



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Simpson, Brown, Helgeson, Manning and Mital
FROM: Roger Gray, General Manager
DATE: January 22, 2016
SUBJECT: 2016 Organizational Performance – Key Performance Indicators (KPI) Dashboard
OBJECTIVE: Board Action – Approval of the 2016 Organizational Dashboard

Issue

Quarterly, Management prepares a KPI dashboard report to reflect organizational performance and to convey to the Board the general health of the utility and progress toward strategic goals. In preparation for the first quarterly update in May, Management is seeking feedback from the Board on the proposed changes to the KPI dashboard for 2016.

Background

Beginning in 2013, Management created a new format to report organizational performance and progress on GM goals. Feedback from the Board on this structure has continued to be positive, with minor specific suggestions for improvement including better alignment with strategic objectives.

Discussion

EWEB's strategic plan includes aspects of daily operations, classified as *Perform* and represented by KPIs. Organizational operating plans support these metrics in areas including Customer & Stakeholder, Financial, Operational, and People/Cultural. Additionally, the strategic plan includes opportunities to *Transform* that identify organizational improvements. In 2016, building organizational flexibility and agility is a strategic emphasis, which includes financial flexibility gained through capturing efficiencies, proactive customer engagement enabling future product and pricing decisions, agility through improved change management, and workforce and organizational development.

Specific changes from the 2015 Organizational Performance Dashboard can be found on the appended attachment (showing changes), and includes minor realignment of the metrics with proper operational categories. For example, Enterprise Risk Management is now listed under Financial because much of our risk can be represented as financial exposure and the department reports to Financial Services. Other examples of alignment adjustments include replacing Employee Engagement with a more comprehensive Workforce Culture metric, and expanding the metric from Capital Improvement Program Implementation to Capital Planning & Execution which better represents the work being performed.

The strategic transformational goals for 2016 include annual activities supporting the creation of organizational agility and flexibility, including implementing common Change Management

approaches, proactive Customer Engagement, and targeted Organizational Efficiencies and spending controls designed to limit customer pricing impacts.

TBL Assessment

A TBL assessment has not been specifically conducted to create the dashboard, but the dashboard itself really serves as a TBL assessment of organizational performance at the highest level.

Recommendation

Management recommends adoption and approval of the new 2016 Organizational Performance Dashboard for use to convey to the Board the general health of the organization and strategic progress, reported out at quarterly intervals.

Requested Board Action

Management requests the Board pass the following Motion:

Approval of the 2016 Organizational Performance Dashboard to be reported at quarterly intervals.

For questions or comments, please contact Roger Gray at (541)685-7130 or roger.gray@eweb.org.

PROPOSED EWEB ORGANIZATIONAL PERFORMANCE DASHBOARD - CY2016

Customer & Stakeholder Perspective								
	Q1 Status	Q2 Status	Q3 Status	Q4 Status	Owner	Trend	Comments	Drivers
PERFORM								
Customer Satisfaction					MF			Enterprise Operational Plans
Customer Service Operations					MF			CS Operational Plan
Energy Management Services Operations					MF			EMS Operational Plan
Environmental Stewardship					SN			Environmental Operating Plan
Product Delivery – Electric Service					TS			Electric Operational Plan
Product Delivery - Water					BT			Water Operational Plan
Water Reliability Initiative: Emergency/Provisional, and Alternative Water Source (AWS)					BT			Water Operational Plan
Financial Perspective								
	Q1 Status	Q2 Status	Q3 Status	Q4 Status	Owner	Trend	Comments	Drivers

PERFORM								
Budget Adherence – Electric Utility					SF			Electric Financial Statements
Budget Adherence – Water Utility					SF			Water Financial Statements
Financial Metrics – Electric Utility (Reserves, DSC, etc.)					SF			Electric Utility Financial Statements
Financial Metrics – Water Utility (Reserves, DSC, etc.)					SF			Water Utility Financial Statements
Enterprise Risk Management					SF			GRC Operational Plan
Operational, Continuous Improvement and Efficiency Perspective								
	Q1 Status	Q2 Status	Q3 Status	Q4 Status	Owner	Trend	Comments	Drivers
PERFORM								
Management of Real Property					SN			Property Operational Plan
AMI/MDM Projects					EE			I.S. Operational Plan
Capital Planning & Execution					MD			Engineering Operational Plan: Includes approval of electric master plan and refinement of asset management
Carmen-Smith Relicensing Project					MM			Generation Operational Plan
Generation Asset Efficacy					MM			Generation Operational Plan

