Contents

1. Introduction

2. Situation Analysis

3. Mission, Vision and Core Values

4. Strategic Goals, Objectives and Performance Measures

5. Appendix: Consultation Process
Introduction
Objectives and Process

The Objectives of the Strategic Plan are to:

- Create alignment among Commission, management and staff around a clear vision and the goals to achieve the vision
- Reflect in Port Houston’s goals and objectives any changes in priorities since the previous (2015) Plan
- Engage and mobilize staff in pursuit of the agreed goals and objectives

The Plan has been prepared based on materials developed by the Port Houston Strategic Planning Design Team, and after consultation with the following:

- Port Houston Commission members
- Port Houston senior management
- Other Port Houston staff, through focus group meetings and outreach by the Design Team
- Industry partners, Houston Ship Channel users, and community stakeholders
## Key Elements of the Plan

The key elements of the Plan are as follows:

<table>
<thead>
<tr>
<th>Key Strategic Elements</th>
<th>Definitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. MISSION STATEMENT</td>
<td>Concise statement of the organization’s purpose and reason for existence – developed from a stakeholder perspective</td>
</tr>
<tr>
<td>2. VISION STATEMENT</td>
<td>An aspirational description of the ideal “end state” that the organization aims to achieve in the future</td>
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<tr>
<td>3. CORE VALUES</td>
<td>Guiding principles that describe what the organization believes in, and how it intends to operate</td>
</tr>
<tr>
<td>4. STRATEGIC GOALS</td>
<td>Outcome statements that define what specifically the organization must achieve to attain its vision</td>
</tr>
<tr>
<td>5. STRATEGIC OBJECTIVES</td>
<td>Initiatives leading to measurable results that support achievement of each goal</td>
</tr>
<tr>
<td>6. PERFORMANCE MEASURES</td>
<td>Measures of attainment that can be assigned to each objective, and reported regularly</td>
</tr>
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</table>
Situation Analysis
2015 Strategic Plan Achievements

Much has been achieved towards attainment of the four Strategic Plan Goals:

1. **People and Organization** – *Invest in people and organize for success*
   - Since 2015, over **50,000** training hours have been delivered and investment in training since 2014 has increased from an average of $497/employee to **$1121/employee** in 2018
   - Employee Compensation and Benefits programs enhanced for market competitiveness
   - Between 2014 and 2018, voluntary employee turnover has decreased from 8.2% to **5.9%**

2. **Growth** – *Grow and diversify the business base*
   - All growth targets exceeded - TEU’s up **38%** to **2.7 million**, operating revenue up **41%** in four years to 2018
   - Greater Port impact on Texas economy increased by **28%** to **$339 billion** over four years

3. **Infrastructure** – *Provide and facilitate infrastructure to meet demand*
   - Port Houston has invested a total of **$540 million** on capital assets since January 2015
   - Comprehensive Long Range Plan and Strategic Asset Management Program are underway

4. **Stewardship** – *Sustain the business for the long-term*
   - Between 2015 and 2018, Port Houston has recycled **301,615** tons of construction material
   - Port Houston has successfully dropped below the Lost Time Incident Rate target of 0.95 to **0.52** in Nov. 2019, which is significantly below the industry average of 3.8
   - In 2019 alone, employees volunteered over **2,000 hours** in the community on behalf of Port Houston, which is up **20%** from 2018
Current Issues and Challenges

1. **Business vs public agency role**
   - More emphasis needed on public agency responsibilities, e.g. serving all channel users
   - Focus of future capital investment – terminal facilities vs channel/inland distribution/other

2. **Channel widening and deepening**
   - Need to reach funding agreement, and expedite

3. **Stakeholder engagement**
   - Need stronger connections, more strategic approach, clearer identity with stakeholders and the public

4. **People issues**
   - Culture, morale, compensation, succession planning, diversity, staff development and competencies

5. **Strategic Plan process**
   - Need for progress reporting (including to Commission) on high-level outcomes
   - How to get engagement at all levels of organization?

