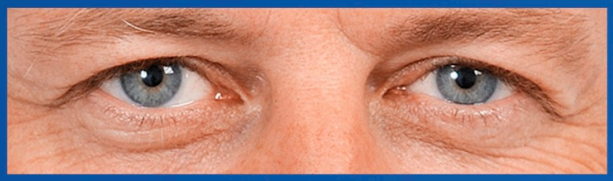
Master of Transformation



Nikolaus Valerius
Member of the Executive Board
RWE Power AG

"Not to push, but to pull!"

23/05/2022 Dramatic transformation: The workforce is expected to use its expertise to dismantle its workplace and sell the resulting materials as reusables or dispose of them as waste. Nikolaus Valerius, Chief Technology Officer of RWE Nuclear GmbH and Member of the Executive Board, Nuclear at RWE Power AG, is turning this into a formula for success.

What was the goal of the transformation at RWE Nuclear?

Nikolaus Valerius: To change from an energy provider into a company that dismantles power stations. Dismantling our plants so nothing is left but green fields yields materials that can be fed back into a conventional use cycle. You can do that with around 95 percent of a plant's materials. Around 2 percent are packaged in the requisite ways and handed over to the German government for intermediate and then final storage. Of special note here is that we're doing two things at once, because while we're dismantling we also have to keep producing power, like in Lingen until the end of 2022 or in Gundremmingen where we did so until 2021.

What are the main changes for the employees?

Valerius: For large parts of the workforce everything has changed—except their employment contracts. We launched this transformation systematically in 2018. We began by bringing around 15 employees on board, from Lower Saxony to Bavaria. Then we started the “Wir in Nuclear” (“we in nuclear”) program with the aim of taking everyone along on the transformation journey. Right from the start, we also and especially worked on our corporate culture. Additional steps included instituting new processes, a new control system, and a new structure to handle the dismantling work. We immediately set up a team whose job it is to sell the materials we get from the dismantling process, like concrete, synthetics, and metals.

How did your company's employees react to the upcoming changes? Did different levels of the hierarchy respond differently? And did everyone feel they were included?

Valerius: While top managers joined in very quickly, a number of mid-level managers needed a closer look at our ideas. Some of our colleagues were not exactly overjoyed at the changes, and were concerned they would suffer losses on an individual level. On the other hand, many employees like technical and trade specialists shifted relatively quickly to the idea of becoming a dismantling company. A conceptual approach proved to be helpful. Leadership personnel has to explain the solid logic behind the change in precise detail. The more the workforce can understand and assimilate that, the faster the transformation can proceed. In our case, understanding was followed by enthusiasm. And the desire to be part of it.

RWE Nuclear: Dismantling as a Business Model

In 2018, the nuclear power business of the RWE Group was consolidated into RWE Nuclear GmbH (around 1,300 employees). Over recent years the company has evolved from being solely a power provider—still running only its Lingen plant until the end of 2022—into a complex, highly specialized business that handles the post-operations, decommissioning, and dismantling of nuclear power stations, recycles the resulting materials, and correctly packages radioactive waste. Porsche Consulting was commissioned as an advisory partner in 2018.

"Change management is an integral part of the transformation at RWE Nuclear," says Stephan Rühl, Head of the Energy & Gas sector at Porsche Consulting. The two companies worked together to develop an "integrated dismantling process" that forms the basis for the organization's operations and controls. Similar to the automotive industry, small units of work are done at specified intervals—comparable to an assembly line. Individual actions are coordinated and interlinked. The material gained from this process, which includes cables, cladding, and pipes as well as larger components, is sorted by its properties and then dismantled to enable decontamination and authorization to leave the controlled area in transport boxes.

The result is an industrial sequence of standardized processes that assigns all residual substances to specified material flows. The company has built special facilities to process and treat materials at its Lingen, Biblis, and Gundremmingen sites. In Rühl's words, "The transformation of RWE Nuclear is a

fantastic example of successful change thanks to the astute leadership of its management."

How did you view your own role in the transformation, and what part did you play in conveying it?

Valerius: If conviction and enthusiasm are what you're after, you have to start with yourself. And that includes understanding the situation, formulating the goal, and charting a new course—from the perspective of both the company and the employees. That's not something you do alone. It's just as crucial to bring direct leadership on board as it is to take a program or project approach to reach employees from all corners and levels of the hierarchy. You want a coalition of constructive critics and dedicated backers! So that's the way we organized the work, and we created forums for discussion and input. When I took on this job in 2017, I was helped by having begun my career in the nuclear energy sector and spending the first three years learning the craft, so to speak. Knowledge of the industry also made it easier to analyze, to persuade people, and to communicate in credible ways. I listened, explained, and tried to motivate. If you need complicated arguments to explain a new process or structure, it means you haven't grasped it fully yourself yet. Or conversely: if it's clear, it gets simple. And then everyone understands it! My aim and my role are to have leaders convince and motivate employees. Not to push them in a certain direction but rather to pull them and bring them to where they are themselves. Leadership means leading the way.

