

December 16, 2014

INFORMATIONAL ITEM

MEMORANDUM TO THE TRUSTEES

FROM THE PRESIDENT and CHIEF EXECUTIVE OFFICER

SUBJECT: Strategic Initiative Business Plan: Workforce Planning

SUMMARY

This memorandum provides an informational item to the Trustees on the Authority's Workforce Planning Business Plan (Exhibit "A").

BACKGROUND

The Authority's 2014 - 2019 Strategic Plan ("Plan") was adopted at the March 25, 2014 Trustee meeting. The Plan was developed around three key themes that reflect the transformative change taking place in the energy industry and economy. These themes – Customer Empowerment, Infrastructure Modernization and Resource Alignment – are composed of six specific and actionable initiatives. The Workforce Planning Business Plan is being presented in this item. With the implementation of this strategic initiative, the Authority is strengthening its foundation while allowing for the flexibility needed to successfully adapt to the change required by the 2014-2019 Strategic Plan.

DISCUSSION

The Plan provides direction as NYPA prepares to be a leader in the new energy landscape, describing NYPA's transformation into an organization that continues its mission of providing clean, low-cost power, but expands upon that as it implements projects to provide innovative customer solutions and cutting-edge technology. In support of this, the Workforce Planning Business Plan provides a roadmap to help NYPA achieve its desired future state. The changing landscape of the energy industry, coupled with the increasing competition for Science, Technology, Engineering and Math (STEM) skills makes it critically important that NYPA develop the talent and processes to build a knowledgeable, flexible and agile workforce. This strategic initiative will help lay the foundation for the organizational changes necessary for NYPA to fully implement many of the projects envisioned by the other strategic initiatives. The Workforce Planning Business Plan identifies key projects and milestones for NYPA to address the full employee lifecycle and create transparent and cross organizational opportunities for both business need and developmental growth. Identified projects address sourcing and recruitment strategies, flexible training solutions, proactive and transparent forecasting and implementation

of jobs. They also provide management with an integrated system and on-demand metrics and information to develop and deploy talent across the organization.



STRATEGIC INITIATIVE BUSINESS PLAN for

Workforce Planning

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Initiative Start	January 2015
Initiative End	December 2017

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EXECUTIVE SUMMARY

Strategic rationale and drivers of the initiative

Throughout the history of its existence, NYPA has been at the forefront of many of the initiatives in the energy industry. From harnessing the power of the Niagara and St. Lawrence Rivers and building much of the backbone of the State's transmission grid, to installing energy efficient technologies and renewable resources throughout the State, NYPA continues to provide reliable, low-cost power to the residents of New York State.

The changing landscape of the energy industry, coupled with the increasing competition for Science, Technology, Engineering and Math (STEM) skills make it critically important that NYPA develop the systems and processes to build a knowledgeable, flexible and agile workforce. The Workforce Planning Initiative will help lay the foundation for the organizational changes necessary for NYPA to fully implement many of the projects envisioned by the other strategic initiatives.

The project team performed an analysis of the current state of NYPA's workforce planning systems and processes and developed a roadmap to move NYPA to the desired future state. Many of the projects identified in this business plan are incremental changes to existing systems and processes necessary to move NYPA from the current state of headcount planning/workforce reporting to strategic talent and workforce planning.

However, several key projects were identified that are more transformative in nature, resulting in significant steps forward for the future NYPA workforce. Two such initiatives are NYPA University and the Workforce Development Center. NYPA University will capitalize on, and expand upon, existing employee development opportunities, such as the MBA program. It is envisioned that this initiative will create an employee portal that will provide employees with the means to explore the available in-house and external training programs. Employees will be able to create individualized development plans to meet their career goals while establishing a pipeline of talented and highly skilled resources capable of meeting the future needs of the organization.

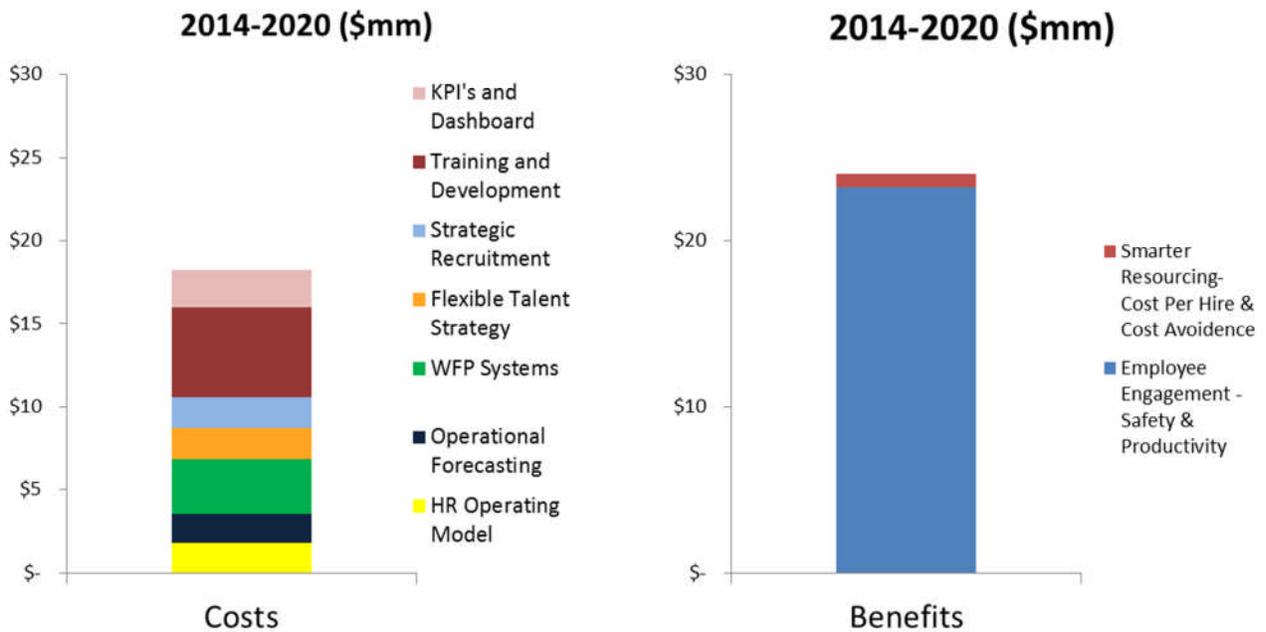
The Workforce Development Center will also create a pipeline of skilled trades employees for NYPA and other businesses within New York State. The proposed center in Western New York will offer programs in skilled trades that have become increasingly difficult to find qualified workers. This will ensure that NYPA continues to have qualified employees necessary to build and maintain the energy infrastructure of the future.

The projects identified in this initiative will provide benefits to both NYPA management and employees. Management will be given the processes and tools to identify the future skills required to compete in the energy industry. These processes, combined with data available on current employees, training programs and skills available in the marketplace, will lead to a strategic decisions on the use of internal resources vs. outsourced contractor and consultant resources, resulting in cost savings. Employees will have a clear understanding of the future needs of the organization, as well as, potential career paths available to them. This will lead to improved employee engagement, resulting in improved efficiency and safety performance.

Financial Summary:

As envisioned, the projects are expected to have a benefit/cost ratio of 1.31 up to the year 2020, with continued positive results beyond 2020. This is based on cost estimates of slightly more than \$18 million, mostly in the areas of the Workforce Planning system and development of the training programs. Benefits of \$24 million will be realized by improved efficiencies attributed to improved employee engagement, improvements in employee attraction and retention and decreased costs due to improved safety performance.

