



Leigh|Fisher

# STRATEGIC PLAN

## Presentation

Prepared for  
**The Port of Houston Authority**

*Approved by the Port Commission  
on April 28, 2015*



**1. Introduction**

**2. Situation Assessment**

**3. Mission**

**4. Core Values**

**5. Vision**

**6. Strategic Goals**

**7. Strategic Objectives**

**8. Key Performance Indicators**

**9. Action Planning**

**Appendix:  
Consultation Process – Attendees**

# Section 1: Introduction



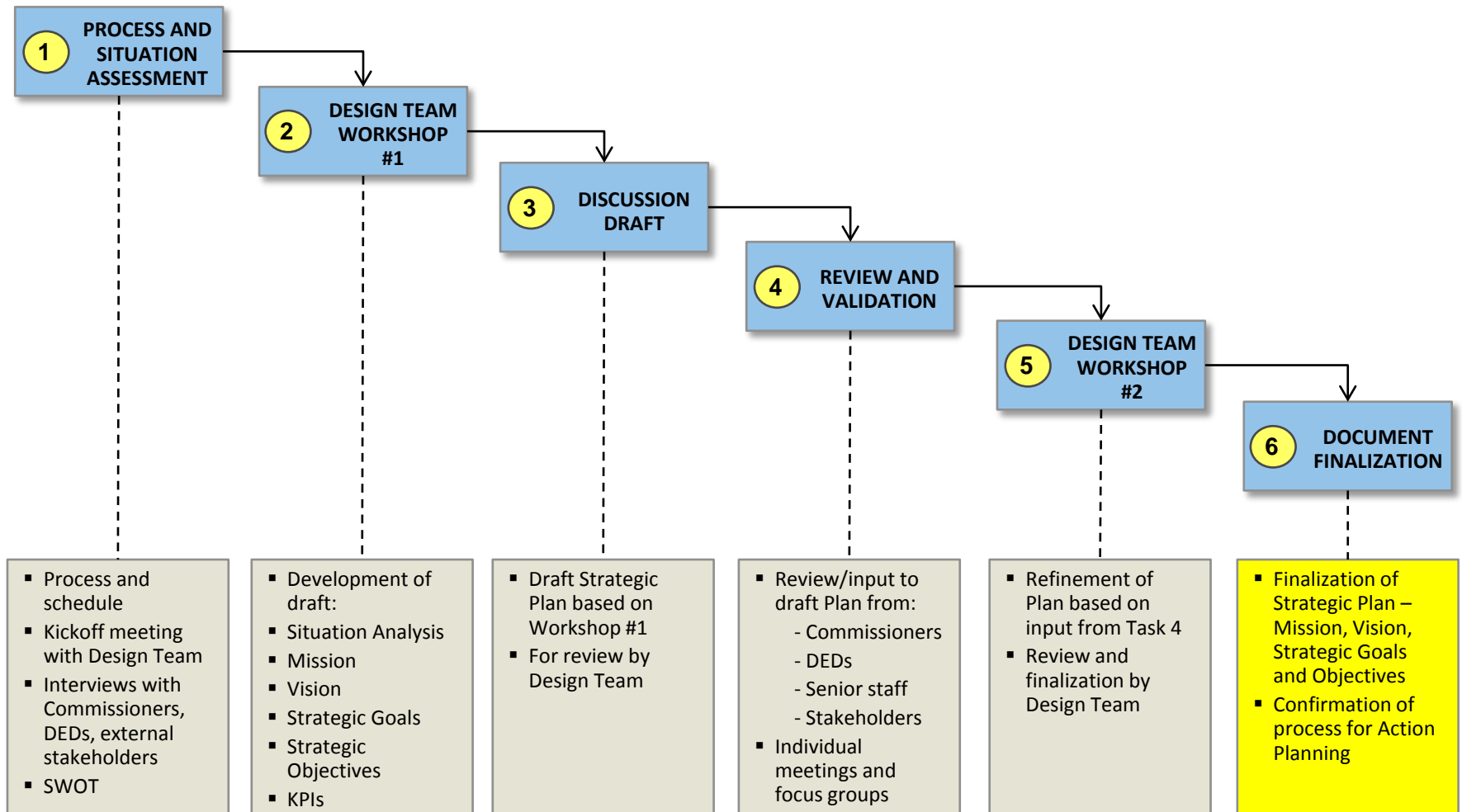
# Introduction – Objectives of the Strategic Plan