What else is important for a transformation to be successful? Did you change existing guidelines, indicators, and incentive systems?

Valerius: We work with clear language and goals, whether it's a short, medium, or long-term context. In 2021, we wanted to dismantle and recycle around 3,600 tons of material, and we managed an impressive 4,500. In 2022 we're aiming for 6,000 tons. We show the employees our progress on a weekly basis. And our performance incentives don't exclude anyone. After two years it's abundantly clear that we're serious, and didn't just go "leaping onto a bandwagon." That's another reason the employees are pulling together. But nothing is perfect, of course. Not everyone feels accommodated all the time, not everything runs smoothly without exception, and we don't always meet all our goals. There are "gaps to target," in other words. But we're spotting these discrepancies faster and working to solve them.

Has the change meant having to alter traditional forms of collaboration?

Valerius: Yes, totally. Here's one example: there used to be the headquarters—the main office. It handled a lot of the management, rules, and directives. This office was far removed from the workers at the power stations. Now we're better organized. Our individual plants are always the centers of our operations, and the organization in Essen is set up to provide the sites with expertise and support to reach our shared goals. Cross-site groups of experts are in charge of specific issues and make decisions that we carry out everywhere. Yet each group is also responsible for a specific portfolio. That's very valuable, because for key questions we need the full range of power and know-how from all our people.

A transformation means that employees need new types of knowledge. How did you develop these

skills?

One important factor is the cross-site transfer of ideas and expertise we just mentioned. Colleagues from the Gundremmingen site observed the dismantling processes at the Mülheim-Kärlich, Biblis, and Lingen stations. Instead of focusing only on one's own site—as was previously the case—we've replaced this typical silo thinking with a "we process." All the employees are now pursuing one and the same goal. Our own specially instituted dismantling academy is a good tool for imparting knowledge, as are online-based training programs. We also get all manner of useful knowledge from the market, like from suppliers. The dismantling simulator that we developed ourselves is also helpful in training and qualifying people for new tasks. Every employee studies our integrated dismantling process for two days in the course of a simulation. That also encourages people to come up with new ideas and innovations.

What was an especially key factor in the success of this transformation?

Valerius: Our transformation isn't finished; the real dismantling work is only beginning. Together with the employees we've laid a robust foundation for it. And the transformation doesn't stop with our own team. Suppliers, auditors, public authorities—they're all integrated into a process we're ultimately driving and coordinating. It has run smoothly thus far because we've communicated a coherent idea clearly and made strategic leadership a core part of our corporate culture. Leadership personnel has to organize the work such that employees can do what they're good at. Then you'll also get good results.

Bio

Nikolaus Valerius, born in 1970, studied mechanical engineering with a specialization in design technology at the University of Kaiserslautern in southwestern Germany. In 1995, the young engineer started his career at RWE Energie as a trainee for the Mülheim-Kärlich power station. From 1998 to 2000 he worked as a maintenance engineer at RWE's Frimmersdorf power station. He transferred to RWE Power, where he served as a project construction engineer for gas and steam turbines until 2002, then as an assistant to the executive board member in charge of power stations and renewable energy, and finally as director of the Lingen gas-fired power station. He subsequently held two positions in the Netherlands: managing director of generation at Essent NV/RWE from 2011 to 2013 and managing director/division head for RWE Generation SE Benelux. From October 2015 to fall 2017 he was the managing director/division head for hard coal, gas, and biomass power stations in Central Europe for RWE Generation. In September 2017 he joined the board of RWE Power AG with responsibility for the nuclear energy division as of January 1, 2018, when he also became Chief Technology Officer for RWE Nuclear GmbH.

Info

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Image Sublines

Path: "Not to push, but to pull!"/Images/img_1.jpg
Title: Dismantling at Gundremmingen, RWE, 2022, Porsche Consulting
Subline: Dismantling at Gundremmingen: the Block B generator at the former nuclear power station is removed (July 2021). Its job was to convert the turbine's kinetic energy into electrical energy. Credit: RWE AG

Path: "Not to push, but to pull!"/Images/img_2.jpg
Title: Components removed from the Gundremmingen dismantling site, RWE, 2022, Porsche Consulting
Subline: Components removed from the Gundremmingen dismantling site are transported in special containers for further treatment. Credit: RWE AG

Path: "Not to push, but to pull!"/Images/img_3.jpg
Title: Dismantling at the former Lingen nuclear power station, RWE, 2022, Porsche Consulting
Subline: From energy plant to dismantling site: a steam converter is lifted from the former Lingen nuclear power station (October 2021). Credit: RWE AG

Path: "Not to push, but to pull!"/Images/img_4.jpg
Title: Nikolaus Valerius, Chief Technology Officer of RWE Nuclear GmbH and Member of the Executive Board, Nuclear at RWE Power AG, 2022, Porsche Consulting
Subline: Nikolaus Valerius, Credit: RWE AG

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