Trading Operations					DC			Power Operations Operational Plan: Hedging strategy, Transmission Savings, Hydro Optimization, Client Service Revenue, Trade Performance, Renewable Resource Revenue, Structured Deals
IS Project Execution					MB			I.S. Project Plan & Division Goals
Regulatory Compliance and Self Reporting					MD			GRC Operational Plan
People/Cultural Perspective								
	Q1 Status	Q2 Status	Q3 Status	Q4 Status	Owner	Trend	Comments	Drivers
PERFORM								
Workforce Culture					LK			Human Resources Operational Plan: EWEB University, Working Better Together, Engagement Survey, Workforce Performance, Performance Intervention Title VII Complaints, Grievances, Voluntary Turnover
Workforce Development Plan					LK			Human Resources Operational Plan: Workforce composition data, recruitment data, workforce plan milestones, target replacement rate, market competitive salary, benefits, data
Employee Safety, Health, & Wellness					LK			Human Resources Operational Plan: Worker's compensation data, safety incident data, OSHA recordable data, premium cost data, absence management data

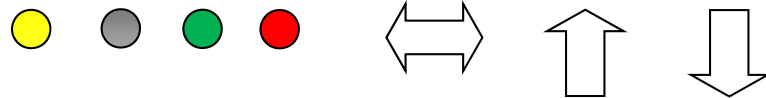
TRANSFORM								
	Q1 Status	Q2 Status	Q3 Status	Q4 Status	Owner	Trend	Comments	Drivers
Customer Engagement Develop a comprehensive Customer Experience Project plan that, among other things, maps and assesses each customer “touch point” and develops tactics for improving the customer experience.					LR			
Change Management Implement a common change management methodology at EWEB and use for Type II, IS project deployment in addition to other major initiatives					EE			
Organizational Efficiency & Cost-Control Program Use benchmarking, and a corporate collaborative approach to develop improved processes, especially targeting overhead reductions.					LT			

Red Light = Significant actual or projected miss in cost, scope or schedule. Issues that will likely cause material impacts.

Yellow Light = Potential or minor miss with respect to cost, scope or schedule. No major impacts in spite of miss.

Gray Light = too early to tell; metrics in process of being defined or collected.

Green Light = Completed or projected to complete with respect to cost, scope or schedule. Results exceed or expected to exceed objective.



PROPOSED EWEB ORGANIZATIONAL PERFORMANCE DASHBOARD - CY2016

Customer & Stakeholder Perspective									
	Q1 Status	Q2 Status	Q3 Status	Q4 Status	Owner	Trend	Expected Finish	Comments	Sources
PERFORM									
Customer Engagement & Satisfaction (Relocated Customer Engagement to Transform)					LR MF		Ongoing		Enterprise Operational Plans Public Affairs 2015
Customer Service Operations Customer Service Operations					MF		Ongoing		CS 2015 Operational Plan
Energy Management Services Operations					MF				EMS Operational Plan
Environmental Stewardship					SN		Ongoing		Environmental 2015 Operating Plan
Product Delivery – Conservation, DR, & EE					MF		Ongoing		CS&EMS 2015 Operational Plan
Product Delivery – Electric Service					TS		Ongoing		Electric 2015 Operational Plan
Product Delivery - Water					BT		Ongoing		Water 2015 Operational Plan
Water Reliability Initiative: Emergency/Provisional, and Alternative Water Source (AWS)					BT		Ongoing		Water 2015 Operational Plan

Financial Perspective									
	Q1 Status	Q2 Status	Q3 Status	Q4 Status	Owner	Trend	Expected Finish	Comments	Sources
PERFORM									
Budget Adherence – Electric Utility					SF				Electric Financial Statements
Budget Adherence – Water Utility					SF				Water Financial Statements
Sale of Smith Creek					DC				Asset sales plan
Enterprise Risk Management (Relocated to Financial Perspective from TRANSFORM)					SF				
Management of Real Property (Relocated to Operational Perspective)					SN		Ongoing		Property 2015 Operational Plan
Sale of Surplus Riverfront Property (~ 17 acres; does not include HQ)					RG		Ongoing		MOU with City of Eugene
Financial Contribution of Trading Operations (Relocated to Operational Perspective)					DC		Ongoing		Power Operations 2015 Operational Plan
Financial Health Recovery Plan Implementation					SF		In progress		2016 Budget
Financial Metrics – Electric Utility (Reserves, DSC, etc.)					SF		In progress		Electric Utility Financial Statements

Financial Metrics – Water Utility (Reserves, DSC, etc.)					SF		In progress		Water Utility Financial Statements
Operational, Continuous Improvement and Efficiency Perspective									
	Q1 Status	Q2 Status	Q3 Status	Q4 Status	Owner	Trend	Expected Finish	Comments	Sources
PERFORM									
Management of Real Property					SN		Ongoing		Property 2015 Operational Plan
AMI/MDM Projects					EE		Opt in phase thru 2017		I.S. 2015 Operational Plan
Capital Planning & Execution Capital Improvement Program Implementation					MD		Ongoing	Includes approval of electric master plan	Engineering 2015 Operational Plan
Carmen-Smith Relicensing Project					MM		Ongoing		Generation 2015 Operational Plan
Generation Asset Efficacy					MM		Ongoing		Generation 2015 Operational Plan
Trading Operations Financial Contribution of Trading Operations					DC				Power Operations Operational Plan Hedging strategy, Transmission Savings, Hydro Optimization, Client Service Revenue, Trade Performance, Renewable Resource Revenue, Structured Deals

