



EDISON LIGHTING COMPANY

2019 - 2021 STRATEGIC PLAN

The strategic planning process goes beyond just building a plan. In fact, **it's a series of outcomes** that build upon each other to ultimately transform our organization to reach our desired future state. Achieving these outcomes requires everyone in our organization to be on the headed in the same direction with a shared vision.

Our plan is organized by four areas of strategic focus, including Current State, Strategic Direction, Our Roadmap, and Communication and Delivering Results. Each section is a fundamental building blocks of our plan.

CURRENT STATE: SWOT

Taking time to reflect on your organization's current state by conducting a SWOT exercise is a primary foundational element in building a strategic plan. It often clarifies key considerations, which need to be carried forward into the planning process, including strategic priorities and core areas of focus.

SWOT: Where Are We Now?

An internal/external analysis is a planning exercise that refers to conducting a comprehensive SWOT Analysis. A SWOT analysis is a quick way of examining our organization by looking at the **internal** strengths and weaknesses in relation to our **external** opportunities and threats. By creating a SWOT analysis, we can see all the important factors affecting your organization in one place.

Strengths:

- 1 Dedicated and experienced employees
- 2 Extensive product knowledge and expertise
- 3 Networking and relationships in community
- 4 Unmatched knowledge of the latest in commercial LED technology

Weaknesses:

- 1 Lack of consistent pricing strategy
- 2 Limited physical workspace - overcrowding
- 3 Inconsistent communication with potential constituents
- 4 Poor use of technology to automate processes

Opportunities:

- 1 Expand service portfolio to new geographic markets
- 2 Expand service portfolio to new geographic markets
- 3 Commercial office space with historically low interest rates.
- 4 Massively growing community represents market growth

Threats:

- 1 Increased local competition and expansion into market by national firms
- 2 Margin erosion by low cost competitors
- 3 Low unemployment rates make it harder to expand our team with quality candidates
- 4 Pool of qualified potential new hires shrinking

OUR STRATEGIC DIRECTION: MISSION, VISION & VALUES

Knowing why we exist (mission), where we want to go (vision), and how we behave (values) is the glue that holds our organization together. Our strategic direction is essential to building our strategic plan and developing a strategy.

Mission Statement: Why do we exist? What is our core purpose?

Our mission statement explains our organization's core purpose & reason for being. A great mission answers the question, "Why do we come to work each day?" It captures the impact we have on the people, customers, or organizations we serve.

Our mission is to help solve the world energy crisis by providing energy-efficient commercial lighting solutions in the western United States.

Values Statement: How will we behave?

Our values statement clarifies what our believes in and the behaviors we expect to see as a result.

At Edison Custom Lighting Solutions our values are at the heart of everything we do. These values are:

- Complete customer satisfaction: We're not finished until the customer is completely satisfied.
- Creativity is at our core: We find the most innovative solutions to any lighting problems.
- Lighting for the long-term: Our high-quality products will stand the test of time.
- Play your position – with passion. Don't just do your job, get better at it.
- Teamwork: Triba...

Vision Statement: Where are we going?

Our vision statement expresses the future state we want to achieve; it articulates a vision of success we are aiming for. All goals, objectives, initiatives and actions are pointing to this north star. A great vision statement is stated in the future tense, and is aspirational while being possible and achievable.

We envision conserving 10% of the electricity consumed by commercial businesses in the western United States by 2023.

- For our team, being the most knowledgeable team of experts about commercial LED lighting in the United States.
- For our community, conserving the planet and energy resources for our children and their children.
- For our stakeholders, realizing 15% YOY growth to expand into the continental United States.
- For our team, being the most knowledgeable team of experts about comme...

Competitive Advantages: How will we win?

Competitive Advantages are unique qualities, capabilities, or competencies of our organization that allow us to meet the needs of customers better than our competition.

Our competitive advantages are...

- Networking and relationships in community
- Unmatched knowledge of the latest in commercial LED technology

OUR ROADMAP: STRATEGIC GOALS & INITIATIVES

With a clear understanding of where we are today and where we'd like to be in the future, our Strategic Goals and Initiatives define the roadmap for our organization to achieve our vision. Our roadmap will follow four balanced scorecard perspectives, including Financial, Customers & Markets, Operational Excellence, and People & Learning.