- **The objectives of the Strategic Plan are to:**
  - Establish a clear vision for the future development of the Port of Houston Authority (PHA)
  - Establish a balanced structure of strategic goals and objectives to achieve PHA’s vision and coordinate cross-functional organizational transformation
  - Establish performance measures to track and report progress
  
- **The Plan has been prepared based on materials developed by the PHA Strategic Planning Design Team, and after consultation with the following:**
  - PHA Commission members
  - PHA staff, through staff focus group meetings and additional outreach by the Design Team
  - Community and business stakeholders, through focus group meetings
  - Consultation process attendees are listed in the Appendix

### The Strategic Plan includes:

- ***Situation Assessment*** – An analysis of PHA’s strengths, weaknesses, opportunities and threats
- ***Mission Statement*** – A concise statement of the organization’s enduring purpose
- ***Core Values*** – The fundamental values which PHA adopted, governing behavior and action
- ***Vision Statement*** – A high-level vision statement, providing a common, unifying definition of the long-term “end-state” that PHA intends to achieve for the Port
- ***Strategic Goals*** – A limited set of high level strategic goals identifying the “big picture” outcomes that the organization must achieve to attain its vision
- ***Strategic Objectives*** – A broad range of organization-wide strategic objectives which must be delivered in order to reach the strategic goals
- ***Key Performance Indicators*** – Measures of attainment that can be assigned to strategic goals and objectives
- ***Action Planning*** – Scope and parameters for action plans to deliver the strategic objectives, and a process for developing specific plans with schedules and responsibilities