IS Project Execution					MB		Ongoing		I.S. 2015 Project Plan & 2015 Division Goals
Work Asset Management Project (WAM) business stabilization and phase II planning.					EE		In progress		Roger Gray initiated a 6-month WAM Business Stabilization effort in Q1 due to concerns with roll-out of new system.
Regulatory Compliance and Self Reporting					MD		Ongoing		ER/IC Operational Plan
Vehicle Safety and Property Preservation					MM		Ongoing		Generation 2015 Operational Plan
People/Cultural Perspective									
	Q1 Status	Q2 Status	Q3 Status	Q4 Status	Owner	Trend	Expected Finish	Comments	Sources
PERFORM									
Employee Engagement Workforce Culture					LK		Ongoing		Public Affairs 2015 Operational Plan Human Resources Operational Plan: EWEB University, Working Better Together, Engagement Survey, Workforce Performance, Performance Intervention Title VII Complaints, Grievances, Voluntary Turnover
Employee Safety, Health, & Wellness					LK		Ongoing		Human Resources 2015 Operational Plan Worker's compensation data, safety incident data, OSHA recordable data, premium cost data, absence management data

Workforce Development Plan					LK				Human Resources Operational Plan: Workforce composition data, recruitment data, workforce plan milestones, target replacement rate, market competitive salary, benefits, data
Workforce Composition					LK		Ongoing		Human Resources 2015 Operational Plan Public Affairs 2015 Operational Plan
Workforce Performance					LK		Ongoing	Market-based compensation packages CBA ratification or management implementation. If no ratification, labor dispute resolution process	Human Resources 2015 Operational Plan

TRANSFORM

	Q1 Status	Q2 Status	Q3 Status	Q4 Status	Owner	Trend	Expected Finish	Comments	Sources
Change Management Implement a common change management methodology at EWEB and use for Type II, IS project deployment in addition to other major initiatives					EE				
Customer Engagement Develop a comprehensive Customer Experience Project plan that, among other things, maps and assesses each customer "touch point" and develops tactics for improving the customer experience.					LR				
Organizational Efficiency & Cost-Control Program Use benchmarking, and a corporate collaborative approach to develop improved processes, especially targeting overhead reductions.					LT				

<p>Financial Position Narrow the current 2017 budget gap in 2015 through increased revenue generation, cost reduction, and rate design changes that accumulate to a 2015 net gain of \$2 million for electric and \$350 thousand for water.</p>					SF		On-going process		October LTFP update and 2016 Budgets
<p>Balancing Demand and Supply to Enhance Customer Value In 2015, focus efforts on the demand side of demand supply balance by exploring partnerships with customers that help to create more flexibility in customer demand by providing data on consumption, time or situation dependent price signals, and the use of technology to automate customer response</p>					EE				Electric & Water Customer (Facing) Services
<p>Risk Management By the end of 2015, specifically define and measure (baseline) our formal risk tolerance(s) in all operating departments (divisions), including a comparison of risk exposure to risk tolerance in "key" processes.</p> <p>(Relocated to Financial Perspective)</p>					RK				EWEB Enterprise
<p>Process Efficiencies Optimize our human and financial resources by using "lean" tools to reduce waste and costs that don't provide customer value. In 2015, benchmark our performance to reasonable comparators, focusing on areas we are aiming to improve, and seek to execute a continuous improvement process.</p>					RK				EWEB Enterprise

Asset Management / Planning Update water and electric T&D master plans in 2015 and create a path to integrate source, delivery, demand, and IRP planning processes into the electric plan. Get Board approval of the Water Master Plan by the end of Q2.					MD				Electric Supply Electric Load (T&D) Water
Workforce Development Create, adopt, and begin implementation of a long-term Workforce Development Plan that fosters the flexible and skilled workforce needed to meet future business needs. (Relocated to Operational Perspective)					LK				EWEB Enterprise
Information Systems Plan and implement technology solutions supporting parent business lines (Water, Power Generation, Transmission & Distribution, Customer Services, and Shared Services) and refine work intake process to be prioritized by operational or strategic value by the end of 2015.					EE				I.S. 2015 Operational Plan

Red Light = Significant actual or projected miss in cost, scope or schedule. Issues that will likely cause material impacts.

Yellow Light = Potential or minor miss with respect to cost, scope or schedule. No major impacts in spite of miss.

Gray Light = too early to tell; metrics in process of being defined or collected.

Green Light = Completed or projected to complete with respect to cost, scope or schedule. Results exceed or expected to exceed objective.

