



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 an important contributor to the economy. It provides jobs, helps people maintain and increase their standard of living by supplying energy and invests in large capital projects. The most visible face of the business is its huge power stations but it is also involved in developing alternative forms of energy such as biomass plants and wind farms. It seeks green or sustainable solutions to problems wherever possible.

Types of problems

There are different types of business problems “ and therefore different solutions to them.

- * Deviation problems are where targets are not being met. Problem solving in this case is centred on closing the gaps.
- * Improvement problems. Here solutions need to address how the business can become for example more efficient or more green.
- * Open-ended problems where conventional solutions will not work. Solutions are generally linked to the idea of 'thinking outside the box' i.e. coming up with new and untried ideas. Engineers at RWE npower have to handle these problems all the time. In the first two cases, there are often proven techniques and solutions which can be worked out in teams. Teamwork brings together engineers with different skills and experience. Teamwork encourages team members to bounce ideas off each other so can be fun as well as leading to solutions. Some solutions have saved RWE npower millions.

Creative problem-solving.

This is linked to open-ended problems. New solutions mean new risks, however, and engineers need to understand these. They have to take into account possible costs and health and safety issues along with the technical aspects of the solution. Solutions must take into account the needs of the customer. For example, small defects in turbine blades in power stations are inevitable during their working life. When these are reported, managers need to weigh up the various options (shutdown, repair, replace etc.). The first priority is health and safety, but then they consider commercial criteria, including cost and customer needs.

Graduates

RWE npower employs graduate engineers straight from university. They are trained and have a good career path in the company. They are encouraged to think for themselves and develop creative solutions to problems. Some solutions can save the company millions so RWE npower knows its investment in graduates is worthwhile.

Conclusion

RWE npower needs good engineers to be able to fulfil its commitment to supply energy 24/7. These engineers need to be not just skilled at their specialisms, but able to solve problems in a creative way.