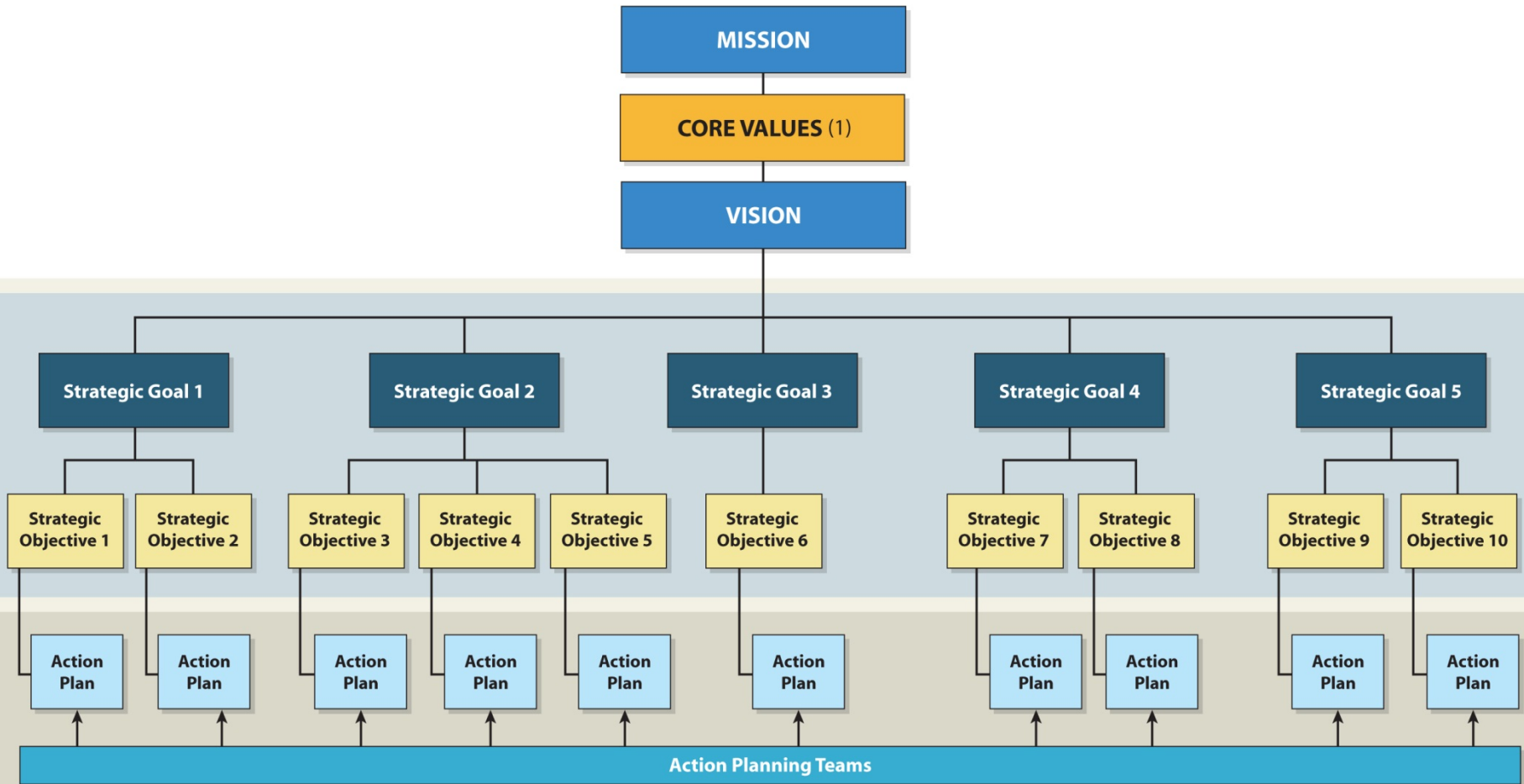
# Strategic Plan Process and Schedule



Week commencing:



# Strategic Plan Elements and Hierarchy



Note: (1) Developed by PHA staff in 2014.



# Section 2: Situation Assessment





# Situation Analysis

## STRENGTHS

- Central US Location
- Proximity to large and growing population and energy industry
- Diverse terminal facilities, with capacity to grow
- Strong and diverse market base with established supply chains
- Committed and capable management and staff

## WEAKNESSES

- Organizational issues – silos, lack of cohesion, no succession plan, staff development
- Aging facilities and channel limitations
- Brand – weak and inconsistent
- Absence of technology strategy to apply leading edge capabilities
- Lack of effective policies and procedures
- Pockets of low employee morale and trust
- Reactive culture, resistant to change

## OPPORTUNITIES

- Cargo diversification and market development
- Freight mobility – rail and heavy haul corridor
- Alternative funding sources – leverage strong balance sheet, PPP, etc.
- Partnerships (State, regional, industry, other ports)
- Enhanced stakeholder communication and engagement – further develop port advocates

## THREATS

- Erosion of federal, state, and local funding
- Road, rail and channel congestion
- Competition – West Coast ports, Charleston, Savannah, Freeport, Mexico, New Orleans, etc.
- Oil prices, possible economic downturn
- Negative public perception
- Events – natural disasters, security incidents, accidents, etc.
- Workforce shortages

# Section 3: Mission Statement



# PHA Mission Statement

The following Mission Statement is intended to be simple, memorable and motivational, while conveying clearly the core purpose of the Authority:

*“To move the world and drive regional prosperity”*

## Key words:

*“Move the world”* – captures succinctly the Authority’s role in facilitating safe navigation and enabling global maritime trade

*“Drive”* – reflects commitment to act with energy and initiative, and achieve a high level of results

*“Regional”* – emphasizes the Authority’s connection with, and commitment to the region it serves

*“Prosperity”* – establishes the primary purpose of the Authority to deliver broad social and economic benefit