6. **Other**
   - Environment/sustainability
   - Workplace technology/cybersecurity
   - Capital efficiency/effectiveness
SWOT Analysis

**Internal Factors**

**STRENGTHS**
- Strong market base with established supply chains
- Proximity to large industrial base, growing population
- Diversity of container cargo mitigating downturn risk
- Consistent and reliable labor
- Committed and capable staff
- Collaborative relationships with customers
- Strong safety, security, and environmental programs
- Physical and financial ability to grow capacity
- Favorable business environment

**WEAKNESSES**
- Aged assets and channel limitations
- Lack of full control of channel funding
- Insufficient stakeholder engagement
- Perceived lack of transparency and diversity
- Organizational challenges, including:
  - Pockets of low employee engagement
  - Reactive culture
  - Low succession plan maturity
  - Limited knowledge transfer
- Cumbersome processes, slow execution

**External Factors**

**OPPORTUNITIES**
- Greater stakeholder engagement and involvement:
  - Focused ship channel advocacy
  - Greater awareness of Port Houston role
  - Greater consultation on key decisions
- Greater employee engagement and advocacy
- Diversity initiatives in contracting and employment
- Better balance between public agency responsibilities and Port Houston business opportunities
- Multi-modal inland distribution and freight mobility
- Greater cargo diversity
- Greater efficiency through innovation and technology

**THREATS**
- Scarcity of federal, state, and local funding
- Possible shortage of capacity (channel, road, and rail)
- Qualified workforce shortages
- Statutory constraints and changes
- Possible downturn or petrochemical industry slowdown
- Competition with west and east coast ports
- Disruptive events
- Trade policy and new regulations
Mission, Vision and Core Values
Mission Statement

“To move the world and drive regional prosperity”

This is why we exist – it describes what we do and why we do it:

“Move the world” – this is what we do:
  • By operating and leasing terminals and supporting Channel users, we enable imports and exports to move between Houston and the rest of the world

“Drive regional prosperity” – this is why we do it:
  • Port Houston creates economic prosperity and jobs for the Region and beyond
Vision Statement

“America’s distribution hub for the next generation”

This is the end state we want to achieve for the greater Port:

“America’s distribution hub” –

- A global leader in facilitating imports and exports
- With increased market share due to superior efficiency, service and innovation
- With increased channel capacity and inland multi-modal freight mobility

“For the next generation” – always preparing for the future, by:

- Developing an engaged and diverse Regional workforce and supplier base
- Anticipating future market and stakeholder needs, harnessing technology, and caring for our assets
Core Values

“We Are READY” captures the spirit of the organization: Port Houston is ready to serve, and ready for what the future may bring – we have the right infrastructure, the right plans, the right people.

Respect

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

Excellence

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

Accountability

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

Diligence

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

You

We do this all for “You” – whether you are an employee, a customer, a local resident or other stakeholder.
Strategic Goals, Objectives and Performance Measures
Four Strategic Goals

**INFRASTRUCTURE**
- Optimize Infrastructure and Channel Capacity to Serve the Region

**PARTNERSHIPS**
- Develop and Strengthen External Partnerships

**PEOPLE**
- Be the Best Place to Work

**STEWARDSHIP**
- Create Greater Value for the Region
People: “Be the Best Place to Work”

Objectives:

a) Retain, engage, develop, and attract talent
b) Foster a culture of diversity and inclusion, innovation, and open communication
c) Deliver excellence and continuous improvement in all core functions

Performance Measures:

High level measure: Widely accepted “best places to work” ranking
• Voluntary turnover
• Employee engagement scores (including specific questions for diversity and inclusion)
• Delivery of divisional continuous improvement plans
Infrastructure: “Optimize Infrastructure and Channel Capacity to Serve the Region”

Objectives:

a) Widen, deepen, and maintain the Houston Ship Channel
b) Drive development of landside infrastructure and inland distribution networks
c) Enhance efficiency and resilience through innovative technology and other means

Performance Measures:

*High level: % of capital projects (by value) on time/on budget*

- Achievement of key capital program milestones
- Operational measures including total tonnage, vessel productivity, truck turn time, cargo dwell time
- Critical system uptime (planned vs unplanned outages)
Partnerships: “Develop and Strengthen External Partnerships”

Objectives:

a) Cultivate key relationships to accomplish common goals
b) Demonstrate transparency and accountability
c) Engage in proactive two-way communication