Strategic Objective #1: Financial Strength & Results

Increase annual revenue growth through new strategic partnerships as well growth from existing business by 2021.

Goal #1: Revenue Growth

Achieve a 10% increase in revenue over YOY to realize \$50,000,000 by 2021.

2019-2021 Annual Targets

2019: 2020: 2021:

Supporting Initiatives

1. Reach \$10M in new product sales during 2019 (Owner: John Smith) (Date range: 01/01/2019-12/31/2019)
2. Shift sales ratio of 60% products/40% services to 60% services and 40% products during 2019 (Owner: Mike Jones) (Date range: 01/01/2019-12/31/2019)
3. Reach \$30M in expanded service contracts during FY19 (Owner: Charlene Armstrong) (Date range: 01/01/2019-12/31/2019)

Goal #2: Profitability Improvement

Improve margins by 3% per year to increase overall profit margin 10% by 2021.

2019-2021 Annual Targets

2019: 2020: 2021:

Supporting Initiatives

1. Find and implement a better project management system to decrease overhead project management costs by 5%. (Owner: Tommy Lawrence) (Date range: 01/01/2019-12/31/2019)
2. Increase prices by 2% to factor in the cost of inflation. (Owner: Sadie Polly) (Date range: 01/01/2019-12/31/2019)

Goal #3: Community Impact and Contribution

Contribute 10% of net-profit to local charities that focus on energy conservation, environmental conservation, and conservation education.

2019-2021 Annual Targets

2019: 2020: 2021:

Supporting Initiatives

1. Identify a new worthy charity worthy of support every month (Owner: Lee Jones) (Date range: 01/01/2019-12/31/2019)
2. Donate a complete lighting package to a worthy charity every year. (Owner: Lee Jones) (Date range: 01/01/2019-12/31/2019)

Goal #4: Partnerships

Increase partnerships to account for 30% of

2019-2021 Annual Targets

2019: 2020: 2021:

revenue by 2021.

2019: Not set

2020: Not set

2021: Not set

Goal #5: Organization Investment

Invest 5% of net-income annually in product and service development to maintain our expertise as industry leaders in the field

2019-2021 Annual Targets

2019: 5%

2020: 5%

2021: 5%

Strategic Objective #2: Customer Growth & Impact

Increase number of new customers acquired & retain 90% of our current customers year over year by delivering the highest quality of service and products.

Goal #1: Customer Retention

Maintain a 90% customer retention rate.

2019-2021 Annual Targets

2019: 90%

2020: 90%

2021: 90%

Goal #2: New Customer Acquisition in Industrial Warehouse Spaces

Acquire new customers in the industrial warehouse space by facilitating amazing client relationships and offering an unmatched referral program.

2019-2021 Annual Targets

2019: 15

2020: 20

2021: 25

Supporting Initiatives

1. Create an incentive referral program that offers 3 months of paid energy for any client referral (**Owner: Mike Smith**) (**Date range: 07/30/2019-10/31/2019**)
2. Position ourselves as industry leaders in the lighting and energy conservation energy by hosting roundtable sessions at 2 conferences per year. (**Owner: Tom Jones**) (**Date range: 01/01/2019-12/31/2019**)
3. Launch a marketing campaign targeted at California warehouse executives to increase brand awareness about our products and services to generate 100 new leads. (**Owner: Mike Smith**) (**Date range: 09/01/2019-12/31/2019**)

Goal #3: Acquire new customers in Convention Spaces through Market Expansion

Acquire new customers with convention spaces over 10,000 square feet by expanding our presence in the marketplace through excellent customer relationships and enticing referral programs with tourism boards.

2019-2021 Annual Targets

2019: 5

2020: 7

2021: 10

Goal #4: Product Awareness

Rank #1 in Best Lighting Solutions' monthly rankings.

2019-2021 Annual Targets

2019: #1

2020: #1

2021: #1

Goal #5: Contract Expansion

Expand current book of business 10% by adding

2019-2021 Annual Targets

continued value and excellent service that has lasting impact on the clients we serve.

| | | | | | |
|-------|-----|-------|-----|-------|-----|
| 2019: | 10% | 2020: | 10% | 2021: | 10% |
|-------|-----|-------|-----|-------|-----|

Strategic Objective #3: Operational Excellence

Maximize our organization's productivity through efficient use of new technology.