# Section 4: PHA Core Values



# PHA Core Values

In 2014, PHA took the development of core values a stage further and sought input from the entire organization. The result was the commitment “We are **READY**”, encompassing the values of Respect, Excellence, Accountability and Diligence, and the focus on “You”:

## Respect

*We treat each other, our customers and all our stakeholders with respect, fairness and compassion. We are committed to openness and trust. We take pride in diversity and respect people’s dignity at all times.*

## Excellence

*We are dedicated to understanding our customers’ needs and delivering excellent service, both internally and externally. We seek continuous improvement, and the highest quality in our planning, delivery and communication.*

## Accountability

*We set challenging goals and hold each other accountable for achieving them. We honor our commitments to each other, our customers and stakeholders. We act with integrity and take responsibility for our actions.*

## Diligence

*We work hard and with determination in the pursuit of our goals. We go the extra mile to find solutions to problems and take the trouble to get the details right.*

## You

*We do all this for “You”, – whether you are an employee, a customer, a local resident or other stakeholder.*

**“We are **READY**” captures the spirit of the organization: the Authority is ready to serve, and ready for what the future may bring – it has the right infrastructure, the right plans, the right people**



# Section 5: Vision Statement





## *“America’s distribution hub for the next generation”*

This bold, ambitious statement envisages a future state with the following characteristics:

- A leading national (as opposed to regional), multi-modal hub for imports and exports
- A leader in efficiency, service and innovation
- Increased market share, increased capacity and improved freight mobility
- A focus on preparing for the “next generation”, which embraces:
  - Development of an engaged workforce to serve the Port’s future needs
  - Encouragement of diversity, both in the business base and in organizational talent
  - Anticipation of, and provision for future market needs
  - Long-term stewardship of the assets

# Section 6: Strategic Goals



# PHA Strategic Goals

1. **PEOPLE AND ORGANIZATION** – Invest in people and organize for success

2. **GROWTH** – Grow and diversify the business base

3. **INFRASTRUCTURE** – Provide and facilitate infrastructure to meet demand

4. **STEWARDSHIP** – Sustain the business for the long-term

# Section 7: Strategic Objectives



# PHA Strategic Objectives

## 1. **PEOPLE AND ORGANIZATION** – Invest in people and organize for success

- a. Align with Strategic Goals and strengthen communication
- b. Implement a workforce development program
- c. Implement streamlined processes supported by technology

## 2. **GROWTH** – Grow and diversify the business base

- a. Develop and implement a proactive market development plan
- b. Deliver cost and service advantages through innovation and efficiency
- c. Develop a strong brand identity

## 3. **INFRASTRUCTURE** – Provide and facilitate infrastructure to meet demand

- a. Develop and implement a facilities Master Plan and Asset Management Program
- b. Develop funding strategies to deliver the capital program
- c. Leverage key partnerships to influence regional infrastructure investment

## 4. **STEWARDSHIP** – Sustain the business for the long-term

- a. Be an environmental leader
- b. Cultivate productive relationships with all stakeholders
- c. Operate safely and securely



# Section 8: Key Performance Indicators





# Key Performance Indicators

Strategic Goals and Objectives	Potential Performance Dimensions
<p><b>1. PEOPLE AND ORGANIZATION – Invest in people and organize for success</b></p> <ul style="list-style-type: none"> <li>a. Align with Strategic Goals and strengthen communication</li> <li>b. Implement a workforce development program</li> <li>c. Implement streamlined processes supported by technology</li> </ul>	<ul style="list-style-type: none"> <li>• Employee voluntary turnover</li> <li>• Employee engagement/satisfaction</li> <li>• Achievement of individual performance goals aligned to Strategic Goals</li> <li>• Training hours aligned to current position and career development</li> <li>• Adoption of new procedures</li> </ul>
<p><b>2. GROWTH – Grow and diversify the business base</b></p> <ul style="list-style-type: none"> <li>a. Develop and implement a proactive market development plan</li> <li>b. Deliver cost and service advantages through innovation and efficiency</li> <li>c. Develop a strong brand identity</li> </ul>	<ul style="list-style-type: none"> <li>• Revenue, volume, market share and market concentration</li> <li>• Brand recognition and perception, locally and globally</li> <li>• Comparative costs and trends for internal operations and overall supply chain</li> </ul>

