

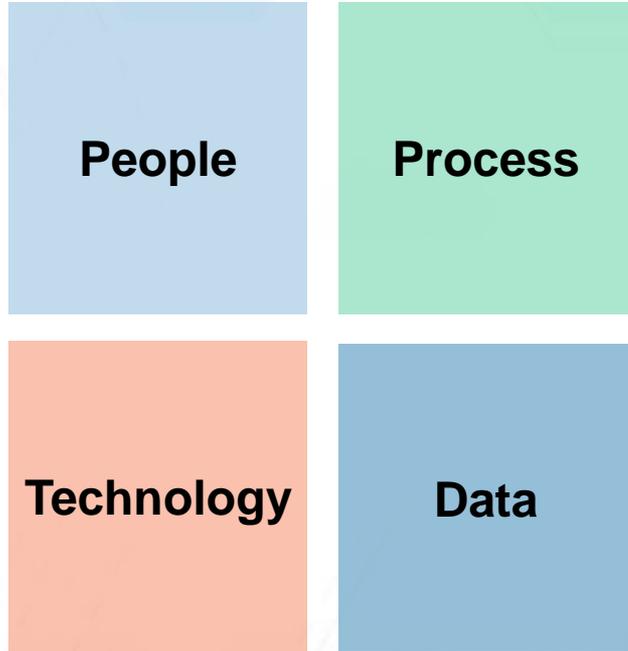


Strategy Overview

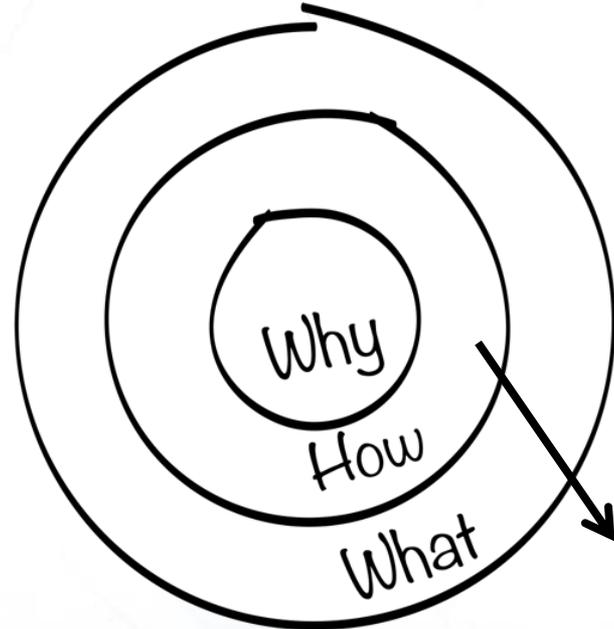
DSC Contract Management Committee 14.02.18

Strategy building – where to start?

Who are we?



Why should anyone care?



Why are we here?

It is our *obligation*, as *custodians* of assets critical to the energy sector, to ensure they are ***maintained*** to a high standard and that their ***return on investment is maximised*** for the benefit of all.



Strategy House



Customer Centric

- We think outside-in as our starting point, seeking first to understand our customers and then to be understood.
- We have empathy for our customers' diverse businesses and differing challenges.
- We are proactive and go the extra mile for customers.
- We analyse customers' data and listen carefully to feedback in order to provide better and more efficient services.
- We support effective governance and effective conversations, by enabling easy access to customers' data by our customers, utilising live dashboards and data mining tools where appropriate.
- We seek to build advocacy through every interaction.



Data Driven

- We protect the integrity and security of our customers data at all times
- We use data to create insight, to drive operational excellence and support decision making to maximise value
- We are clear on the value of our custodianship of industry data and the intelligence that can be derived from it
- We make data available to provide valuable management information to our customers in order to help them manage their business



Change Leading

- We bring requirements to life, creating options and working with customers to understand the cost/benefit analysis.
- We help customers understand the risk of any change and develop customer and market wide test strategies to mitigate risks to customers from change.
- We consistently deliver robust customer solutions that are both on time and provide excellent value for money.
- We set a high bar for support documentation and training material so that customers can receive change from us seamlessly.
- We produce great management information for committees and change boards, clearly communicating our status with a single version of the truth.



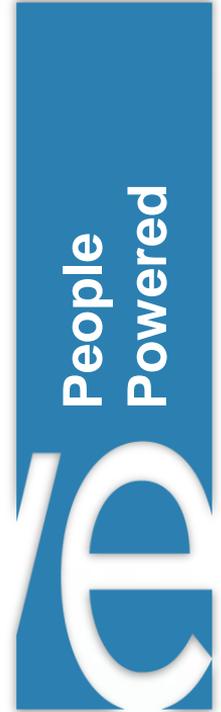
Operationally Excellent

- We maintain reliable, high quality data management services and systems.
- We always deliver against industry agreed contractual obligations and key performance indicators
- We continuously improve our systems, processes and data, using the latest automation and lean techniques to drive efficiencies.
- We protect our customers' data and our ability to operate, by focusing on security, assurance and risk management.