Performance Measures:

*High level: Stakeholder advocacy score (survey)*
- Implementation of key relationship plans (including forums for stakeholder communication)
- Completion of disparity study
- Sharing of KPIs and Port Houston plans
- Common goals agreed upon
Stewardship: “Create Greater Value for the Region”

Objectives:

a) Implement an innovative environmental leadership strategy
b) Prepare for disruptive events and mitigate their impact
c) Support development of a robust Regional maritime workforce
d) Support sustainable growth of Port Houston and the greater Port

Performance Measures:

*High level: Economic impact of greater Port*

- Environmental metrics, including for air quality, water quality, and recycling rates
- Reportable incident frequency and severity
- Program students entering Regional maritime industry
- Total tonnage (Port Houston, greater Port)
- Cargo diversity indices (origin/destination, cargo type)
- Port Houston revenue and economic value generated
- Key economic development wins
Summary of Strategic Goals and Objectives

**PEOPLE**

Be the Best Place to Work

a) Retain, engage, develop, and attract talent
b) Foster a culture of diversity and inclusion, innovation, and open communication
c) Deliver excellence and continuous improvement in all core functions

**INFRASTRUCTURE**

Optimize Infrastructure and Channel Capacity to Serve the Region

a) Widen, deepen, and maintain the Houston Ship Channel
b) Drive development of landside infrastructure and inland distribution networks
c) Enhance efficiency and resilience through innovative technology and other means

**PARTNERSHIPS**

Develop and Strengthen External Partnerships

a) Cultivate key relationships to accomplish common goals
b) Demonstrate transparency and accountability
c) Engage in proactive two-way communication

**STEWARDSHIP**

Create Greater Value for the Region

a) Implement an innovative environmental leadership strategy
b) Prepare for disruptive events and mitigate their impact
c) Support development of a robust Regional maritime workforce
d) Support sustainable growth of Port Houston and the greater Port
Appendix: Consultation Process
This Strategic Plan is the result of extensive consultation with internal and external stakeholders.

[Diagram of Strategic Plan 2020 Milestone Timeline]

- **Commission**
- **Engagement & Direction**
- **Checks Point**
- **SWOT Update**
- **Knowledge Transfer**
- **Workshop 1**
- **Review Straw Man**
- **Workshop 2**
- **Workshop 3**
- **Check Point**
- **Internal Focus Group Reviews**
- **Check Point**
- **Check Point**
- **Check Point**
- **Final Check**
- **Approval**

**Preparation & Data Collection**
- Align with Master Planning (Port 2040)
- Select New Design Team
- Preserve Previous Design Team Knowledge
- Complete Preliminary Market Analysis leveraging internal resources

**Situation Analysis & Refresh**
- Review current Strategic Plan relevance and status
- Interview Port Management and staff to re-key issues
- Review strategic summary and SWOT analysis provided by PH staff

**Draft Strategic Plan Update**
- Start Design Team meetings
- 1-Day workshop- develop preliminary Goals and Objectives
- Prepare discussion draft and Strategic Plan update

**Review & Validation**
- Review draft with Leadership and senior staff
- Hold focus groups with representative Port staff and external stakeholders
- Review feedback with Design Team

**Strategic Plan Update & Finalization**
- Prepare final draft of Plan
- Review with leadership
- Finalize Plan Update

Black boxes represent events facilitated with consultant support.
Internal Consultation - Design Team

The Design Team was an internal advisory group which provided leadership for the development of the Strategic Plan. Members of the team represented Port Houston staff by collecting input and providing updates.

<table>
<thead>
<tr>
<th>Participant</th>
<th>Division</th>
<th>Title</th>
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<tbody>
<tr>
<td>Anthony Flenoy</td>
<td>Port Security and Emergency Operations</td>
<td>Facility Security Manager</td>
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<td>Carolyn Ashley</td>
<td>People</td>
<td>Director, Employee Development and Engagement</td>
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<td>Chasless Yancy</td>
<td>Legal</td>
<td>Assistant General Counsel</td>
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<td>Daniel Spiers</td>
<td>Port Security and Emergency Operations</td>
<td>Fire Inspector</td>
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<td>Evan Mays</td>
<td>Operations</td>
<td>Terminal Manager</td>
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<td>Jackie Munoz</td>
<td>Infrastructure</td>
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<td>Maritime Education Program Manager</td>
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<td>Wharf RTG Electrician</td>
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<td>Commercial</td>
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<td>Roger Guenther</td>
<td>Executive</td>
<td>Executive Director</td>
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</tr>
<tr>
<td>Ty Reasonover</td>
<td>Commercial</td>
<td>Trade Development Sr. Manager</td>
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</table>
Internal Consultation

- Port Houston Commissioners participated in individual interviews.