2014-2020 Cost to Benefit Ratio of 1.31



2014-2025 Cost to Benefit Ratio of 4.64

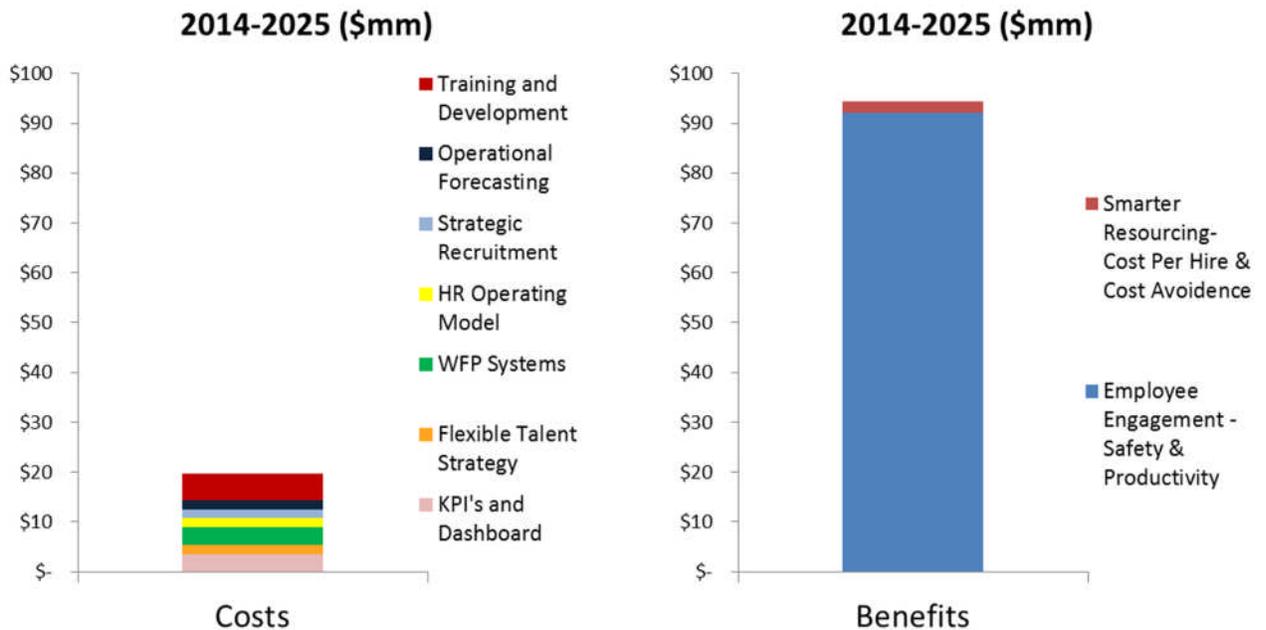


Figure 1: Initiative costs and benefits

High Level Timeline

The projects will begin in 2015 with the continuation of the Workforce Planning System implementation plan, the roll-out of a pilot program for the Forecasting Business Operational Needs and the start of the NYPA University project. Full implementation of the initiative projects is expected to be completed in 2019, with on-going operational funding and support beyond.

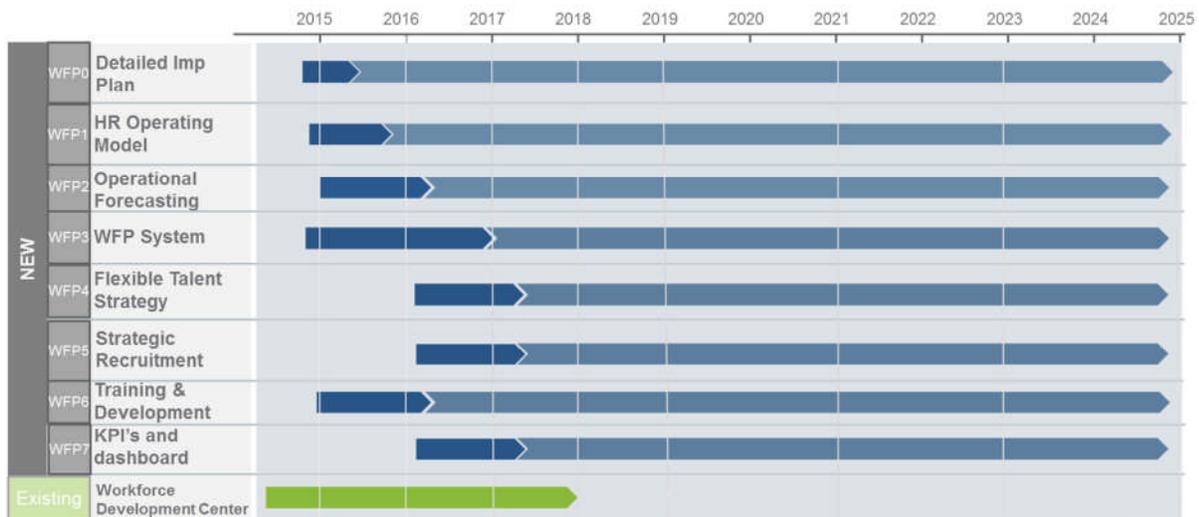


Figure 1: High level work plan

Key Risks of the initiative

- The initiative is perceived as being relevant to the HR function only – the Workforce Planning initiative is an initiative that will deliver benefit across the business and will therefore need to be driven by the end to end organization for it to be truly successful
- The success of other key strategic initiatives such as Customer, Asset Management and Smart G&T will be reliant upon the stepped improvement of core business competencies that the Workforce Planning initiative is planning to address (e.g. forecasting, recruitment, training, development and retention)

STRATEGIC RATIONALE

Business strategy and rationale

The 2014 Strategic Plan outlines a transformation of NYPA into an organization that leads the industry in delivering innovative customer services, deploying smart technologies and applying internationally recognized asset management standards. The combined impact of initiatives targeted in each of these areas will deliver enhanced value to our customers, secure optimal operation of our generation and transmission (G&T) assets and support the dissemination of lessons learned in the deployment of cutting-edge industry technology. Effective delivery in line with these aspirations will require a corresponding internal transformation of NYPA into a dynamic, agile organization that is able to quickly respond to external changes in the energy industry. Establishing a workforce that exhibits these traits will be critical to NYPA's success. This highlights the need for, and importance of, a targeted workforce plan that will support the recruitment, development, training and retention of staff with the skills and capabilities to secure the effective delivery of NYPA's strategic vision.

The workforce planning initiative will not only support the successful implementation of the transformational strategic initiatives proposed as part of the strategic vision but will also secure successful ongoing operation of NYPA in a rapidly shifting environment. A host of drivers indicate that there is a need for a formal, cohesive and comprehensive workforce planning approach at NYPA.

- **A need to align resources to future skills and competencies:** If NYPA is to successfully transform in line with the aspirations set out in its Strategic Vision, it will need to attract and develop staff with the skills, capabilities and competencies to effectively design, develop, implement and maintain the customer solutions, asset management and Smart G&T initiatives discussed above. Each of these initiatives are in the early stages of development but, even now, are placing new resource and capability demands on NYPA; demands that will only increase over time. These three initiatives are not, however, the only changes to which NYPA will need to adapt. The Strategic Vision includes two additional strategic initiatives related to knowledge management and process excellence that will enhance NYPA's internal operations and further establish the foundations to support its transformation. All of this is set within the context that the New York energy industry is evolving rapidly and will present opportunities for, or place new obligations on, NYPA. The combination of these factors point to a change in resource needs, the pace of which will only increase over time. NYPA needs to proactively assess how these changes will impact resource requirements now and into the future so that it can align its workforce strategy to these needs.
- **Maintaining the knowledge / capability base of employees:** The profile of employment for NYPA staff is changing, from careers that typically spanned 25 to 30 years to a much shorter employee tenure. Current data indicates that 50% of NYPA employees have less than 10 years of experience at NYPA. In addition, the NYPA workforce is aging and this is leading to a retirement bubble in which 26% of employees are eligible for retirement in the next five years. The combination of these factors is creating challenges for the retention of both knowledge and capabilities, particularly as much of the institutional knowledge that those leaving take with them is undocumented. While the knowledge management initiative will help address this issue, there will be further benefits from a workforce planning approach that incorporates training and development opportunities as well as establishing defined career paths that expose employees to a range of different working environments across NYPA. Thus ensuring that the time it takes to get employees operationally effective in their roles is minimized and the value delivered to the business by each employee is maximized.
- **A need for agile, flexible workforce practices:** Within NYPA, a number of current practices reduce the learning and development opportunities to which our staff have access. For example, hiring is restricted to backfilling open positions rather than identifying replacements for positions that are soon to become

vacant and this limits the ability of staff to grow their skills proactively. The development of staff is silo'd within business units and this limits opportunities for cross- organization or function development. In addition, there are limited opportunities for managerial or capability based training which means that we don't always have the bench strength to fill senior roles. Each of these examples illustrates the need for a renewed focus on training and ways to realign our current approach to the needs of the workforce particularly given the challenges that staff will face in supporting the transformation of NYPA.

- Competition for scarce resources in the labor market:** Many of our core functions are related to the construction, operation and maintenance of our G&T assets, functions that require the support of skilled engineers and trades people (STEM skills). However, the availability of resources with these skills and competencies in the labor market is reducing. As a result, there is increasing competition for candidates with these skills from both power utilities and other industries that have a focus on large infrastructure. We are constrained in our ability to compete for these resources as our compensation / rewards programs are restricted and this means that we are often unable to match the compensation offers that our competitors make. While our moves toward realigning our base salaries and benefits to prevailing compensation levels in the labor market are a step in the right direction, there is a need to utilize other levers, both monetary and non-monetary, to reward prospective and existing employees at various stages of their careers.

Each of these drivers indicate that the development of a workforce plan that places renewed focus on our strategy for recruiting, developing, training and retaining employees will ensure we have access to staff with the right skills and capabilities to support NYPA's transformation into an industry-leading organization.