Operationally
Excellent

People Powered

- We are committed to building better people, who walk the talk, resolve issues more proactively, plan for the future more effectively and who are motivating to work with and for.
- We invest in developing our people to become ever more effective through carefully selected training programs.
- We use common language and share a common understanding of what good looks like.
- We operate in an agile way, using the power of devolved people networks to deliver specific projects more quickly and with greater engagement which reaches into all levels our business.



Responsible Business

- We behave commercially, competitively benchmarking services and developing new partnerships, where appropriate, ensuring best value for money.
- We embrace truly independent assurance of our work, we are never defensive and always prioritise progressing assurance recommendations.
- We build supplier partnerships which add value sustainably over time.
- We are passionate about ensuring the safety of our employees at all times.
- We take our social responsibility to the local community and environment seriously and support our employees in engaging with and contributing to the local community

Responsible Business

Assurance, commercial, suppliers, social and safety

Maintaining Assets



- We **maintain** our **technology** to a high standard and with high levels of usability, ensuring our platforms are up to date, secure, scalable and able to deliver the functionality and performance our customers require
- We **maintain** our customers' **data** on their behalf, ensuring it is accurate, effectively stewarded and easily accessible by our customers, so that it can be used to continually improve our industry
- We **maintain** our operating **processes**, through continuous improvement; delivering to all agreed service and contract standards, whilst continuously improving the way we work to make processes more efficient and effective
- We invest in our **people** in order to **maintain** the skills, knowledge and experience needed to effectively support the energy sector

Managing a leverage strategy – “The Filter”



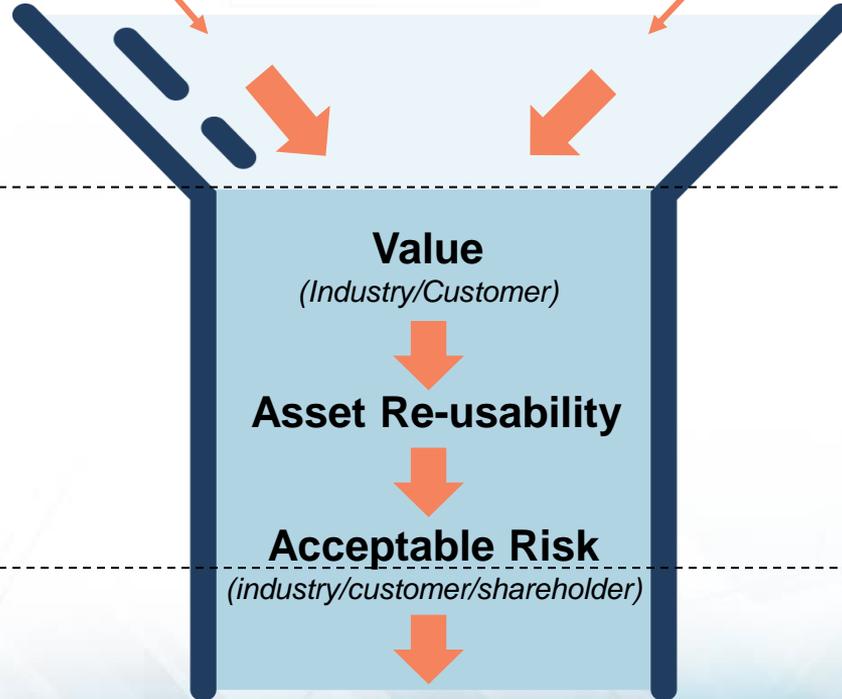
Market Scan

Assets



Identify opportunities

Test opportunities



Preparation of Business Plan and Business Cases

How will we identify leverage opportunities to filter?



Market scan – We may identify opportunities based on new requirements, changes or market activity



Assets – We may identify opportunities to do more, as we invest in maintaining our assets and capability

What tests will we apply?



Once we have identified an opportunity, we need to decide whether it is something we should pursue. We will apply three tests to each opportunity:



Value – Is the opportunity of high value to our customers and/or industry?



Asset Re-usability – Is the opportunity building on an area of current strength and/or is there a high level of re-use potential?



Risk – Can the opportunity be delivered at an acceptable level of risk?

Leveraging Assets



- We support the energy industry to **leverage our assets** where they have latent value. We believe this is good practice and will ultimately benefit consumers and the industry over time, as we will increase UK Plc's return on capital employed.
- We recognise that not all customers are impacted in the same way through **leverage** opportunities and therefore we have designed a **framework** that helps us identify **value**, measures the **level of re-use** and **mitigates risk** at a segmented level.
- The framework also recognises that **opportunity identification and response** is a subtle and iterative process. It provides flexibility and allows us to operate the business in a responsible way for the good of the market, whilst retaining the right degree of control by the Board and DSC Committees.

Next Steps

- Strategy engagement
 - Raise awareness and understanding
 - What it means for our customers in 2018/19
 - Invite customers to help shape what it means in the longer term
- BP19 launch, build based on strategic objectives