# Key Performance Indicators (continued)

Strategic Goals and Objectives	Potential Performance Dimensions
<p><b>3. INFRASTRUCTURE – Provide and facilitate infrastructure to meet demand</b></p> <ul style="list-style-type: none"> <li>a. Develop and implement a facilities Master Plan and Asset Management Program</li> <li>b. Develop funding strategies to deliver the capital program</li> <li>c. Leverage key partnerships to influence regional infrastructure investment</li> </ul>	<ul style="list-style-type: none"> <li>• Demand not capped by facilities               <ul style="list-style-type: none"> <li>– Size of ships accommodated</li> <li>– Volume of cargo handled</li> </ul> </li> <li>• Capital program delivered on budget, on schedule</li> <li>• Funding availability to support capital program</li> </ul>
<p><b>4. STEWARDSHIP – Sustain the business for the long-term</b></p> <ul style="list-style-type: none"> <li>a. Be an environmental leader</li> <li>b. Cultivate productive relationships with all stakeholders</li> <li>c. Operate safely and securely</li> </ul>	<ul style="list-style-type: none"> <li>• Lost time incidents</li> <li>• Safety, security, and environmental audits conducted</li> <li>• Regulatory violations</li> <li>• Achievement of ISO certifications (including safety, security, environmental)</li> <li>• Results of stakeholder attitude surveys</li> </ul>

# Section 9: Action Planning



# Action Plans – Scope and Parameters

**Each Strategic Objective defined in the Strategic Plan should be supported by a specific and detailed *action plan*:**

- There should be ***one*** action plan for each strategic objective
- Each action plan should coordinate the activities required from ***all parts of the organization***

**Action plans should:**

- Have a ***multi-year timeframe*** (typically up to three years)
- Be built around the ***major steps*** that have to be completed in order to achieve the strategic objective – typically the 10 – 15 “must achieve” things required to deliver the required outcome
- Define each major step in a sentence of 10 words or fewer
- Establish realistic timeframes for the delivery of each major step
- Establish single point responsibility – (a) for the action plan overall, and (b) for each major step
- Establish measurable outcomes to define completion of each step, to the extent possible

## The action planning process should include the following steps:

- **Step 1 – Design Team review/analysis of Strategic Objectives** – Review and analysis of each Strategic Objective by Design Team to identify key outcomes, and milestones to achievement of objectives
- **Step 2 – Formation of Action Planning Teams** – Identification, for each Strategic Goal, of a multi-disciplinary team drawn from across the organization to be responsible for preparation of the Action Plans for Strategic Objectives associated with that Goal
- **Step 3 – Determination of Action Plan steps** – Development of action plan steps by each Action Plan Team
- **Step 4 – Establishment of measures, schedule and responsibilities** – Establishment, by the Action Plan Team, of measures, schedule and responsibility for each step in the Action Plan, and compilation into a Draft Action Plan
- **Step 5 – Design Team review of draft Action Plans** – Review and revision as necessary of Draft Action Plans by the Design Team
- **Step 6 – Action Plan finalization** – Finalization of individual Action Plans, and integration into the overall Strategic Plan document