Alignment with strategic goals

Strategic goal	Degree of impact	Description of impact
Financial Effectiveness	Positive – Low	Informed decisions based on accurate data will maximize return on investments
Operational Effectiveness	Positive - High	NYPA will have the required resource and capabilities to effectively operate and maintain its assets which will secure optimal levels of power generation and transmission.
Value From Energy	Positive – Low	Customer facing NYPA staff will have required skills and capabilities to support customer decisions about energy services and ensure they attain maximum value from this.

Alignment with key values

Values	Degree of impact	Description of impact
Sustainability	Positive – Medium	Effective day-to-day operation will be more sustainable as required skills and capabilities will reside within the organization
Safety	Positive – High	Employees will have access to critical operational skills and capabilities which will improve safety
Compliance	Positive – Medium	Maintain compliance with the right experience, skills and capabilities
Environmental Responsibility	Positive – Low	Employees will better understand environmental requirements and obligations
Employee Development	Positive – High	Employees will have visibility regarding career pathways and developmental opportunities to proactively influence their own development
NYS Energy Plan	Positive – Medium	A more agile workforce will be better equipped to respond to changing industry conditions and deliver in line with the NYS Energy Plan

INITIATIVE OVERVIEW

Description of the opportunity

The transformation of NYPA envisaged under the Strategic Vision will require a proactive workforce strategy that ensures NYPA not only has required resources as needed to deliver key outcomes but that staff are given opportunities to further develop so that they are equipped to quickly adapt to emerging industry conditions. To establish and maintain this agile workforce NYPA must create and embed a workforce plan that provides transparency about resource needs both now and in the future and establishes a targeted strategy to support these. The workforce plan will perform a number of different functions.

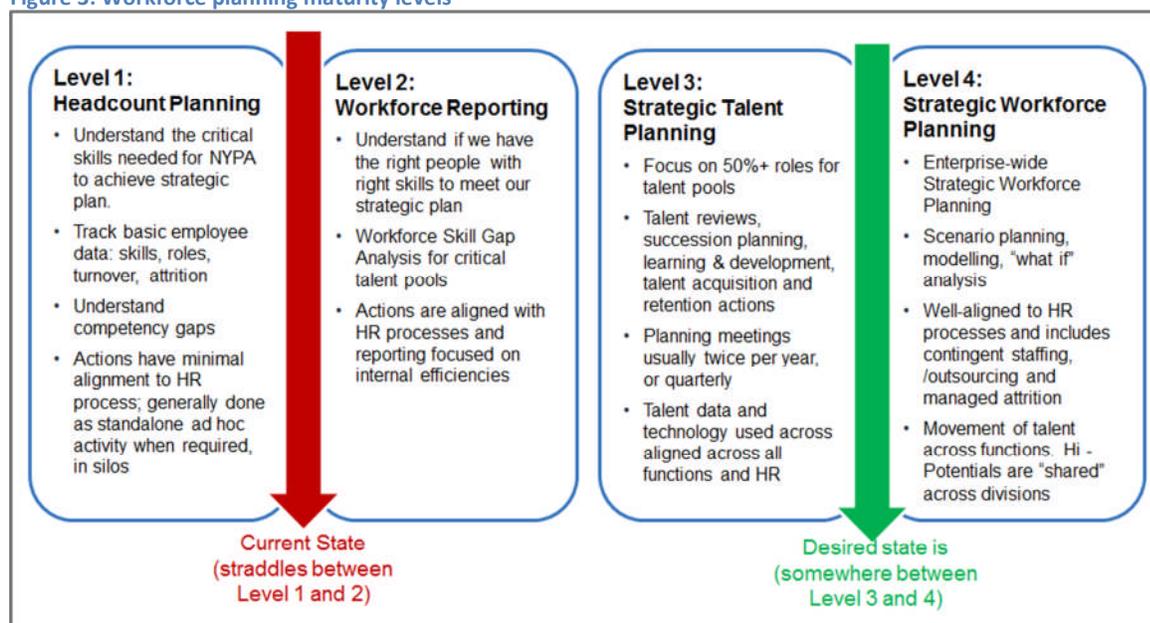
- Provide insights into internal and external NYPA developments that will impact workforce needs;
- Help NYPA to anticipate required knowledge, skills and competences that will be essential to support effective delivery in the context of these emerging business drivers;
- Allow NYPA to proactively identify, attract, develop and retain required knowledge, skills and competencies to ensure resources are available at the time they are needed; and
- Ensure NYPA has an overview of the current workforce gaps (from both a skills and quantity perspective) so as to ensure that the most effective and efficient measures that can be used to bring the workforce to the right level.

The full and successful implementation of a workforce plan applicable across all NYPA departments and strategic initiatives will ensure that there is forward looking clarity about gaps in skills and capabilities as well as a strategy to fill these via recruitment of new resources or development of existing staff.

Initiative vision

The planning of workforce needs and implementation of strategies to address these is already an integral part of NYPA's internal operating model. However, recognizing the transformation of the organization set to take place to deliver in line with the provisions of the strategic vision, we are proposing to enhance the maturity and associated sophistication of the existing approach. Figure 3 illustrates the various maturity levels associated with workforce planning

Figure 3: Workforce planning maturity levels



At the most basic level of ‘headcount planning’, companies understand the skills required to support delivery of key outputs and track basic employee data but workforce planning is not aligned to or embedded in the overall HR strategy. At level 2 ‘workforce reporting’, there is more understanding of whether the organization has the necessary skills to deliver key outputs as well as skill gaps that exists in priority work areas and where action is subsequently taken this is aligned to HR processes. Both of these stages are focused on what has already taken place in the workforce and are more reactive. At level 3 ‘strategic talent planning’ there is a shift towards being more forward looking with a greater focus on talent management and a clear understanding of talent needs for more than half of the roles in the organization, regular meetings to plan talent needs and dedicated talent data that is aligned across the organization. At the most mature level of ‘strategic workforce planning’ there is organization-wide workforce planning which is aligned to HR processes and supports the mobility of staff across functions. Level 4 is typically for organizations that operate in multiple countries and therefore require a more sophisticated approach. For these reasons, NYPA is not attempting to achieve a level 4 maturity. Our assessment of workforce planning at NYPA suggests that currently the organization is at a maturity level between 1 and 2 but there is an aspiration to achieve a maturity between levels 3 and 4.

If NYPA reaches its vision to achieve a maturity level of between 3 and 4, the workforce plan will provide:

- Full visibility about the capabilities of the existing workforce and how these will need to change over the short, medium and long term.
- An integrated recruitment plan and training curriculum which will address anticipated workforce needs as well as being flexible to unexpected demands that are placed on the workforce.
- Clarity to NYPA employees about the opportunities available to further develop their skills and capabilities via training or defined career path opportunities.
- Established metrics that are supported by targeted data collection and enable NYPA to continually monitor the performance of the workforce plan, making changes as needed.

Ultimately, the workforce plan will support the development of an agile workforce that can proactively adapt and respond to energy industry changes and focus on high priority outcomes to deliver the strategic vision.

Initiative scope

The intent is that the implementation of this strategic initiative will support an enterprise-wide workforce plan that encompasses all NYPA business units to establish an approach that is consistently applied across NYPA. This will not only ensure that there is transparency about the resource, skill and capability needs of the business, including the needs of the strategic initiatives, but will also support an understanding of the relative importance and criticality of workforce needs in each area.

The workforce plan and associated strategy will cover the full complement of the workforce as well as all aspects of the employee life cycle, from forecasting of resource and talent needs, to attraction of required staff, provision of development opportunities and retention of NYPA employees. Each of these aspects of the life cycle should be considered holistically in terms of the process, data, systems and people requirements which are illustrated in Figure 4 below.

	Forecasting	Attraction	Development	Retention
Process	Process to provide understanding of the people and organization capabilities required	Internal selection, external recruitment and/or procurement processes	Performance review/development processes and training programs	Promotion, comp/benefit, succession, internal transfer processes
Data	Existing workforce and future business needs data to inform workforce supply & demand	Business needs data to inform recruitment & procurement decisions	Performance review and development metrics and training effectiveness data	Promotion, comp/benefit succession, transfer plans and data
Systems / Technology	System / IT platforms to collect, store and manage WFP data	Resource/capability planning system / IT platforms to inform recruitment/procurement	System / IT platforms to support career planning, training and development	System / IT platforms to collate data and transparency with internal opportunities
People / Organization / Roles	Roles and capabilities required to address business needs	Decisions to build or buy certain roles/capabilities	Framework that provides competency expectations and development paths	Understanding of internal career paths, role and skills transferability

Figure 4: Scope of the workforce planning initiative

Consequence of maintaining status quo

Under the status quo workforce planning at NYPA will not be sufficiently mature to support the forecasting, attraction, development and retention of necessary resources to secure the full and successful delivery of the Strategic Vision. Under the status quo, we anticipate that workforce planning will be characterized by:

- Limited clarity about workforce capabilities across the organization;
- A loss of employees with critical skills and capabilities with no clear plan of how to mitigate this risk;
- Difficulties filling key roles as a result of increasing labor market competitiveness for key skills;
- A reactive requirement to secure short-term contractual staff to fill gaps which leads to greater costs and a loss of critical knowledge when these contracts end;
- Increased risks associated with safety, operations, regulation and policy due to the inability to fill key positions and/or the possibility that employees may not have required skills;
- Limited clarity and integration of NYPA workforce initiatives reducing the benefits delivered.
- Operating with disjointed processes and programs, e.g. PPR description, goals, career paths are not effectively aligned at the moment.

