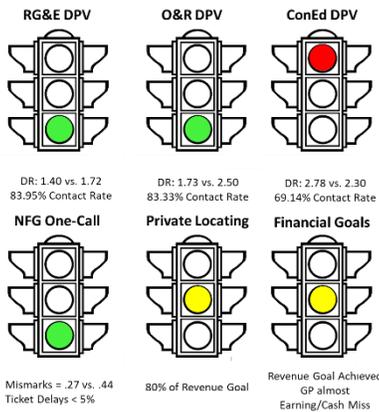


On The Mark Utility Locating  
Services, Inc.

1/1/2018

Edition 1, Volume 3

## 2017 Performance



Overall OTM had a very successful year! We launched two new programs – (NFG One-Call Line Locating, our first one-call locating program and the ConEd DPV Pilot – and we achieved most of our program goals (See Stop Light charts above). In terms of our financial goals, we achieved a 50% year of year revenue growth, which is awesome. Unfortunately, due to the launch of the NFG Line Locating program and some unexpected capital and operational expenses along with other investments such as moving to our new office location at 1280 Scottsville Rd., our overall gross profit

(GP) and cash generation were below our goals.

However, despite this GP and cash miss, we were still able to make \$13,000 of donations through our Community Support Fund. We were able to give to organizations like The Dream Factory of Rochester, RACF-Hour Christian Ministries, Faith Temple and Veterans Outreach.

In 2018, we hope to continue to build upon our overall business (revenue) growth and overall financial performance particularly in terms of cash flow/cash generation. We plan to leverage this financial success into continuing to improve on the competitiveness of our employees' total compensation including new benefits such as 401k.

## New Business

### Orange & Rockland One-Call Services

OTM has been awarded the Orange & Rockland Utilities Mark Out Services



program for New York and New Jersey! This program starts in early 2018 and runs through 2020. We expect to have 5 or 6 one-call locators supporting this program to locate and mark O&R's gas and electric utilities. If successful, this program may be expanded in the New York area and we could add another 9 locators for a total of 14-15 locators.

## ECC Technologies Fiber One-Call

OTM has been awarded a 3 year One-Call contract to locate and mark ECC TECHNOLOGIES, INC ECC Technology fiber facilities. This contract will start in early 2018 and may include up to 1,800 tickets annually. Albeit somewhat small in total ticket volume, it is additive to our overall One-Call utility locating and general utility locating businesses.



Kudos to our fearless leader, **Wayne Coleman**, who has steadfastly worked this deal for over 2 years! This lead came from a Dig Safely New York Safety Seminar breakfast that OTM had a sales booth back in 2015.

## Vision, Mission & 2018 Goals

Team, to go somewhere, it is obvious that you must know where you are going. Also, you should know the way in which you will actually get there. Lastly, it is helpful if you have some milestones or markers along the way, so you can know where you are at any given point in the

journey and to motivate you that you are making progress towards getting to your final destination.



Okay, so, what am I talking about? OTM and our vision or future state/destination. It is where we are going. The how we will get there is our Mission – to manage our partner’s infrastructure in such a way as to protect life and the environment. Our destination is far away, so each year we set business goals as milestones to measure our progress towards our Vision. For 2018, we have the following 5 goals:

1. **Bless Our People**
2. **Exceed Our Customer’s Requirements & Expectations**
3. **Achieve Company Financial Goals**
4. **Grow The Business**
5. **Other**

Let’s drill down into each of these so you better understand them:

### Bless Our People

OTM as a service business is only as good as those providing the services – you. So, our first goal is to bless you. What does this mean? Well, it starts with informing you in an effective way about our vision, mission, strategic and tactical goals. Using tools such as this newsletter, organizational meetings, team/group meetings, 1:1 meetings with your supervisor/manager and you, employee surveys, and various social events like a summer picnic. We want to dialogue with you about the company, what we are doing, what you think, etc. We also

want to have you set work goals and we want to provide performance reviews of how you are doing in your job and as it relates to your individual goals. Lastly, we want to continue to work on a competitive total compensation for you as an employee. Total compensation is not simply your pay rate/wages but also other employee benefits such as health care, dental, vacation, personal time, holiday pay, Family Medical Leave Act, etc. In the February/March 2018 time frame, we plan to do a pay rate benchmark analysis of all job positions. We plan to use this as a basis for our 1<sup>st</sup> annual pay rate review/adjustment process. Based on a gap analysis or a difference between the market competitive pay and an employee's pay and based on the financial position of the company, we may make pay rate increases in the April/May time frame. All these items – Communications, Goal Setting/Performance Reviews and Competitive Total Compensation are a part of our goal to bless you, our most valuable asset.

## Exceed Our Customer's Requirements & Expectations

This goal is fairly self-explanatory. With respect to programs like Damage Prevention Vehicle, our goal is to have 0 safety incidents, 75% or higher contact rate, and less than or equal to our client's damage ratio goal. For One-Call Locating programs, again we start with 0 safety incidents followed by less than or equal to our client's annual mismatch rate while achieving a 5% or less ticket delay rate. Each program has specific goals such as these and our objective is to meet or exceed these goals and to delight our customers. Where **Bless Our People** is a management centric goal, **Exceed Our Client's Requirements & Expectations** is an employee centric goal. Each of you have the power to individually and collectively deliver to this goal.

## Achieve Company Financial Goals

OTM has a 2018 overall Revenue, Gross Profit (GP), Net Earnings, Cash Generation, Savings (for future investment), and

Community Support Fund goal (of 10% of our annual earnings). The actual numbers are Company Confidential and, so they are not being shared. We will however report quarterly how we are doing relative to these goals.

## Grow the Business

Our 4<sup>th</sup> goal is to **Grow the Business**. Our strategic priority for growth is our Damage Prevention Vehicle (DPV) program. We want to grow this business segment horizontally or namely with our current clients. We want to convert 1 or 2 of our current pilot programs into a multi-year contractual program. Also, we'd like to expand the scope of 1 or 2 programs. For example, we'd like to go from say five (5) inspectors on the Orange & Rockland DPV program up to eight (8). In addition to this "horizontal" growth, we desire to grow "vertically" by adding at least 1 new client such as National Grid.

In the Private Utility Locating segment, which is our 2<sup>nd</sup> strategic priority for growth, we want to double our gross sales, year-over-year for the next 2 to 3 years. And lastly, in the One-Call Locating

segment, which is our 3<sup>rd</sup> strategic priority for growth, we would like to successfully launch a new multi-year program comparable in size and scope to the NFG Line Locating Program.

## Other

We have one last goal which is entitled **Other**. This goal consists of establishing some core business competencies. These competencies are in the areas of Project Management and Operations. Having good internal knowledge and in-depth capabilities in these areas can ensure that we are positioned to be competitive

and differentiated in the marketplace. Also, we need to develop and implement a comprehensive OSHA based safety program. So, our goal is to do these things and have them in place by the end of 2018.

## Summary

In summary, we are going to be the global leader in utility management services. This is our vision. We are going to do it in an effective and efficient way that protects life and the environment. This is our mission. In 2018, we will **bleed our people** (you), **exceed our**

**customer's requirements & expectations, achieve our financial goals, and grow the business.** With these goals, we ask that you consider your own individual goals and how they align. Dialogue with your supervisor/manager and set your navigation system. Lastly, "buckle up" to be safe and get ready to enjoy the 2018 ride!

## Employee Corner

### 1st Quarter Birthdays!

January 3 – Dylan Walsh

January 3 – Ron Austin

January 8 – Lorenzo Davis

January 18 – Rick Rambo

February 4 – Ben Brisbane

February 7 – Jim Harrison

February 12 – Leo Rhodes

February 14 – Sam Cammilleri

March 1 – Christopher Montgomery

March 11 – Megan Leffler

March 25 – Joshua Morillo

