S.O.A.P.
Strategy On A Page

Blaine K. Taylor, Quality Director &
Debra J. Shultz, Senior Quality Manager
Corporate Operational Excellence
Florida Power & Light (NextEra Energy, Inc.)

Florida Sterling Conference

A Little Bit about NextEra Energy, Inc
first…
About Our Company

• NextEra Energy is North America’s top producer of energy from wind and sun, with a greenhouse gas emissions rate among the lowest of any large power company.
• We operate more than 45,000 MW of generating capacity.
• 2016 revenues totaled approximately $16.2 billion.
• We have nearly 15,000 employees in 30 states and Canada.

NextEra Energy is comprised of two great businesses

A premier regulated utility... …and a diversified, competitive power producer.
Florida Power & Light Company

- FPL is the largest electric utility in Florida
  - 4.9 million customer accounts
  - One of the largest rate-regulated electric utilities in the United States
- FPL’s typical customer bill is the lowest in Florida
  - In 2016, FPL’s rate was the lowest in Florida among reporting utilities for the seventh year in a row
  - 1,000-kWh residential customer bill is approximately 25 percent lower than the national average
  - Service reliability is better than 99.98 percent

NextEra Energy Resources, together with its affiliated entities, is the world’s largest generator of renewable energy from the wind and sun

Energy Resources Portfolio

- More than 95 percent of our electricity comes from clean or renewable sources, including wind, solar, natural gas and nuclear energy facilities
- We now operate more than 19,882 net MW of wind capacity in 29 states and Canada
- NEER has been involved in clean energy development since the 1980s and now has a cumulative investment of more than $30 billion in wind and solar energy facilities
Why develop a Strategic Plan?

• According to a recent study that appeared in the Harvard Business Review, up to 70 percent of employees do not understand their company’s strategy.

• Failure to understand your company’s position can lead to poor decision making at all levels of an organization.

• A strategic plan is a roadmap to grow your business

• Fail to Plan…Plan to Fail
Strategic Planning

- Strategic planning addresses three key questions:

1. Where are we today?
2. Where do we want to go?
3. How do we get there?
4. When do we need to be there?

Strategic Plan Major Components

- SWOT (Strengths, Weaknesses, Opportunities, Threats)
- Vision
- Mission
- Market Differentiators/ Internal Capabilities
- Focus Areas
- Strategic Objectives
- Critical Initiatives
- KPIs (Measures and Targets)
2017 Corporate Operational Excellence
Strategy On A Page

Include broad input

Prioritize and focus on the “big rocks”

Use it as a framework for strategy development

SWOT analysis methodically and objectively looks at what you have to work with and what the marketplace offers.
Vision Statements

- **What we want to be…**
- Vision statements
  - Identifies what a company would like to achieve or accomplish
  - Defines what your business will do, why it will exist tomorrow, and with defined goals to be met by a set date.
  - Take into account the current status and serves to point the direction of where the organization wishes to go
  - Are aspirational; they lay out the most important primary goals for a company
  - Don’t outline a plan to achieve those goals
  - Future-based and are meant to inspire and give direction to the employees of the company, rather than to customers.
- **Vision** statement answers the question, "Where do I see my business going?"

Vision Statement Tips

- Project goals five to 10 years in the future
- Dream big, and focus on success
- Use the present tense
- Use clear, concise language
- Infuse your vision statement with passion and emotion
- Paint a graphic mental picture of the business you want
- Have a plan to communicate your vision statement to your employees
- Be prepared to commit time and resources to the vision you establish
NEE Long-Term Vision Statement

“To be the largest, most profitable clean energy provider in the U.S.”

FPL:

“To be the best utility in the U.S.”

Example Vision Statements

• 1960s: Crush Adidas  Current: To be the number one athletic company in the world Nike

• To be a leading innovator enabling healthy communities is both the inspirational and aspirational description of the future state of our company. It is our framework and guides every aspect of our business. By broadening our scope and continuing to evolve, we have more flexibility to make a greater impact on as many people as possible Florida Blue

• We want to satisfy our customers’ financial needs and help them succeed financially Wells Fargo

• Become the number one or number two in every market we serve and revolutionize this company to have the strength of a big company combined with the leanness and agility of a small company. GE 1980s

• A world where everyone has a decent place to live Habitat for Humanity
**Example of Vision Statements**

- Be the global leader in supporting our customers’ missions, strengthening security and advancing scientific discovery.
  
  Lockheed Martin

- To provide an unmatched healthcare experience for families in their time of need.
  
  Trust Bridge

- The County Board of Education has a Responsibility to ensure every student learns at his/her maximum potential and to set standards and expectations for the quality of education through the establishment of graduation requirements, accreditation of local schools, and certification of professionals.
  
  Lee County Schools

- Be the world’s beer company. Through all of our products, services and relationships, we will add to life’s enjoyment.
  
  Anheuser-Busch

- To be a top tier patient centric and highly reliable academic medical center.
  