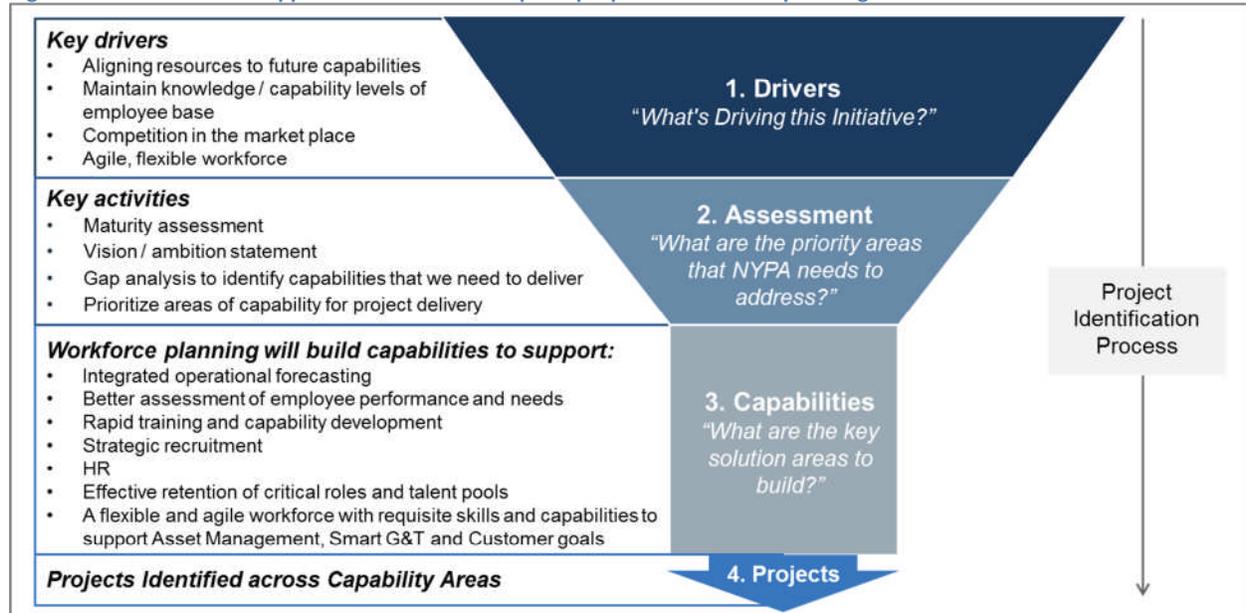
The development of a dedicated, comprehensive, enterprise-wide workforce plan that provides transparency about the skills and capabilities of the existing workforce including the way that these are likely to change over time and a strategy to address any gaps that are identified will help to avoid these outcomes.

SOLUTION

The approach to developing the solution

The team has taken a logical approach to the identification of a set of work streams that will support the development and implementation of an enterprise-wide workforce plan. Figure 5 illustrates the process the team adopted to identify the work streams that should form the focus of the workforce planning initiative.

Figure 5: Overview of the approach taken to develop the proposed workforce planning solution



First, the team assessed the drivers of the initiative. As outlined in the Strategic Rationale, effective delivery of the strategic initiatives will necessitate a change in the skills and capabilities of NYPA staff to establish an agile and flexible workforce that can quickly adapt to changing industry conditions. To develop these skills, strategies will be needed to more efficiently recruit staff and develop existing resources. Both activities need to be considered within the context of an increasingly competitive labor force and a changing profile of employment at NYPA.

Second, the team considered the objectives of the initiative. As outlined in the Initiative Overview, there was a need to understand the maturity of current workforce planning activities and develop a clear vision for the future of workforce planning at NYPA. This assessment supported the identification of gaps and allowed the team to prioritize areas of capability for project development.

The output of these first two steps was a clear understanding of the capability areas that the workforce planning initiative should focus on developing which are illustrated above in Figure 3. On the basis of these capability areas, the team developed a series of seven targeted work streams that would address each of these issues in turn, prioritized based on their ability to help NYPA move up the workforce planning maturity scale. Each of these work streams is presented in the following section.

Proposed solution

The team adopted a robust process to identify gaps in current workforce planning capabilities at NYPA. This highlighted seven key capability areas that the initiative should target in order to develop and adopt an enterprise-wide workforce plan that will support delivery in line with the aspirations set out in the Strategic Vision. Figure 6 below presents an overview of the proposed workforce planning work streams.

Figure 6: The workforce planning projects

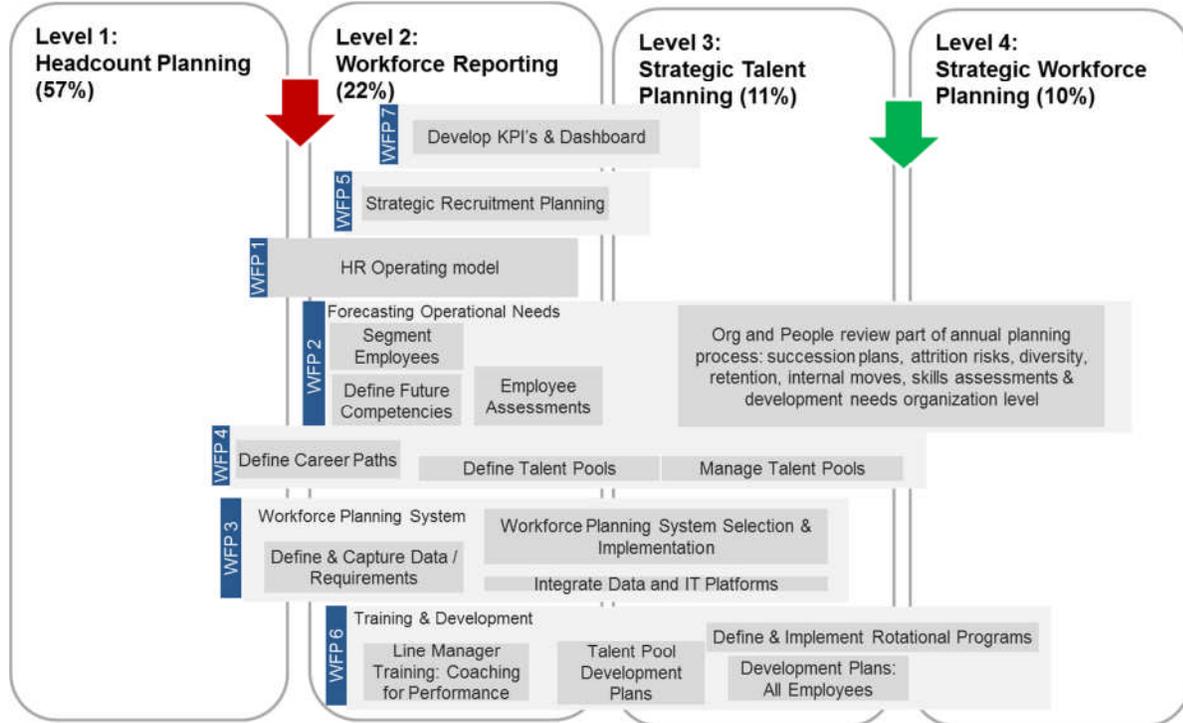


Figure 4 presents the seven work streams that comprise the workforce planning initiative, aligned to the levels of workforce planning maturity that each work stream will help NYPA to attain. While some can be considered foundational, e.g. the HR operating model work stream, others span a range of levels and can be considered progressive in terms of their level of maturity, e.g. the forecasting of operational needs. The following sections provide an overview of each work stream in turn.

WORK STREAM 1: HR operating model

A defined HR operating model is a critical foundational element required to support the full implementation of the workforce planning initiative. This will provide clarity to staff across NYPA about the role that HR will play in administering and maintaining the workforce plan as well as the respective role that each of the business units will have in this process. The NYPA HR operating model needs to be re-structured in order to drive meaningful change with regards to Workforce Planning and other strategic initiatives. We must target HR capabilities that fit the emerging strategic needs of the Authority. This will provide NYPA with a greater ability to anticipate and address workforce trends and energy industry market shifts. The team's initial view is that the HR team will have the following roles.

