

To: SPARK Executive Committee Members
From: DeAngela Burns-Wallace, Secretary of Administration
Date: November 19, 2021
Re: SPARK Project Director Offer

Please consider the below proposals to move forward with contracting for services for a SPARK Project Director.

We have previously discussed identifying a Project Director to manage the SPARK process and coordinate across involved stakeholders. The SPARK Executive Committee has agreed that Advisory Panels will not begin meeting and evaluating investment proposals until the Project Director is in place to oversee the investment prioritization, review, and approval process. With this in mind, Chair Toland, President Masterson, and Speaker Ryckman were tasked with identifying, interviewing, and choosing a candidate to fulfill the duties. Subsequently, Secretary Burns-Wallace, Mr. Pickert, and Mr. Orman were asked by the SPARK Executive Committee to recommend a compensation package and finalized the scope of the Coordinator role with the chosen candidate (Appendix 1).

Request for Approval of Project Director Offer

After discussion with the chosen candidate, we are now ready for the SPARK Executive Committee to approve the proposed terms for the candidate, Mr. John Parolisi (Appendix 2). The terms of the offer will run through the end of Fiscal Year 2022, with an option to extend as needed, and flexible termination clauses as allowed by the state. The contractual consultative services provided by Mr. Parolisi will not exceed \$175,000 during stated period and will be invoiced monthly at flat rate as agreed. Secretary Burns-Wallace, in her roles with the Department of Administration and the Office of Recovery, will go through the necessary contractual steps for this prior authorization if approved by SPARK Executive Committee.

Appendix 1: SPARK Project Director Scope of Work

Job Title: SPARK Committee Project Director or SPARK Project Director

Reporting Structure: Reports to SPARK Executive Committee, with Chair Toland as day-to-day contact (TBC)

Overall Objective: Support the SPARK Executive Committee in overseeing a tightly integrated SPARK process in alignment with the Guiding Principles that results in the selection of the highest value investment opportunities for the long-term health of Kansas

Nature of Role: This will be a contract role through the end of FY22, providing Kansas with flexibility to exit or extend the agreement, if the situation requires.

Roles and Responsibilities

- Ensure overall SPARK timeline and process is optimal and in alignment with guidelines, including developing and/or reviewing the process plan with the Office of Recovery, SPARK Executive Committee, and consultants. When needed, present the proposed refinements to the process plan to the Spark Executive Committee (EC) for input and approval.
- Identify resources required to execute plan and coordinate with the EC in addressing gaps.
- Carry on early discussions with EC with regard to any scoping as to the “shape of the answer” as well as what a common means of analyzing and ranking opportunities should entail. Seek EC input on potential investment areas and ensure EC input is reflected in the opportunity assessments.
- Assist the SPARK EC Chair in crafting Executive Committee approach and supporting Executive Committee.
- Work with Advisory Panel Chairs to refine plans of engagement and ensure a consistent process across panels, appropriate and timely engagement of the panels in the opportunity identification and analysis process, and leveraging of subject-matter expertise and staff support.
 - Track and report on Advisory Panel progress and recommend adjustments as needed
- Oversee investment shortlist development, prioritization, analysis, and presentation to SPARK Committee, working closely with Office of Recovery to ensure allowability and compliance parameters
 - Engage in early discussions with the Executive Committee about emerging investment shortlists and the prioritization process to ensure appropriate means of analyzing and ranking opportunities
 - Ensure handoff for prioritized areas is clear and complete from a planning standpoint.
- Coordinate with SPARK staff, including the Office of Recovery, Kansas Legislative Research Department, and consultants to ensure completion of analytical and administrative tasks for the SPARK Executive Committee
- Work with major consultants to ensure quality and cohesion of work with regard to SPARK process
- Assist in the development of SPARK communications approach to satisfy transparency needs.
- Ensure SPARK is complying with the Kansas Open Meetings Act and Kansas Open Records Act with the support of the Office of Recovery.

- Prepare SPARK recommendations to be presented to State Finance Council for approval
- Participate in program design review process facilitated by the Office of Recovery and provide timely input on:
 - Program design for SPARK investments developed by administering entities with support from the Office of Recovery and Consultants prior to implementation
 - Funds to be awarded or allocated to sub-recipients or other receiving entities by administering entities according to program design
 - Working with the RO on tracking for all approved priorities on identified metrics.
 - Note: all design considerations are subject to federal and state administrative requirements (e.g., allowability considerations, procurement processes, reporting, compliance)

Appendix 2: John Parolisi Resume

John Parolisi

Service model expert who helps companies drive growth by harnessing disruption to evolve their business models and transform their organizations for the future.

Creative strategist and cross-functional integrator who has architected and scaled innovative new business models and transformed and grown multi-billion dollar organizations in a career spanning the industrial, retail, home/consumer/professional services, and construction sectors as well as digital marketplaces. 6 years at McKinsey & Company followed by 20+ years of CXO leadership including 10 years growing Balfour Beatty Construction from a \$1.6B regional player to a \$5+B industry leader as its Chief Strategy Officer. Diverse, cross-sector expertise includes a broad functional leadership portfolio:

- Business Strategy/M&A
- Innovation/Digital Strategy
- Change/Program Management
- Marketing & Communications
- Client Service and Sales
- Organization Development

Work Experience

STRATEGIC LEAD FOR INNOVATION-FOCUSED SERVICE BUSINESSES 2017-Present

- Transformation lead at **Katerra**, a Softbank backed global construction innovator, focused on creation and implementation of a next generation construction management system and operating model.
- Co-lead for **ARTSonepass**, an innovative, AI-based mobile platform for the arts ecosystem, from business conception to platform creation to the scaling of its Dallas Ft. Worth arts network.
- Advisor for **ShiftSmart**, an AI-based labor platform, in designing its Dallas area market strategy.
- Various advisory/board roles in the retail innovation, hedge fund and public policy sectors.