# Appendix: Consultation Process – Attendees





**Strategic Planning Design Team**

	<b>Design Team</b>
<b>Count</b>	<b>17</b>

<b>Last Name</b>	<b>First Name</b>	<b>Division</b>	<b>Department</b>	<b>Title</b>	<b>Design Team</b>
Vincent	Mark	CA	Channel Development	DIRECTOR CHANNEL DEVELOPMENT	x
Herbst	Leslie	CA	Community Relations	MANAGER COMMUNITY RELATIONS	x
Rodriguez	Olga	CA	Special Projects	MANAGING DIR SPECIAL PROJECTS	x
Guenther	Roger	EX	Executive	EXECUTIVE DIRECTOR	x
Duncan	Curtis	EX	Internal Audit	MANAGER INTERNAL AUDIT	x
Finley	Tim	FA	Controller	CONTROLLER	x
Boutch	Catherine	FA	Human Resources	DIRECTOR HUMAN RESOURCES	x
Galle	Rich	FA	Safety	DIRECTOR SAFETY	x
Torres	Jorge	FA	Security	FACILITY SECURITY OFFICER	x
Mcnamara	David	GC	Legal	COUNSEL	x
Davis	Jeffrey	OP	Operations Administration	MANAGING DIR OPERATIONS	x
Fabian	Nathan	OS	BCT Maintenance	ASST MAINTENANCE MANAGER	x
Soares	Paulo	OS	Operations Support	MANAGING DIR OPERATIONS SUPP	x
Trevino	Brenda	OS	Project and Const Management	PROJECT MANAGER	x
Price	Adrian	RE	Office Services	MANAGER OFFICE SERVICES	x
Moseley	John	TD	Business Development	SR DIRECTOR TRADE DEVELOPMENT	x
Shaver	Jessica	EX	Executive	DIRECTOR ORG PLANNING & STRATEGY	x (sponsor)

## Internal Focus Group Meetings

	Total PHA	Commission Review (Feb 18)	DED Review (Feb 18)	Group 1 (Feb 19)	Group 2 (Mar 10)	Invited but did not attend
<b>Internal Participants</b>	<b>56</b>	<b>7</b>	<b>3</b>	<b>20</b>	<b>24</b>	<b>9</b>

Last Name	First Name	Division / Department	Title	Commission Review (Feb 18)	DED Review (Feb 18)	Group 1 (Feb 19)	Group 2 (Mar 10)	Invited but did not attend
Branch	Theldon		PORT COMMISSIONER	x				
DonCarlos	Stephen		PORT COMMISSIONER	x				
Fitzgerald	Clyde		PORT COMMISSIONER	x				
Kennedy	John		PORT COMMISSIONER	x				
Longoria	Janiece		CHAIRMAN, PORT COMMISSION	x				
Mease	Roy		PORT COMMISSIONER	x				
Corgey	Dean		PORT COMMISSIONER	x (via CC)				
Saathoff	Phyllis	CA / Corporate Affairs Admin	DEPUTY EXEC DIR CORPORATE AFF		x			
Heidt	Tom	FA / Finance & Administration	DEPUTY EXEC DIR FINANCE/ADMIN		x			
Eriksson	Erik	GC / Legal	DEPUTY EXEC DIR GEN COUNSEL		x			
Jenkins	Charlie	CA / Channel Dev & Environ Af	MNG DIR CHANNEL DEV & ENV AFF			x		
Ashley	Lisa	CA / Communications	DIRECTOR COMMUNICATIONS			x		
Mims	Doug	CA / M/V Sam Houston	SR CAPTAIN SAM HOUSTON			x		
Godfrey	Erica	EX / Executive	EXECUTIVE ASSISTANT			x		
Buckles	Maxine	EX / Internal Audit	MANAGING DIR INTERNAL AUDIT			x		
Yi	Ray	FA / Finance	MANAGING DIR FINANCE & ADMIN			x		
Skinner-Klee	Alex	FA / Financial Planning	DIRECTOR FINANCIAL PLANNING			x		
Oder	Michael	FA / Fire	ASST CHIEF - FIREBOAT			x		
Buck	William	FA / Fire	FIRE CHIEF			x		
Woodring	Marcus	FA / HSSE	MANAGING DIR HSSE			x		
Chapman	Matthew	FA / Safety	MANAGER SAFETY			x		
Ziesemer	Mike	FA / Security	FAC SEC OFF/CRUISE TERM MGR			x		
Aksoy	Jennifer	OP / BCT Terminal	MANAGER GATES			x		
Chamblee	Sharon	OP / Operations Administration	EXECUTIVE ASSISTANT			x		
Moore	Hugh	OS / BPT Maintenance	MANAGER MAINTENANCE			x		
Turrentine	Tracy	OS / BPT Maintenance	MECHANIC 1ST CLASS			x		
Ross	Harvey	OS / Project and Const Mgmt	CONSTRUCTION MANAGER			x		
Tanner	Robert	RE / Real Estate	MANAGING DIR REAL ESTATE			x		