- **The roll out of the workforce planning tools across NYPA.** This includes a series of training sessions to educate staff on each of the elements of the approach and the roles that they will be expected to perform in keeping the workforce plan up to date.
- **The provision of support to business units during implementation.** For the initiative to be successful it will be critical that staff across all business units take responsibility for implementing the core elements of the workforce plan. HR will be expected to provide continued support to ensure that staff understand the approach that is being rolled out and are applying each element both effectively and consistently.
- **Long term point of contact.** HR will be the responsible point of contact over the longer term as the initiative matures and becomes business as usual. They will act as the conduit for key

information, either formally via a designated website or informally via email. They will also be expected to provide ongoing coaching support to business units about available processes and tools under the initiative.

- **Capturing, maintaining and analyzing workforce data.** A key work stream that falls under this initiative is the establishment of a workforce planning system that captures and analyzes workforce data. The HR group will be responsible for ensuring the continued capture of this data which will form the basis of metrics that will be used to assess the performance of the workforce planning initiative and identify potential areas for improvement.

A series of activities will need to be taken forward to refine the role and scope of HR in the implementation and ongoing support of the workforce planning initiative. This includes:

- An assessment of the impact of the initiative on outputs the HR team will be expected to deliver.
- A definition of the precise role of HR in this initiative via a clear workforce planning strategy.
- An assessment of the potential gaps in the capability of the HR team which will need to be filled prior to the team assuming the roles defined under the workforce strategy.
- A potential review of the existing structure of the HR team to determine whether a new organizational design, including revised roles and responsibilities, is needed.

The development of a defined HR operating model will establish clear roles and responsibilities for the roll out of the workforce planning strategy and, by inference, provide staff across NYPA with targeted support for the effective implementation and maintenance of the initiative. Providing a defined point of interaction between HR and business units will also help to ensure that a more cohesive and consistent approach toward workforce planning is taken across NYPA providing the foundation to move the organization toward level 4 planning.

WORK STREAM 2: Forecasting business operational needs

An understanding of current workforce capabilities and future resource needs will provide transparency around the skills and capabilities of NYPA staff that will need to change over time and is critical to the development of a valuable workforce plan. Much of the work associated with forecasting business operational needs can be considered to provide a foundation for the workforce planning initiative in that it will support NYPA in reaching a maturity level of 2. Forecasting business operational needs is an important and necessary aid to planning and planning is the backbone of effective operations. It helps NYPA management make more informed decisions about where resources will be required in the future as well as the skills/capabilities of current staff that could be used in new critical roles. This effective planning will ultimately allow NYPA to move up the maturity curve. A number of activities will need to be taken forward to support forecasting of business operational needs.

- **An understanding of the data to be collected.** The team will need to develop a more formalized skills framework that clearly identifies the types of resources NYPA needs to secure for various different roles across the organization. This will provide structure to the process of assessing the existing workforce as well as the future resource needs that NYPA will have.
- **Collection of data on current NYPA resources.** At present NYPA has limited understanding of the skills and capabilities of the existing resource base across the organization and the workforce planning team will therefore need to collect relevant data to provide a clearer picture of the competencies of existing staff. This process should commence with a focus on 'critical roles' across the organization and be extended to all roles within NYPA as the workforce planning process matures.

- **Gap analysis.** The focus of this activity will be to assess current gaps in skill and capability needs at NYPA as well as the way that this will change over the short, medium and long term which will ultimately be influenced by changes in delivery expectations over time. This will provide clarity to the team about headcount needs both now and into the future as well as the skills and capabilities that these resources will need to have.
- **Workforce planning roadmap.** Once the team has clarity about resource needs and how these will change over time, it will be possible to develop both headcount and role requirements which will, in turn, be used to support the development of a recruiting strategy under work stream 5 and the training and development approach under work stream 6. Given the potential scope of resource requirements both now and into the future, some prioritization will need to be applied to the development of role requirements across the organization.
- **Implement a cyclical process.** The initial process of establishing forecasting arrangements for business operational needs will be supported by additional resources in HR, as well as, existing resources from the business units. Once the process is developed and refined, the process will be embedded in the annual business plan process for the respective business units and will be supported via a realignment of existing resources. On a cyclical basis, the needs of the organization and the way that these have changed should be revisited and updated to ensure the picture of skill and capability requirements remains current.

For the forecasting tool to be accurate and reliable, it will be important that the approach taken to develop the skills framework and collect required data is collaborative, involving a range of key representatives from across the organization. Not only will this secure the accuracy of the tool but will also help ensure the credibility of forecasting and therefore support integration of the model across NYPA business units. All of this will help ensure that forecasting becomes a part of the regular business planning cycle and is effectively embedded within each of the business units rather than being a process driven by HR.

The greater clarity that the forecasting tool will provide surrounding skill and capability needs over the short, medium and long term will allow NYPA to be more proactive in the process it adopts to secure resources needed to deliver future planned projects or new regulatory obligations. Understanding the skills and business needs will effectively balance the makeup of NYPA regular and procured resources. Improved workforce planning engagement with the business will also place NYPA in a better position to react to changing operational needs by providing insights about the capabilities of existing staff and gaps that may need to be filled to deliver under changing circumstances.

WORK STREAM 3: Workforce planning system

An effective Workforce Planning System will ensure that there is a single integrated repository to store all relevant data. It will provide a unified picture of 'the truth' and support the collection of data that can be used to calculate metrics to monitor performance against the workforce plan. It will also support effective and integrated decision-making across all business units within NYPA. This system should be established and administered by the workforce planning team but there will be an expectation that representatives from each of the business units will be responsible for inputting and maintaining relevant data over time.

For the system to be of use to workforce planning efforts across the organization, it will be important that key representatives are involved in the process of defining data requirements and refining these over time. The data requirements will need to be based upon an assessment of the current and future data necessary to support forecasting of competency needs and recruitment of resources as well as development and retention of existing staff.

Clarity around data needs will allow NYPA to initiate discussions with software providers that can support the development of a dedicated workforce planning system and advance through the process of selecting an appropriate provider. It will be critical that the specifications of the software system that is selected are such that integration with existing data and IT platforms in place at NYPA are supported.

WORK STREAM 4: Career paths and talent pools

The vision for the workforce planning initiative includes an aspiration to create a cross-organizational flexible workforce as well as the intent to establish clear opportunities for NYPA staff to further develop their skills and capabilities. The development of career paths and associated talent pools will support delivery of both of these elements within the workforce planning vision. Career paths provide roadmaps for employee development related to the area of the organization they work in as well as for the organizational positions they aspire to attain. Talent pools are groups of high-performing, high-potential employees that have the capacity to assume greater responsibility in the organization. The two concepts are inherently linked. Career paths provide clarity to individual employees about the opportunities available for them to progress within the organization while talent pools provide transparency to the organization about available resources that could assume key responsibilities on the basis of their skills and capabilities.

The main activities that will need to be completed as part of this work stream will be to develop distinct career paths for the various business units across NYPA and establish defined talent pools that distinguish employees that have key skills and capabilities. It will be important to effectively manage both career paths and talent pools once they are defined. The career paths should be periodically updated over time to ensure that they fully reflect the opportunities that are available to employees as well as the requirements with which staff will need to comply to attain key roles within the organization. The talent pools will also need to be regularly updated to reflect changes in the employee base and remain current. For the tools to become embedded within the organization, appropriate communication channels need to be established with employees around the availability and value of the career paths while appropriate governance of the talent pools will be needed to ensure they are used by relevant managers across the organization.

This work stream will support flexibility within the workforce by supporting the movement of employees with defined skills and capabilities around the organization, thereby increasing their exposure to a variety of business issues and enabling them to more effectively adapt to changing circumstances. In effect, this will help NYPA to respond quickly and appropriately to changing industry demand. In addition, by providing these individuals with valuable opportunities for career development, it will help to increase employee morale and improve overall retention as employees will have less need to look externally for new opportunities.

WORK STREAM 5: Strategic recruitment planning

Recruitment of highly skilled talent is becoming increasingly competitive, particularly for roles that require technical competencies. This underscores the value of a defined recruitment strategy that first enhances NYPAs brand in the external labor market to attract high calibre resources and second identifies the channels that will enable NYPA to target highly skilled candidates. Establishing a clear strategy for recruitment within NYPA will also ensure that the approach taken by business units across the organization is consistent and cohesive.

A first step in defining a recruitment strategy for NYPA is to develop and agree upon a clear brand. This will likely be an extended undertaking and, to ensure that the agreed upon brand is reflective of the environment across business units and locations, it will be important to involve a number of representative stakeholders from across the organization. The process of developing this brand could comprise a number of working sessions to allow for brainstorming of ideas and open discussion of the options. A second step is to identify recruitment channels that are available to NYPA, identify the benefits associated with each and design a strategy for utilizing these different tools.