  University of Miami Hospital

- Become the Harvard of the West
  
  Stanford University 1940s

**Mission Statement**

- Describes why we exist to the employees, extremal community and the customers

- It’s a statement of the:
  
  - **purpose** of a company, organization or person;
  
  - **its reason for existing**: a written declaration of an organization’s core purpose and focus that normally remains unchanged over time

- **Mission** statement answers the question, "Why does my business exist?”
Example Mission Statements

• Official... "To organize the world’s information and make it universally accessible and useful."
  Google
  • "To provide families with access to compassionate, expert and professional health care services in their time of need, throughout their lifespan."
  TrustBridge
  • "Provide a global trading platform where practically anyone can trade practically anything."
  eBay
  • "To help people and communities achieve better health declares our purpose as a company and it serves as the standard against which we weigh our actions and our decisions."
  Florida Blue
  • "To inspire and nurture the human spirit– one person, one cup and one neighborhood at a time."
  Starbucks
  • "We solve complex challenges, advance scientific discovery and deliver innovative solutions to help our customers keep people safe."
  Lockheed Martin

Example Mission Statements

• "To bring inspiration and innovation to every athlete in the world."
  Nike
  • "The ___ County School System will take a prominent role advocating a progressive education for each student in our schools. The mission of ___ County Schools is to educate every student through a comprehensive and academically challenging curriculum taught in a safe and nurturing environment. We challenge students to pursue dreams, succeed with integrity, and contribute meaningfully to a diverse society."
  Lee County Schools
  • Unofficial... "Don’t be evil."
  Google
  • “To be the most customer-centric company in the world, where people can find and discover anything they want to buy online.”
  Amazon
  • “At ________, we deliver high-caliber, compassionate health care; advance patient care through innovative research; educate the next generation of health care leaders; and improve the health of our community and beyond.”
  University of Miami Hospital
**Market Differentiators / Internal Capabilities**

- Defined as:
  - The business attribute(s) and/or unique value that clearly separates it from the competition in a particular marketplace
- Should be:
  - unique, measurable and defendable
- Should answer:
  - “Why should I purchase the product or service from you?, versus all other alternatives on the market,
- Key differentiator is:
  - Unique Selling Proposition. Differentiation can be applied to a specific product, business or position in the market (i.e. market differentiation)

---

**Focus Areas**

- **Focus Areas**:
  - Help give your strategic plan a framework, and ensures you stay focused on delivering your vision & mission
  - Are listed in 3 – 4 foundational key elements of your business
  - Describe the key areas you will deliver to accomplish your vision and mission
- **Key areas should be short, succinct and to the point**
  - As in our S.O.A.P our focus areas are:
    -- Quality Training & Certifications
    -- Quality Events
    -- Knowledge Sharing
    -- Priority Deployment
Strategic Objectives

• What we must achieve to be successful...
• A broadly defined objective that an organization must achieve to make its strategy succeed.
  - Market standing: desired share of the present and new markets
  - Innovation: development of new goods and services, and of skills and methods required to supply them
  - Human resources: selection and development of employees
  - Financial resources: identification of the sources of capital and their use
  - Physical resources: equipment and facilities and their use
  - Productivity: efficient use of the resources relative to the output
  - Social responsibility: awareness and responsiveness to the effects on the wider community of the stakeholders
  - Profit Requirements: achievement of measurable financial well-being and growth

Strategic Objectives / Goals

<table>
<thead>
<tr>
<th>Goals</th>
<th>Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Definition</td>
<td>Something which you try to achieve</td>
</tr>
<tr>
<td>Time Frame</td>
<td>Usually long-term.</td>
</tr>
<tr>
<td>Magnitude</td>
<td>Typically involves significant outcomes that impact the corporation or business unit.</td>
</tr>
<tr>
<td>Outcome of immediate action</td>
<td>Actions tend to advance progress in a very general sense; there is often awareness that there are several ways to reach a goal, so specific outcomes aren’t necessary.</td>
</tr>
<tr>
<td>Purpose of action</td>
<td>A goal if often characterized as a change of direction that will ultimately lead to a desired outcome.</td>
</tr>
<tr>
<td>Example</td>
<td>“I want to NEE to be number one in Market Cap across all its peer group by 2020”</td>
</tr>
<tr>
<td>Hierarchy</td>
<td>Goals tend to control objectives; a change in a goal could eliminate one or more objectives, or add new ones.</td>
</tr>
</tbody>
</table>

Strategic quality goals are set by top management, while the tactical quality goals are established at the lower organizational levels.
S. M. A. R. T.

Specific = What exactly is it you want to achieve?

Measureable = How will you know if you meet your goal?

Achievable = What steps are you going to take to reach your goal?

Relevant = What about your goal makes it important to you? Will it benefit you?

Timely = When do you want to achieve your goal by?

Critical Initiatives

• **Planned Actions to Achieve Objectives...**

• Specific projects or programs undertaken to achieve specific objectives in the near-term,

  1. Reduce costs
  2. Increase efficiency
  3. Improve sales performance
  4. Strengthen internal capabilities
Key Performance Indicators - KPIs

- **Measures**: Indicators and Monitors of success...
- **Targets**: Desired level of performance and timeliness...
- Measures of a company's performance in critical areas.
- KPIs show the progress (or lack of it) toward realizing the company's objectives or strategic plans by monitoring activities.
So What...Now What?

- Live it, breathe it. Do not stick it in a drawer or on a bookshelf.
- Use it as a framework for:
  - Monthly staff meetings
  - Presentations
  - Individual contributor performance reviews
  - Holding team accountable
- Communicate it to everyone that matters
- Make it visible

Exercise
Let’s get down and dirty!

- Individually – use the template to start drafting your:
  - Vision
  - Mission
  - List your 3 – 4 key market differentiators
  - List 3 – 4 Focus Areas
- Now start drafting one theme: (focus area)
  - Write a Strategic Objective
  - Brainstorm 2 – 3 draft goals
  - Brainstorm 2 – 3 critical initiatives
  - Draft their KPI’s
- Find a partner
  - Work together to refine your S.O.A.P. with a partner