- Port Houston Executive Team members also participated in individual interviews.

- **102 of 672** Port Houston employees participated in internal focus groups.

- All employees were encouraged to provide feedback through email, speaking with the Design Team, or submitting comments using the employee suggestion box.
External Consultation – Community Focus Group

29 Stakeholder organizations representing various regional community interests were invited to participate in a Focus Group.

21 Stakeholder organizations were represented in the Focus Group.

- Additional input was solicited via email from stakeholders unable to attend the Focus Group.

Stakeholders Invited

- Bay Area Community Advisory Panel (CAP)
  - Bayou Land Conservancy
  - Bayou Preservation Association, Inc.
- Baytown Community Advisory Panel (CAP)
  - Buffalo Bayou Partnership
  - Lyndell and Equistar Community Advisory Panel (CAP)
- Deer Park Community Advisory Panel (CAP)
  - Economic Alliance Houston Port Region
  - Environmental Defense Fund
  - Galveston Bay Foundation
- Greater Houston Black Chamber of Commerce
  - Houston Independent School District (HISD)
  - Houston Area Urban League
- Houston Community Advisory Panel (CAP)
  - Houston East End Chamber of Commerce
  - Houston Hispanic Chamber of Commerce
  - Houston International Seafarers Center
  - Houston Minority Supplier Development Council
  - Houston Yacht Club
  - La Port Bayshore Chamber of Commerce
  - LaPorte Community Advisory Panel (CAP)
  - Pasadena Citizen Advisory Council (CAC)
  - Pasadena Chamber of Commerce
  - San Jacinto College

2020 STRATEGIC PLAN | Appendix: Consultation Process
External Consultation – Channel Users and Partners Focus Group

20 Stakeholder organizations representing various users of the Houston Ship Channel were invited to participate in a Focus Group.

9 Stakeholder organizations were represented in the Focus Group.

- Additional input was solicited via email from stakeholders unable to attend the Focus Group.

**Stakeholders Invited**

- CMA CGM
- Cooper/Ports America
- Customs and Border Patrol (CBP)
- Excargo Services
- Gulf Winds International
- Hapag Lloyd Inc
- Houston Mooring Co.
- Houston Pilots
- Houston Terminals, LLC
- International Longshoreman’s Association (ILA)
- Jetco Delivery
- Maersk
- Mediterranean Shipping Company (MSC)
- Port Terminal Railroad Association (PTRA)
- Richardson Steel Yard, Inc.
- Terminal Link Texas
- Transportation Advocacy Group (TAG)
- US Coast Guard
- West Gulf Maritime Association (WGMA)
- ZEAMARINE
External Consultation – Channel Industry Partners Focus Group

17 Stakeholder organizations representing various industries along the Houston Ship Channel were invited to participate in a Focus Group.

7 Stakeholder organizations were represented in the Focus Group.

- Additional input was solicited via email from stakeholders unable to attend the Focus Group.

Stakeholders Invited

- Buffalo Marine Service, Inc.
- Channel Industries Mutual Aid (CIMA)
- East Harris County Manufacturers Association (EHCMA)
- Enterprise Products Partners, L.P.
- ExxonMobil
- Greater Houston Partnership (GHP)
- Greater Houston Port Bureau (GHPB)
- Houston Ship Channel Security District
- Intercontinental Terminals Company (ITC)
- Kinder Morgan
- Kirby Corporation
- LBC Tank Terminals
- Magellan Midstream Partners, LP
- Odfjell Terminals, Inc
- SemGroup Corporation
- Shell Deer Park
- Targa Resources
THANK YOU

Port Houston

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