A necessary improvement to NYPA's existing recruitment planning model is a more effective use of contractors and consultants. The companies that are most successful at strategic recruitment planning learn when it's best to buy talent (through recruitment or use of contractors/consultants) and when it's more effective to build it (through training and development of existing staff). Where the overarching recruitment strategy is successfully designed and implemented, it will help to reduce the time that it takes to fill vacant roles within the organization, in some cases allowing for a transitional period for staff that are set to leave the organization. Improvements to the recruitment process will also lessen the need for contractors and consultants. Clarity surrounding the strategy and NYPA brand will ensure that candidates receive appropriate messaging and are attracted to NYPA based on actual opportunities which will improve the likelihood of retaining those resources for a longer period of time.

WORK STREAM 6: Training and development

Gaps in the skills and capabilities of the NYPA workforce can be addressed via recruitment or through targeted programs of training and development. Training and development not only offers a cost effective way of securing these required skills and capabilities but also presents employees with opportunities for career progression and therefore helps to improve employee retention over time. Where employees have clarity around the training and development opportunities available to them, they can link these to their career paths to enable them to plan and manage their progression at NYPA.

To fully capitalize on all of the benefits of the current and future training programs, the concept of NYPA University is proposed. Initially, NYPA University will be launched as an employee portal for access to all of the training and development programs both, internal and external, available to NYPA employees. It will provide, via NYPA Powernet, one-stop shopping for employees to explore, register for and track their training participation. The concept will be further developed over time to link career paths, succession planning and training to enable employees and management to develop customized training curricula to meet employee career goals and NYPA's skill needs.

Most importantly, we are not starting this project from scratch. NYPA has established talent development programs, technical training courses and an MBA program in place and is in the process of putting in place an updated LMS system.

WORK STREAM 7: Develop KPIs and dashboard

Work stream 3 proposes to establish a workforce planning system to store data. The ease of access and broad availability of this data will allow NYPA to develop key performance indicators (KPIs) and an associated dashboard to support monitoring both outlook and progress of the workforce planning initiative. The KPIs and dashboard will perform two purposes. First, they will provide key indicators that allow NYPA to forecast future resource and skill needs and therefore create flexible development programs. Second, they will allow NYPA to monitor the success of the workforce planning initiative against key HR statistics including recruitment, development and attrition levels for example.

Suggested business model

The foundation of the workforce planning initiative is a strong core team responsible for the development, implementation, and sustainability of workforce planning at NYPA. The dedicated team will secure the long-term success of the initiative with key roles focused on:

- Developing a workforce planning strategy;
- Coordinating workforce planning activities and projects;
- Providing training and ongoing support to business units on the use of workforce planning tools;
- Engaging business units and departments through regular communications and activities; and
- Measuring and tracking workforce planning activities.

The team will initially comprise two to three full-time resources which will be increased to up to eleven full time equivalents via the use of contractors during peak periods when all of the seven work streams are being implemented in parallel. The intent is that the majority of the workforce planning positions will be filled by qualified internal employees to capitalize on institutional knowledge and allow the team to commence its first project in early 2015. Upon completion of the initiative, HR roles will be realigned to support the new workforce planning model.

The team will continue to engage consultants and partner with energy companies on emerging best practice to ensure that the approach adopted by NYPA draws on lessons learned by others in the implementation and maintenance of a successful workforce planning approach. Focus will also be placed on exploring lessons learned from the approach implemented at NYPA, with amendments to the approach made as appropriate to build on those elements that worked well and revise those elements that did not support desired outcomes.

An enterprise-wide awareness of the workforce planning initiative will be critical to make sure that staff across NYPA understand each of the elements of the approach and the implications that the changes to workforce planning at NYPA will have for their work. Critical importance should be attached to change management when implementing a new workforce planning approach as behavior and cultural change on the part of all staff across NYPA will be necessary to embed the initiative. For this reason, a targeted change management program will be rolled out focused on identifying influential stakeholders across NYPA, communicating key messages around the changes set to take place and encouraging their input in developing the approach to workforce planning.

Suggested governance structure

The workforce planning organization will be located within the HR department. A key work stream within this initiative is focused on developing an operating model for the workforce planning organization. The governance structure will need to consider how best the initiative will interact with other departments across NYPA and what this will mean in terms of broader changes to roles and responsibilities in other teams. Discussions around governance of the workforce planning initiative will be progressed as a priority to ensure that there is clarity surrounding respective roles and responsibilities. This will allow the team to make decisions about the areas of the workforce planning approach that should be prioritized including the roles and responsibilities needed to support this work. In the interim period, the work required to progress the workforce planning initiative will be taken forward by the existing HR department. Governance will be critical if the interdependencies between Workforce Planning and the other initiatives are to be managed effectively.

BENEFITS AND REVENUE

High-level benefits

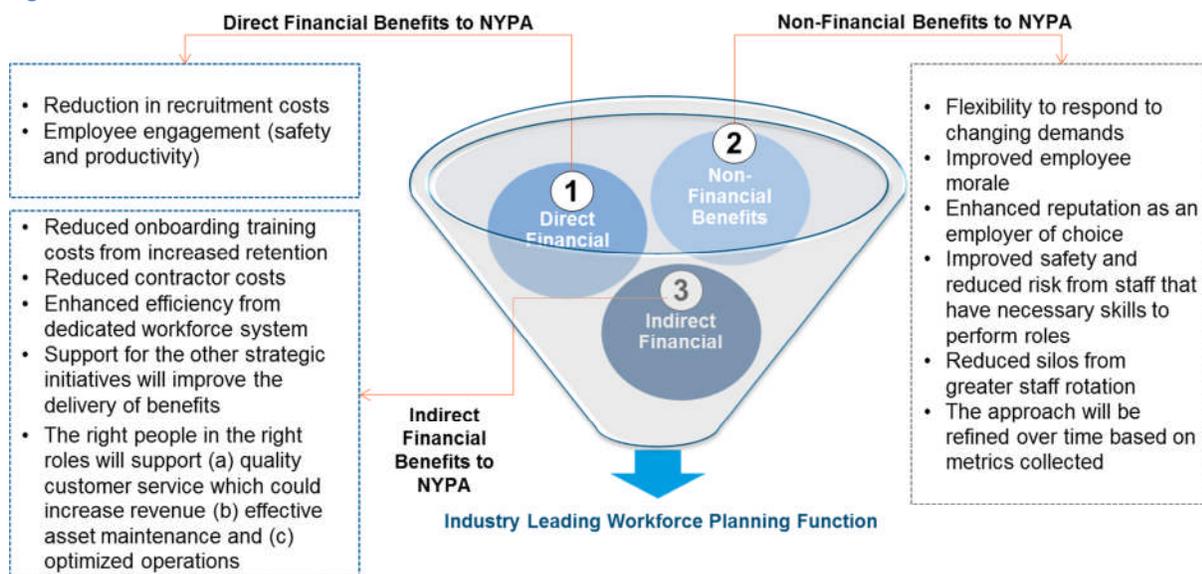
The overarching benefit of this initiative is that it will provide a strong foundation for the transformation of NYPA as outlined in the Strategic plan. It will also support the delivery of outcomes anticipated from the Smart G&T, asset management and customer solutions initiatives.

More specifically, the workforce planning initiative will transform NYPA into an agile and flexible organization that can quickly adapt to changes that occur in the external market.

Accurately quantifying the benefits associated with the implementation of this initiative is challenging as very little quantitative data exists around the successful transformation of a utility work force. However, through a series of studies and engagement with other utilities, a compelling blend of financial and non financial benefits that make this initiative attractive are presented below in Figure 5.

The quantified benefits from this initiative are based on research and findings from a number of sources including meta-analysis studies; academic reports; NYPA sustainability annual reports; and benchmarking data. Research illustrates a number of significant benefits and costs savings relating to workforce planning maturity in areas including Employee Engagement, safety and productivity; capability building and smarter resourcing.

Figure 7: An overview of financial and non financial benefits associated with the initiative



Financial Benefits:

The team identified two key groupings of financial benefits:

Employee engagement on safety and productivity

In terms of the impact of improved employee engagement on safety and productivity, a meta-analysis research study from Gallup shows a number of direct correlations with the most engaged organizations displaying 48% lower safety incidents and 21% higher productivity than the least engaged organizations. Based on this research and NYPA's workforce planning maturity aspirations, there is the potential to decrease recordable safety incident rates and achieve up to 42% less safety incidents. Regarding productivity,

increased employee engagement is expected to yield 17.5% higher productivity which will provide NYPA with significant additional resource that can be redeployed to meet other business needs and strategic initiatives.

Due to the number of variables and less aggressive benefits, a conservative approach was taken with this specific category. It is projected that over seven years the financial benefits will peak at \$13,609,646 by 2020.

