



Managing risk through effective team-based decision making

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Introduction

RWE npower is an integrated energy company. It is the third largest supplier of electricity, through its npower brand and one of the largest electricity generators. It is part of the RWE Group, which is one of the largest European energy Utilities. Energy companies have a responsibility to maintain supplies of energy 24/7. This means that they have to be aware of and manage risk. There is a risk involved in all business activity. Managing risk successfully means striking a balance between risk, cost and returns.

Importance

RWE npower is vital to the UK economy. It helps because it:

- * provides jobs
- * provides energy which helps people maintain and increase their standard of living
- * invests in large projects. RWE npower's most visible face is its huge power stations. It is also involved in building other forms of energy such as biomass plants and wind farms. It seeks green solutions to problems wherever it can.

Types of problems

There are a number of types of business problem. This means a number of ways to solve them are needed. For instance:

- * deviation problems. These are where targets are not being met. Problem solving is needed to close the gaps.
- * improvement problems. Here, solutions need to address how the business can become better in some way. For instance, being more green. RWE npower staff have to handle these problems all the time. Often they can work them out in teams. Teamwork brings skills from different areas into play. Team members can bounce ideas off each other so it can be fun as well. Some solutions have saved RWE npower a great deal of money.

Creative problem-solving.

There are also open-ended problems. Here, new and untried ideas may be needed. Often these are linked to what is called 'thinking outside the box'. New solutions mean new risks so planning needs to take these into account. There may be higher costs and health and safety issues to look at. Solutions must take into account the needs of the customer. One problem is small defects in turbine blades in power stations. These are bound to happen during their working life. The problem is whether to shut down, repair or replace and so on. The first priority is health and safety. After that, consideration is given to the commercial criteria.

Graduates

RWE npower employs graduate engineers. They can join straight from university. They are trained and are given a good career path. They are encouraged to think for themselves. They should try to come up with creative answers to problems. These can save the company millions so RWE npower knows it is doing the right thing when it invests in graduates.

Conclusion

RWE npower must supply energy 24/7. It needs good engineers to be able to do this. These need to be both skilled at their specialisms and able to solve problems in a creative way.