BALFOUR BEATTY CONSTRUCTION, LLC, Dallas, TX 2005-2015

\$5 billion commercial construction company; part of Balfour Beatty, the global infrastructure company.

EVP, Chief Strategy Officer. Responsible for corporate strategy and growth, strategic planning, organization development, change management, brand marketing and communications, client service and the launch of corporate-wide initiatives in the areas of sustainability, safety, diversity and innovation. Drove growth strategy for the business which grew from \$1.6 billion in revenue to over \$5 billion and from an industry rank of 17th to 3rd in 10 years. Transformed the business operating model over several stages:

Innovation Leadership: Implemented an innovative project solutions strategy that resulted in over 90% of clients rating Balfour Beatty as leading the industry. Accomplishments include:

- **Organizational model evolution:** Developed a more cohesive, networked organizational model to achieve greater leverage and accelerate innovation as a learning organization.
- **Innovation strategy and platform:** Launched the company's innovation focus including its knowledge management platform for sharing best practices and its R&D strategy and processes.
- **New capability development:** Incubated new areas of focus for the business including sustainability, safety, diversity and national vertical market strategies and platforms.

Platform Growth: Grew the market footprint of the organization while also strengthening the cultural and process linkages across it. Accomplishments include:

- **Corporate portfolio expansion:** Developed and executed the geographic growth strategy for the business. Co-led three major acquisitions and integrations ranging from \$150 to \$700 million. Result was a doubling of the geographic footprint and expansion of the vertical market portfolio.
- **Business development platform:** Created the business development approach, platform and CRM to better support best practice execution. Increased win rates by up to 50% on key pursuits.
- **Brand engagement:** Executed internal and external branding and communications platforms including the company website, intranet, thought leadership strategies, public relations efforts, company events and award submissions. Secured Fortune 100 Best Place to Work three years.

Company Formation and Foundation: Established the One Company platform for the business as it evolved from being a loose collection of local companies. Accomplishments include:

- Business unit planning: Created a market penetration planning process and worked with all divisions to create and execute growth plans, achieving "Top 5" positions in most markets.
- Performance management: Rolled out balanced scorecards for projects, businesses and functions that drove improved operational risk mitigation and higher levels of functional alignment.
- Service excellence: Defined and embedded the company's Brand Promise and service focus. Developed a corresponding client service platform recognized within the industry as best practice.

SEARS, ROEBUCK & COMPANY, INC., Hoffman Estates, IL 1997-2004
Director of Strategy and Business Development. Led the creation of major new business concepts across the portfolio ranging from A&E Factory Service to Sears Online to Sears Grand.

Sears Retail (2002-2004). Developed strategies for and drove execution against CEO-level strategic priorities focused on repositioning Sears for retail growth. Accomplishments include:

- Sears Grand: Led the Sears full-line store growth strategy effort and drove the creation of Sears Grand, the next generation, solution-focused, prototype for the Sears full-line store. The pilot stores greatly exceeded expectations with twice the household penetration and cross-shop of existing stores, 50% more trips per household and 20% higher conversion rates.

Sears Direct to Customer (1999-2002). Drove customer-facing innovation as the head of strategy for the Direct to Customer groups at Sears. Accomplishments include:

- Sears digital strategy: Developed and executed the original sears.com strategy focused on multi-channel integration. Sears Online beat all initial expectations with a 100% revenue CAGR from 1999 to 2003 while also influencing \$1.5 billion of in-store sales by 2003.
- BobVila.com start-up: Acted as COO in the start-up of BobVila.com.

Sears Home Services (1997-1999). Head of strategy and business development for the \$2 billion product repair business. Accomplishments include:

- Product Repair growth strategy: Created a growth strategy which included a segment based strategy for the maintenance agreement business and a third party servicing strategy. The third party repair business (A&E Factory Service) accounted for 20% of overall volume in three years.

MCKINSEY & COMPANY, INC., Chicago, IL 1991-1997
Senior Engagement Manager. Extensive project leadership experience consulting with senior executives in the US, Europe and Asia on projects across a range of industries, including:

E&C industry: On the client service leadership team for a global engineering construction company.

- Identified sector and geographic growth opportunities and strategies for attacking them.
- Analyzed the Asia energy sector and developed the strategy and organization for pursuing it.
- Evolved the corporate center, improving efficiency while also significantly upgrading capabilities.

Process control industry: On the client service leadership team for a Fortune 100 industrial company.

- Developed the go-to-market strategy and sales organization in the US and Europe.
- Managed a logistics and MRO study for the client's control valve business in the US and Europe.

Electric utility industry: Developed a corporate strategy for a public utility facing deregulation.

Oil & gas industry: Used process redesign and performance management to redesign the business.

FLUOR CORPORATION, Greenville, SC/Wilmington, DE 1986-1989
Project Engineer. Managed portions of several projects for process industry clients.

Education

J.L. KELLOGG GRADUATE SCHOOL OF MANAGEMENT 1989-1991
NORTHWESTERN UNIVERSITY, Evanston, IL
Master of Management: Majors in Strategy and Marketing.

DARTMOUTH COLLEGE, Hanover, NH 1981-1987
Bachelor and Master of Engineering (Thayer School): Chemical Engineering.
Bachelor of Arts: Major in Engineering Sciences.