Smarter staff resourcing: reducing cost per hire and cost avoidance

Academic research has also demonstrated that best in class resourcing approaches can reduce costs by up to 50%. Based on an assessment of NYPA’s current maturity regarding workforce practices, there is the opportunity to reduce and redeploy resourcing related costs by up to 8% each year and achieve 52.5% reduction and cost efficiency by 2020. NYPA also has the opportunity to strengthen and build its internal capabilities with less reliance on its outsourced consulting/contract workforce. The benefit currently associated with this category equates to \$283,727 by 2020. This benefit category is anticipated to be much larger if additional contingency workforce costs and ratios are calculated and included.

Category	2014	2015	2016	2017	2018	2019	2020	Post 2020
Employee Engagement - Safety & Productivity	\$ -	\$ -	\$ -	\$ 2,362,905	\$ 4,590,345	\$ 6,953,250	\$ 9,316,155	\$ 13,325,919
Smarter Resourcing- Cost Per Hire & Cost Avoidance	\$ -	\$ -	\$ -	\$ 96,864	\$ 193,727	\$ 238,727	\$ 283,727	\$ 283,727
Total (\$ '000)	\$ -	\$ -	\$ -	\$ 2,459,769	\$ 4,784,072	\$ 7,191,977	\$ 9,599,882	\$ 13,609,646

Incremental revenue (\$ '000)								
Category	2014	2015	2016	2017	2018	2019	2020	Post 2020
Total (\$ '000)								

Total NYPA savings & revenue (\$ '000)	\$ 92,083,932
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Benefit assumptions

- For safety benefits it was assumed that the average number of safety incidents per year is 50 and the average cost of safety incidents is \$20,000.
- In terms of employee engagement and productivity benefits, it was assumed that NYPA headcount is 1,642 and will not change over the next 5 years. In addition, the assumed average cost per employee is \$165,000.
- The team is not suggesting headcount won’t grow in the business over the next 10 years. However, to ensure our benefits calculations remain conservative, we have assumed that headcount won’t change.

Confidence level of benefit realization

The following table represents the overall confidence that the specified revenue and benefits will be realized, using the scale that follows.

Confidence level of benefit realization

Please indicate the overall confidence that the specified revenue benefits will be realized, using the scale specified to the right. Using the specified confidence level, a confidence-adjusted revenue and benefit range is then estimated.

NYPA Savings & Revenue	Low		
		Low	High
NYPA Savings & Revenue (\$ '000)		\$ 64,458,752	\$ 119,709,111

Confidence level	Benefit/revenue realization range
Very high	+/- 5% of expected benefits
High	+/- 10% of expected benefits
Medium	+/- 20% of expected benefits
Low	+/- 30% of expected benefits

Risks benefiting realization:

Risk driver	Description of impact on benefit realization	Probability	Impact
Lack of comprehensive quality data on current workforce	WFP implementation time will be extended if an accurate view of the current workforce is lacking	Medium	High
Lack of employee ownership of WFP	WFP not as effective and efficient if employees are not engaged/not supportive of initiative	Medium	High
Non alignment of workforce planning with Strategic Initiatives	WFP does not address Strategic Initiatives' needs	Medium	High
Loss of skills sets/expertise to redeployment	WFP ineffective for pipeline development, training & development assessed incorrectly	Medium	Medium
IT system poor execution	WFP not as effective and efficient if unable to comprehensively analyze and measure workforce data in real time for staffing decisions due to inaccurate and inconsistent data	Low	High
Non delivery of productivity	FTE's will not be redeployed if the processes and system fail to deliver efficiencies	Low	Low
Inability to fill open positions internally	Internal access to available talent and/or shortage of critical talent may result in the need to source externally	Medium	Medium
IT system not flexible and configurable	WFP not as effective and efficient in tracking workforce trends and limited flexibility in the creation of multiple planning scenarios	Medium	High
Benefits not sustainable	Increase in turnover/inability to retain employee	Medium	Medium
Selected Workforce Planning projects failing to deliver benefits	WFP processes are not optimized resulting in the need to invest and initiate other workforce related projects	Medium	Medium
Inability to forecast resource needs accurately	NYPA's inability to foresee market trends & proactively understand market demand/supply	Medium	Medium
Inability to develop compelling NYPA brand	NYPA's inability to successfully transform away from traditional utility image	Medium	Medium

FUNDING FOR THE INITIATIVE

Intended sources of funding

Given the relatively low cost and internal-facing nature of the initiative, the workforce planning initiative will primarily be funded via NYPA's O&M budget.

Intended total funding sources			
Source	Selected	Value (\$ '000)	Percentage of funds
Bond issuance	Yes	\$ 6,609,167	33%
Cash reserves	Yes	\$ 13,218,333	67%
Third-party funds	No	\$ -	0%
Other	No	\$ -	0%
Total		\$ 19,827,500	100%

Expected annual funding profile									
Category	2014	2015	2016	2017	2018	2019	2020	Post 2020	
Bond proceeds	\$ 109,167	\$ 1,496,333	\$ 1,921,333	\$ 1,240,667	\$ 650,000	\$ 500,000	\$ 208,333	\$ 96,667	
Third-party funds									
Total external funds	\$ 109,167	\$ 1,496,333	\$ 1,921,333	\$ 1,240,667	\$ 650,000	\$ 500,000	\$ 208,333	\$ 96,667	
Interest payments									
Debt retirement									
Other									
Net external funds impact	\$ 109,167	\$ 1,496,333	\$ 1,921,333	\$ 1,240,667	\$ 650,000	\$ 500,000	\$ 208,333	\$ 96,667	
NYPA cash	\$ 218,333	\$ 2,992,667	\$ 3,842,667	\$ 2,481,333	\$ 1,300,000	\$ 1,000,000	\$ 416,667	\$ 193,333	
Total annual cost	\$ 327,500	\$ 4,489,000	\$ 5,764,000	\$ 3,722,000	\$ 1,950,000	\$ 1,500,000	\$ 625,000	\$ 290,000	

Total external funding (\$ '000)	\$ 6,609,167
Total NYPA cash (\$ '000)	\$ 13,218,333

Confidence level	Benefit/revenue realization range
Very high	+/- 5% of expected benefits
High	+/- 10% of expected benefits
Medium	+/- 20% of expected benefits
Low	+/- 30% of expected benefits
Very low	+/- 50% of expected benefits

Confidence level	Low
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	Low	High
External funding (\$ '000)	\$ 4,626,417	\$ 8,591,917
Residual NYPA cash funds (\$ '000)	\$ 15,201,083	\$ 11,235,583

COSTS AND RESOURCES

Initiative cost and resources (i.e. costs and resources associated with implementing the initiative)

O&M expenses (\$ '000)								
Category	2014	2015	2016	2017	2018	2019	2020	Post 2020
Structure	\$ 48,000	\$ 96,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HR Operating Model	\$ 279,500	\$ 1,267,000	\$ 275,000	\$ -	\$ -	\$ -	\$ -	\$ -
Operational Forecasting	\$ -	\$ 782,000	\$ 223,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ -
WFP Systems	\$ -	\$ -	\$ 825,000	\$ 525,000	\$ -	\$ -	\$ -	\$ -
Flexible Talent Strategy	\$ -	\$ 375,000	\$ 1,060,000	\$ 222,000	\$ -	\$ -	\$ -	\$ -
Strategic Recruitment	\$ -	\$ 919,000	\$ 931,000	\$ -	\$ -	\$ -	\$ -	\$ -
Training and Development	\$ -	\$ 375,000	\$ 175,000	\$ 825,000	\$ 525,000	\$ 525,000	\$ -	\$ -
KPI's and Dashboard	\$ -	\$ 425,000	\$ 275,000	\$ 275,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Total annual O&M expenses	\$ 327,500	\$ 4,239,000	\$ 3,764,000	\$ 2,022,000	\$ 950,000	\$ 950,000	\$ 425,000	\$ 250,000

Total O&M expenses (\$ '000) \$ **13,927,500**

Capital expenses (\$ '000)								
Category	2014	2015	2016	2017	2018	2019	2020	Post 2020
Structure	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HR Operating Model	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operational Forecasting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WFP Systems	\$ -	\$ -	\$ 450,000	\$ 900,000	\$ 250,000	\$ 200,000	\$ 200,000	\$ 40,000
Flexible Talent Strategy	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -
Strategic Recruitment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Training and Development	\$ -	\$ 250,000	\$ 850,000	\$ 800,000	\$ 750,000	\$ 350,000	\$ -	\$ -
KPI's and Dashboard	\$ -	\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -
Total annual Capex	\$ -	\$ 250,000	\$ 2,000,000	\$ 1,700,000	\$ 1,000,000	\$ 550,000	\$ 200,000	\$ 40,000

Total initiative Capital expenses (\$ '000) \$ **5,900,000**

Total initiative costs (\$ '000) \$ **19,827,500**

Resources (FTE)								
Category	2014	2015	2016	2017	2018	2019	2020	Post 2020
Detailed Imp Plan	0	0.25	0	0	0	0	0	0
HR Operating Model	0	3	1	0	0	0	0	0
Operational Forecasting	0	2	1	1	1	1	1	1
WFP Systems	0	0	3	3	0	0	0	0
Flexible Talent Strategy	0	2	1	0	0	0	0	0
Strategic Recruitment	0	0	3	3	0	0	0	0
Training and Development	0	1	1	3	3	3	0	0
KPI's and Dashboard	0	0	1	1	1	1	1	1
Total annual FTE	0	8	11	11	5	5	2	2

Confidence level of initiative and post-implementation costs

The following table represents the overall confidence that the cost levels will be met.