Goal #1: Product/Service/Program Development & Innovation

Not set

2019-2021 Annual Targets

| | | | | | |
|-------|---------|-------|---------|-------|---------|
| 2019: | Not set | 2020: | Not set | 2021: | Not set |
|-------|---------|-------|---------|-------|---------|

Goal #2: Process & Systems Improvements

Identify, implement, and launch a more effective project management tool by the end of 2019.

2019-2021 Annual Targets

| | | | | | |
|-------|---------|-------|---------|-------|---------|
| 2019: | Not set | 2020: | Not set | 2021: | Not set |
|-------|---------|-------|---------|-------|---------|

Goal #3: Sales Effectiveness

Increase qualified leads by 10% every quarter through proactive sales outreach.

2019-2021 Annual Targets

| | | | | | |
|-------|-----|-------|-----|-------|-----|
| 2019: | 10% | 2020: | 10% | 2021: | 10% |
|-------|-----|-------|-----|-------|-----|

Goal #4: Marketing Effectiveness

Rank #1 in search for strategic keywords in the lighting industry.

2019-2021 Annual Targets

| | | | | | |
|-------|----|-------|----|-------|----|
| 2019: | 15 | 2020: | 15 | 2021: | 15 |
|-------|----|-------|----|-------|----|

Goal #5: Brand Awareness

Position our organization as the leader in LED lighting technology by creating a library of industry-leading content and information about LED lighting

2019-2021 Annual Targets

| | | | | | |
|-------|---|-------|---|-------|---|
| 2019: | 5 | 2020: | 5 | 2021: | 5 |
|-------|---|-------|---|-------|---|

Goal #6: Marketing Campaigns

Launch a marketing campaign in 2019 that puts 100 new leads in our sales pipeline and positions us as experts in the field of LED lighting technology

2019-2021 Annual Targets

| | | | | | |
|-------|-----|-------|-----|-------|-----|
| 2019: | 100 | 2020: | 100 | 2021: | 100 |
|-------|-----|-------|-----|-------|-----|

Strategic Objective #4: People Expertise

Achieve an 80% retention rate among employees through investing in professional development skills to reduce turnover.

Goal #1: Recruitment

Build the bench of qualified recruits by creating lasting relationships with our local trade schools and universities.

2019-2021 Annual Targets

| | | | | | |
|-------|----|-------|----|-------|----|
| 2019: | 5% | 2020: | 5% | 2021: | 5% |
|-------|----|-------|----|-------|----|

Goal #2: Staff Development

Ensure each staff member is building their skill set and adding new value to our organization.

2019-2021 Annual Targets

2019: 5% 2020: 5% 2021: 5%

Goal #3: Retention

Create a culture of inclusion and tribal spirit by hosting a quarterly bonding activity off-site

2019-2021 Annual Targets

2019: 4 2020: 4 2021: 4

Goal #4: Staff Development & Retention

Develop a tuition reimbursement program that accounts for \$50,000 in tuition each year.

2019-2021 Annual Targets

2019: \$50,000 2020: \$50,000 2021: \$50,000

CREATING A CULTURE OF CONSISTENT COMMUNICATION & DELIVERING RESULTS

Managing your plan means keeping strategy a **living, breathing process** to ensure goals become reality. A management process fosters clarity in prioritization, coordination, communication, and appreciation for each person's contribution toward recognizing organizational success. Developing a regular and consistent schedule of reviewing past progress against a plan's goals, discussing near-term focus and what is needed from one another to stay on-track is critical to successfully achieving an organization's vision. Creating a plan is hard work, but only half the battle: ensuring implementation is on-track and strategy is regularly discussed (not just at annual planning time) is how good organizations become great.

Rollout:

Our formal time to rollout and communication our plan will be on to

Accountability & Ownership:

Individuals that have been identified as initiative owners will be champions and accountable for implementation.

1. Mike Smith
2. Tom Jones
3. Mike Smith
4. John Smith
5. Mike Jones
6. Charlene Armstrong
7. Tommy Lawrence
8. Sadie Polly
9. Lee Jones
10. Lee Jones

Manage Performance & Adapt: Our team is committing to managing performance and adapting the strategy as follows:

Not set, Not set

Communicate Progress:

Our team is committing to communicating progress to your team:

Not set

Via Communication Method: