



# 2023 Strategic Goals and Initiatives

## **Strategy #1: Build a Proactive Culture of Safety and Engagement**

- Continue implementation of the Incident Free Culture (IFC) program.
- Achieve suite of safety goals, reducing injuries, incidents, and lost time.
- Continued development and implementation of Diversity, Equity, Inclusion, and Belonging (DEIB) initiatives.
- Strengthen our company culture through continued promotion of employee engagement and commitment to ARRC's core values in daily activities and decisions.
- Continued identification and deployment of training and development opportunities in support of succession planning efforts

## **Strategy #2: Expand Business by Growing and Diversifying Revenue**

- Freight business — increase revenue by 7% compared to 2022.
- Passenger business — increase revenue by 4% compared to 2022.
- Real Estate business — increase revenue by 8% compared to 2022.
- Complete the Freight Marketing Strategic Plan by the end of the first quarter (Q1 2023).
- Complete updates to marketing plans for all business lines by end of first quarter (Q1 2023). Plans outline strategies and tactics for growing and protecting freight, passenger and real estate activities.
- Continue establishing Customer Expectation and Service-Level Agreements for all major freight and passenger customers.
- Complete ongoing evaluation of the Seattle ARMS barge gateway to ensure service continuity and support of this business line.

## **Strategy #3: Improve Profitability by Optimizing Cost Structure**

- Improve the corporate revenue per employee metric by 3% compared to 2022.
- Achieve operating wages as a percentage of operating revenue of 35% or lower.

- Continue implementation of the next phase of the Corporate Key Performance Indicator program.
- Grow earnings before interest, tax, depreciation and amortization (EBITDA) by 16% to \$56.6 million.

## **Strategy #4: Balance Capital Program to Optimize Safety, Revenue, and Efficiency**

- Complete approved capital program within the planned timeframe and within budget.
- Continue development of Vital Functions and Precision GPS components of PTC system.
- Continue the Seward Passenger Dock replacement project, including completion of a long-term user agreement, securing financing, completion of final design, and beginning construction activities.
- Continue Seward Freight Dock expansion project, with permits and final design to be complete in 2023.
- Continue Strategic Long Range Land Use Planning initiative — related to acquisition and existing property — to include Operations and Real Estate.
- Continue to assess, identify and mitigate cybersecurity risks to ensure the safety and security of ARRC operations, data and computer systems.
- Continue to develop our capabilities in the federal grants arena, pursuing competitive grant opportunities where beneficial and practicable.

## **Strategy #5: Enhance Economic Development, Stewardship and Stakeholder Relations**

- Continue outreach to private and public entities to aid in economic development projects.
- Continue support of Alaskan non-profit entities and charitable service efforts through in-kind donations and encouraging employee participation.
- Utilize centennial year events and messaging to promote positive engagement and support from citizens, communities, stakeholders, and all levels of elected officials.