Confidence level of initiative and post-implementation costs

Please indicate the overall confidence that the indicated cost levels will be met. Based on the indicated level of confidence, a confident-adjusted range of both initiative and post-implementation costs will be established.

Initiative costs	Very low
Post-implementation costs	Very high

Confidence level	Cost range
Very high	+/- 5% of expected costs
High	+/- 10% of expected costs
Medium	+/- 20% of expected costs
Low	+/- 30% of expected costs
Very low	+/- 50% of expected costs

	Low	High
Total initiative costs (\$ '000)	\$ 9,913,750	\$ 29,741,250
Total annual post-implementation costs (\$ '000)	\$ -	\$ -

IMPACT TO MARKET

Overview of market trends/NYPA's role in the market

Employees are no longer seeking or expecting to stay with the same company for their entire career. Therefore, NYPA cannot rely on how it operated in the past with relatively low employee turnover. Additionally, NYPA was able to use the pension system as a major selling point to attract and retain employees in the past. Today, that pension system has increased the employee contribution as well as become portable and therefore it is no longer as attractive a benefit or a viable retention tool. As a result, NYPA “needs to prepare for continued attrition by developing tools that will capture knowledge as future employees leave after only a few years instead of a few decades.” – Gil C. Quiniones

NYPA does not have a direct role in the market for workforce planning. However, the ambition is for NYPA to become an employer of choice and, as appropriate, we will seek to share our experiences of best practice with others across the industry as we increasingly understand those elements of workforce planning that work well – helping promote the economic growth of the state.

The Workforce Planning initiative is an enabler for some of the other initiatives to attract the right staff into key roles from the current market place.

Expected impact on customer segments

The workforce planning initiative is anticipated to have a moderate and positive impact on NYPA's customer segments for the reasons discussed above with respect to the overview of marketing approach section. In essence, an improvement in our employees overall experience will be positive with NYPA customer interactions. NYPA “needs to start figuring out ways to reinvent and reimagine the cultural paradigms we currently operate under in the energy industry – while providing the best value and outcome for our customers.” – Gil C. Quiniones

ORGANIZATIONAL IMPACT

Overall degree of change

The workforce planning initiative will have a large impact on the current and future workforce at NYPA. This initiative is expected to transform the way in which NYPA attracts, develops and deploys employees throughout the organization. It is expected to provide managers with improved data on current skill sets of employees and foster a greater emphasis on long-range planning of future needs. From the employee perspective, it is expected to provide a clearer understanding of the current and future needs of the organization and actively engage them in developing career and development plans. It is designed to link business and individual performance to the strategic goals of the organization improving productivity to reach these goals. These changes will require a well-planned and consistent communication plan with employees. This will provide them with a clear vision of where NYPA is going and how to get there, improving morale, engagement and retention.

Critical success factors:

- All business units and sites need to adopt a consistent approach to workforce planning, enabling full engagement and commitment from the workforce
- All business units and sites across NYPA need to work together to agree career pathways based on job families and skills framework
- Forecasting real-time system integrated with SAP required to drive transparency with decisions to attract, develop and deploy based on supply and demand analysis
- Workforce planning must become an integral part of cyclical business planning process and unit leadership at highest levels must properly identify roles and skills
- Internal communication must be clear and timely to advise employees of the initiative and the reason for the initiative
- Decisions regarding people and workforce need to be consistently applied and underpinned by data
- Individuals need to be viewed as an organizational resource that will be managed and deployed for the greater good of the organization while providing opportunities for people to develop
- Career Paths become a greater part of the talent discussion between line managers and employees.
- Implementation of system will greatly improve availability and timeliness of HR Metrics expand options of metrics

Change management considerations across all projects:

The changes envisaged with workforce planning are a cultural shift for the organization and a step away from the current silo'd and reactive culture. Without leadership support, dedicated resources and targeted communications to ensure rapid acceptance of new ways of working, the benefit of this initiative will be diluted.

Once implementation commences, the team will provide targeted training to change agents across the business units as well as other relevant representatives to ensure that they fully understand each of the component parts of the initiative and projects. In addition, the team will conduct regular outreach activities to attain feedback on how the initiative is being implemented and potential changes that could be made to improve adoption. The team will also provide formal and informal routes of communication to supplement this including a portal of relevant information such as success stories of where the elements of the initiative have been effectively applied.

Required skills

This initiative will require HR and IT skills to develop and implement the Workforce Planning system and metrics. It will also require strong support from HR in helping the business units’ move from the current reactive approach to workforce planning to the anticipated model of a forecast approach.

However, the most important skills required to implement the change envisioned in this plan are leadership and change management. These skills will be needed throughout the organization as the business units roll-out the new workforce planning approach and will be supported by the change agents assigned to aid in implementation.

Skills overview			
Business Unit	Skills required	Current status	Suggested action
Human Resources	Experience in development and improvement of processes. Facilitate and lead projects involving multiple groups across the organization in forecasting, gap analysis, etc.	Existing	Train
IT	Experience implementing large enterprise system solution and integrating it with existing systems and processes	Existing	Train
All Business Units	Analytical and forecasting skills for development of operational business plans taking into account workforce needs. Strategic planning skills required for business plan development and long-range planning	Existing	Train

External impact overview					
Stakeholder	Description of impact			Impact	Suggested action
Customer	Enhanced quality of services and interaction from effective workforce planning			Positive - Medium	
Distribution Utilities	Ease of conducting business with NYPA as a result of improved access to knowledge			Positive - Medium	
NYISO	Ease of executing bids, payments and scheduling as a result of improved access to knowledge			Positive - Medium	
Transmission Operators	Ease of conducting business with NYPA and integrating with other TO corporate processes due to improved access to knowledge			Positive - Medium	
State Agencies	Improvements to the interaction with NYPA as a result of enhanced staff knowledge and succession planning			Positive - Medium	
Third Party Agencies	Ease of conducting business with NYPA as a result of improved access to knowledge			Positive - Medium	

EXTERNAL STAKEHOLDER IMPACT AND MARKETING PLAN

Description of marketing strategy

While this initiative is viewed as internally focused, there are two areas that should be considered as marketing related. First, NYPA has a strong history of leadership in the energy industry, and in particular in leading change. By implementing the projects in this initiative, NYPA will be able to maintain that leadership and continue to be seen as a leader in the industry. Second, NYPA must utilize this rich history and reputation to be seen as the employer of choice in the energy industry. While there is no defined marketing plan resulting from this initiative, there is a compelling story to tell to demonstrate NYPA’s leadership and attract the talent necessary to carry this forward. In summary, NYPA never used to be an employer that had to actively attract new staff. This situation is now changing and the importance of an external marketing strategy to attract the right skills cannot be underplayed.

To aid in the change management process required to fully implement the initiative, an internal marketing strategy will be developed. This marketing strategy will focus on the overall vision of this initiative, the key aspects of each project, and how they will improve the workforce planning process at NYPA and employee engagement. It will need to be closely aligned to NYPA’s broader change management plan.

RISKS

Risks to NYPA as a result of implementing the initiative

Risk overview						
Category	Description	Likelihood	Impact	Suggested actions	Owner	Liaison
Financial	Costs savings & benefits not delivered	Medium	Low	Monitor & analyze KPIs to take corrective action/s	TBD	
Workforce	Lack of employee engagement and commitment	Medium	High	Analyze root causes and address them, including remuneration, rewards & recognition	TBD	
Organization	Change fatigue & consequent stress, confusion & indifference	Medium	Medium	Investigate & analyze the cumulative impact of change. Take action to alleviate saturation & monitor to manage & control.	TBD	
External	Market factors that change workforce dynamics (out of NYPA's direct control)	Medium	High	Continuous monitoring of key external factors for proactive decision making with contingency planning	TBD	
Image	Inability to transform traditional utility perception to compete successfully as employer of choice	Medium	High	Analyze root causes and address them. Explore other options to fill resource gaps in skills & expertise.	TBD	