Williams	Shane	TD / Foreign Trade Zone	ADMINISTRATOR FOREIGN TR ZONE			x		
Frisby	Jordan	TD / Market Development	ANALYST MARKETING			x		
Day	Kelly	CA / Channel Dev & Environ Af	EXECUTIVE ASSISTANT				x	
Munoz	Jacqueline	CA / Channel Development	MGR PROGRAM-LICENSES/PERMITS				x	
Mann	Bruce	CA / Freight Mobility	MANAGER FREIGHT MOBILITY				x	
Glover	Monica	CA / Government Relations	SR MGR GOVERNMENT RELATIONS				x	
Ramirez	Gilda	CA / Small Bus & Maritime Ed	MNG DIR SMALL BUS/MARITIME ED				x	
Garcia	Pedro	CA / Small Business Mentoring	MANAGER SMALL BUSINESS OUTREA				x	
McWhirter	Debra	FA / Customer Billing Services	ANALYST FINANCIAL SYSTEMS				x	
Smith	Mark	FA / Police	CAPTAIN FIREBOAT				x	
Jones	Farrell	FA / Fire	DRIVER OPERATOR				x	
Ramsey	Patricia	FA / HSSE	ADMINISTRATIVE MANAGER HSSE				x	
Ashley	Carolyn	FA / Human Resources	MANAGER ORGANIZATIONAL DEVEL				x	
Cavazos	Pepe	FA / Information Technology	SYSTEMS ADMINISTRATOR				x	
Mendoza	Mary	FA / Payroll	MANAGER PAYROLL & ACT PAYABLE				x	
Camel-Smith	Yvette	FA / Procurement Services	DIRECTOR PROCUREMENT SERVICES				x	
Birdwell	Bruce	FA / Risk Management	DIRECTOR RISK MANAGEMENT				x	
Park	Janet	GC / Legal	PARALEGAL				x	
Armenoff	Candice	OP / BPT Terminal	CUSTOMER SERVICE MANAGER				x	
Mariacher	Ryan	OP / BPT Terminal	DIRECTOR CONTAINER OPERATIONS				x	
Conti	Christopher	OP / Northside TB	MANAGER OPERATIONS TB				x	
Perez	Concepcion	OS / BCT Maintenance	FOREMAN				x	
Gray	Benny	OS / BCT Maintenance	MANAGER MAINTENANCE				x	
Norman	Daniel	OS / Project and Const Mgmt	CHIEF CONSTRUCTION INSPECTOR				x	
Gignac	Mike	OS / TB Maintenance	MANAGER MAINTENANCE				x	
Kunz	Ricky	TD / Trade Development	MANAGING DIR TRADE DEVELOP				x	
Abril	Julio	OP / BCT Terminal	DIRECTOR BCT OPERATIONS					x
Robbins	Diana	OP / BCT Terminal	SUPERVISOR GATE OPERATIONS					x
Fitzpatrick	Robert	OS / BCT Maintenance	ELECTRONIC TECHNICIAN					x
Brown	Jimmie	OS / BPT Maintenance	FOREMAN					x
Jolly	Chuck	OS / TB Maintenance	FOREMAN					x
Rizzo	Colin	FA / Emergency Management	MANAGER EMERGENCY MGMT					x
McElwain	Robert	FA / Finance	TREASURY MANAGER					x
Harris	Barbara	OS / Project and Const Mgmt	PROJECT MANAGER					x
McMahan	Garry	CA / Channel Development	MGR PROGRAM-LICENSES/PERMITS					x

