them for future generations
- Dorothea E. Brennan, Certified Master Facilitator, Leadership Strategies, Inc. and Director of Process Improvement, Avangrid Networks**
- 2:30 – 3:15 pm** **Reporting On Results: Measuring, Analyzing & Improving Performance Outcomes**
- Defining the data requirements for your performance management system, and where it will be sourced
 - Developing a structured and standardized reporting process that can be used across all lines of business
 - Customizing an online web-based reporting tool vs. building a home-grown solution
 - Dashboard design: using a red-yellow-green reporting scheme that clearly communicates whether results are below, above, or on target
 - Using big data and analytics to diagnose underperformance and guide remediation efforts
 - Determining the systems and software architecture needed to help you analyze, plan, and execute on your strategy
 - Questions you should answer before investing in any systems or software
- 3:15 -3:30 pm** **Networking Break**

AGENDA

THURSDAY, OCTOBER 12, 2017 (CONTINUED)

3:30 – 4:15 pm

Panel Discussion: Leading the Charge to a High- Performance Utility Organization

This open and honest dialogue will address some of the challenges facing utility companies as we enter the new energy era, and how forward-thinking utilities are tackling these challenges. Audience participation is encouraged—come prepared with your own challenges, and get feedback and advice from our seasoned speakers!

- Measuring the soft stuff: customer commitment, employee engagement, company culture
- Top-down or bottom-up implementation...or both?
- Integrating pre-existing programs such as LEAN, Six Sigma, Baldrige, and ISO standards into your performance management system
- Overcoming cultural challenges and instilling a measurement mindset in your workforce
- Making the business case for your performance management initiative—getting buy-in from senior management
- Linking compensation to performance in utilities—yes or no?
- Considering the unique challenges and limitations of a unionized workforce

Dorothea E. Brennan, Certified Master Facilitator, Leadership Strategies, Inc. and Director of Process Improvement, Avangrid Networks

Ariel Cumigad, Senior Strategic Business Planner, Sacramento Municipal Utility District (SMUD)

Paul R. Niven, Founder & President, The Senalosa Group

Michael Owens, Senior Manager, Customer Strategy, Analytics & Planning, Snohomish County PUD

Robert W. Woudenberg, Manager, Performance Analysis & Reporting, Public Service Electric & Gas Company

Dave Yuan, Strategic Business Manager, City of Palo Alto Utilities

4:15 – 4:30 pm

Key Takeaways & Lessons Learned

4:30 pm

Conference Adjourns

WORKSHOP

PRE-CONFERENCE WORKSHOP

Benchmarking & Improving Process Performance in Utilities

WEDNESDAY, OCTOBER 11, 2017

8:00 – 8:30 am **Registration & Continental Breakfast**

8:30 – 11:30 am **Workshop Timing**

OVERVIEW

In most utilities, operational excellence is the key to strategic success, and that means executing flawlessly on key internal processes. But which processes should you focus on, and how do you gauge your performance on those processes? In this workshop, we'll shed some light on internal process performance in utilities, using KPIs and benchmarking to interpret your results and prioritize an action plan for improvement.

LEARNING OUTCOMES

- Review the overall benchmarking process and rationale for benchmarking KPIs
- List key benchmarks—cost, service levels and safety—for utility operations, with emphasis on customer service and electric T&D operations
- Identify operations benchmarks: gas T&D, water distribution, electric generation, and support operations
- Describe why demographics matter
- Discuss an approach to benchmarking best practices

WORKSHOP AGENDA

- What KPIs and Benchmarks have in common
- A four-step change process related to benchmarking: 1) assess performance, 2) set goals, 3) identify and implement best practices, 4) reinforce
- Assessing performance in electric T&D operations: cost, reliability and safety
- Setting goals in Customer Service to match your strategy to your demographics
- Taking action to identify and implement best practices from others
- Reinforcement through the KPIs and annual benchmarking updates

WORKSHOP INSTRUCTOR



Ken Buckstaff

Managing Director, First Quartile Consulting

Ken Buckstaff leads the firm and guides the development of their benchmarking programs and consulting services. He also serves as Engagement Director for consulting projects in T&D and Customer Service, as well as for regulatory support projects. Prior to joining 1QC, Ken was a Partner at PA Consulting, a Senior VP at PHB Hagler Bailly, and a Partner at Theodore Barry & Associates. His career includes overall direction of utility benchmarking studies for over 25 years, as well as providing consulting services to major US and international utilities. Ken has served as an expert witness in numerous regulatory proceedings and has led the development of performance improvement methodologies for three different consulting firms. Ken also worked for the Salt River Project as an engineer and manager. Ken holds an MBA (UCLA) and a BSIE (Lehigh University).

INSTRUCTIONAL METHODS

PowerPoint presentations, case studies, roundtable discussions, facilitated large group discussions, and panel discussions will be used in this conference.

REQUIREMENTS FOR SUCCESSFUL COMPLETION

Participants must sign in/out each day and be in attendance for the entirety of the conference to be eligible for continuing education credit.

IACET CREDITS



EUCI has been accredited as an Authorized Provider by the International Association for Continuing Education and Training (IACET). In obtaining this accreditation, EUCI has demonstrated that it complies with the ANSI/IACET Standard which is recognized internationally as a standard of good practice. As a result of their Authorized Provider status, EUCI is authorized to offer IACET CEUs for its programs that qualify under the ANSI/IACET Standard.

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EVENT LOCATION

A room block has been reserved at the Hyatt Regency San Francisco, 5 Embarcadero Center, San Francisco, CA 94111, for the nights of October 11-12, 2017. Room rates are US \$289 plus applicable tax. Call **1-415-291-6514** or [click here](#) for reservations and mention the EUCI event to get the group rate. The cutoff date to receive the group rate is September 10, 2017 but as there are a limited number of rooms available at this rate, the room block may close sooner. ***Please make your reservations early.***

REGISTER 3, SEND THE 4TH FREE

Any organization wishing to send multiple attendees to this conference may send 1 FREE for every 3 delegates registered. Please note that all registrations must be made at the same time to qualify.

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PLEASE SELECT

- LINKING STRATEGY AND OPERATIONS IN UTILITIES COMMUNITIES CONFERENCE AND WORKSHOP**
OCTOBER 11-12, 2017: US \$1795
EARLY BIRD on or before SEPTEMBER 22, 2017: US \$1595
- LINKING STRATEGY AND OPERATIONS IN UTILITIES CONFERENCE ONLY:** OCTOBER 11-12, 2017: US \$1395
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- PRE-CONFERENCE WORKSHOP ONLY**
WEDNESDAY, OCTOBER 11, 2017: US \$595
EARLY BIRD on or before SEPTEMBER 22, 2017: US \$495
- I'M SORRY I CANNOT ATTEND, BUT PLEASE EMAIL ME A LINK TO THE CONFERENCE PROCEEDINGS FOR US \$395



How did you hear about this event? (direct e-mail, colleague, speaker(s), etc.)

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OR Enclosed is a check for \$ _____ to cover _____ registrations.

Substitutions & Cancellations

Your registration may be transferred to a member of your organization up to 24 hours in advance of the event. Cancellations must be received on or before September 8, 2017 in order to be refunded and will be subject to a US \$195.00 processing fee per registrant. No refunds will be made after this date. Cancellations received after this date will create a credit of the tuition (less processing fee) good toward any other EUCL event. This credit will be good for six months from the cancellation date. In the event of non-attendance, all registration fees will be forfeited. In case of course cancellation, EUCL's liability is limited to refund of the event registration fee only. For more information regarding administrative policies, such as complaints and refunds, please contact our offices at (201) 871-0474.