## Business Stakeholder Focus Group

Total Invites	22
Total Attendees	14

<u>Name</u>	<u>Company</u>	<u>Alternate?</u>	<u>Attended?</u>
Alan Robb	International Longshoremans Association		Yes
Phillip Summers	Hapag Lloyd	Don Dovie	Yes
Nick Stratigakis	Shippers Stevedores	Nolan Williamson	Yes
Waldemar Poulson	Rickmers		Yes
Mike Morris	Houston Pilots	J. J. Plunkett	Yes
Dave Morgan	Cooper T Smith		Yes
Tom Marion	Buffalo Marine		Yes
Steve Huttman	G&H Towing		Yes
Jeff Norwood	PTRA		Yes
Robert Baker	ExxonMobil		Yes
Nolan Richardson	Richardson Steel	Rainer Lilienthal	Yes
John Taylor	Houston Mooring		Yes
Mike Shafner	Maersk/APMT		Yes
Craig Beskid	East Harris County Manufacturers Association (EHCMA)		Yes
Bill Diehl	Greater Houston Port Bureau (GHPB)		Yes
Brian Fielkow	Jetco Delivery		No
Bill Mullins	Louis Dreyfuss		No
Greg Linbeck	Terminal Link Texas		No
Jan Jorgenson	Biehl and Co.		No
Nathan Wesley	West Gulf Maritime Association (WGMA)		No
Todd Monette	Lyondellbasell		No
Monty Heins	Dow ChemicalCompany		No

## Community Focus Group List

<b>Total Invites</b>	<b>23</b>
<b>Attendees</b>	<b>22</b>

Organization	Name	Area of Representation	Alternate?	RSVP
Area CAPS: Bay Area Community Advisory Panel La Porte Citizen Advisory Council Community Advisory Panel to Lyondell and Equistar (North Channel Area) Deer Park Community Advisory Council Pasadena Citizens' Advisory Council	Diane Sheridan	Communities along HSC		Yes
Area CAPS: Houston Community Advisory Panel Seashore Community Advisory Panel Baytown Area Community Advisory Panel	Mary Jane Naquin	Communities along HSC		Yes
Greater Houston Black Chamber of Commerce	Roosevelt Daniels	Economic Development		Yes
Economic Alliance - Houston Port Region	Chad Burke	Economic Development		Yes
Houston Hispanic Chamber	Laura Murrilo	Economic Development	Guillermo Lambarri	Yes
Pasadena Chamber of Commerce	Cristina Womack	Economic Development	Cary Bass	Yes
Houston East End Chamber of Commerce	Frances Castaneda Dyess	Economic Development		Yes
La Porte - Bayshore Chamber of Commerce	Colleen Hicks	Economic Development		Yes
Greater Houston Partnership	Bob Harvey	Economic Development	Bob Pertierra	Yes
Houston Independent School District	Terry Grier	Education	Michael Webster	Yes
San Jacinto College	Brenda Hellyer	Education - college		Yes
Galveston Bay Foundation	Bob Stokes	Environmental	Courtney Smith	Yes
Environmental Defense Fund	James Marston	Environmental	Elena Craft	Yes
Bayou Preservation Association	Kathy Lord	Environmental		Yes
Bayou Land Conservancy	Jennifer Lorenz	Environmental		Yes
Houston International Seafarers' Center	Patricia Poulos	Port-related affiliate		Yes
Recreational Users of Waterways	Phillip Kropf	Recreation		Yes
Houston Yacht Club	Robert Williams	Recreation		Yes
Minority Business Supplies Council	Dick Hubner	Small Business	Constance Jones	Yes
Small Business Administration	Mark Winchester	Small Business	Timothy Jeffcoat	Yes
Transportation Advocacy Group	Andrea French	Transportation		Yes
Baytran	Barbara Koslov	Transportation		Yes
Texas Southern University	John Rudley	Education - university		No



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