

## Introduction

ScottMadden worked with a top-10 nuclear fleet operator to develop a management model/playbook to operate its nuclear plants as a fleet. This included establishing strong-form corporate functional oversight and clarifying accountabilities (especially around the corporate-site interface). This also included launching standards for organization, staffing, hierarchy of procedures, tiered indicators, regular management meetings, business plans, functional area ownership, and improvement plans.

## The Challenge

The client recognized that its performance relative to other nuclear fleets had declined in recent years. The client operated multiple plants—all running independently. After more than 20 years of operations experience, the client had not developed a fleet mindset and was not taking advantage of synergies or best practices across the plants in its fleet. The units and fleet performance varied, but none were consistently in the top quartile for common industry metrics. Lastly, the culture was resistant to change; many managers were unconvinced about the need for change in their approach.

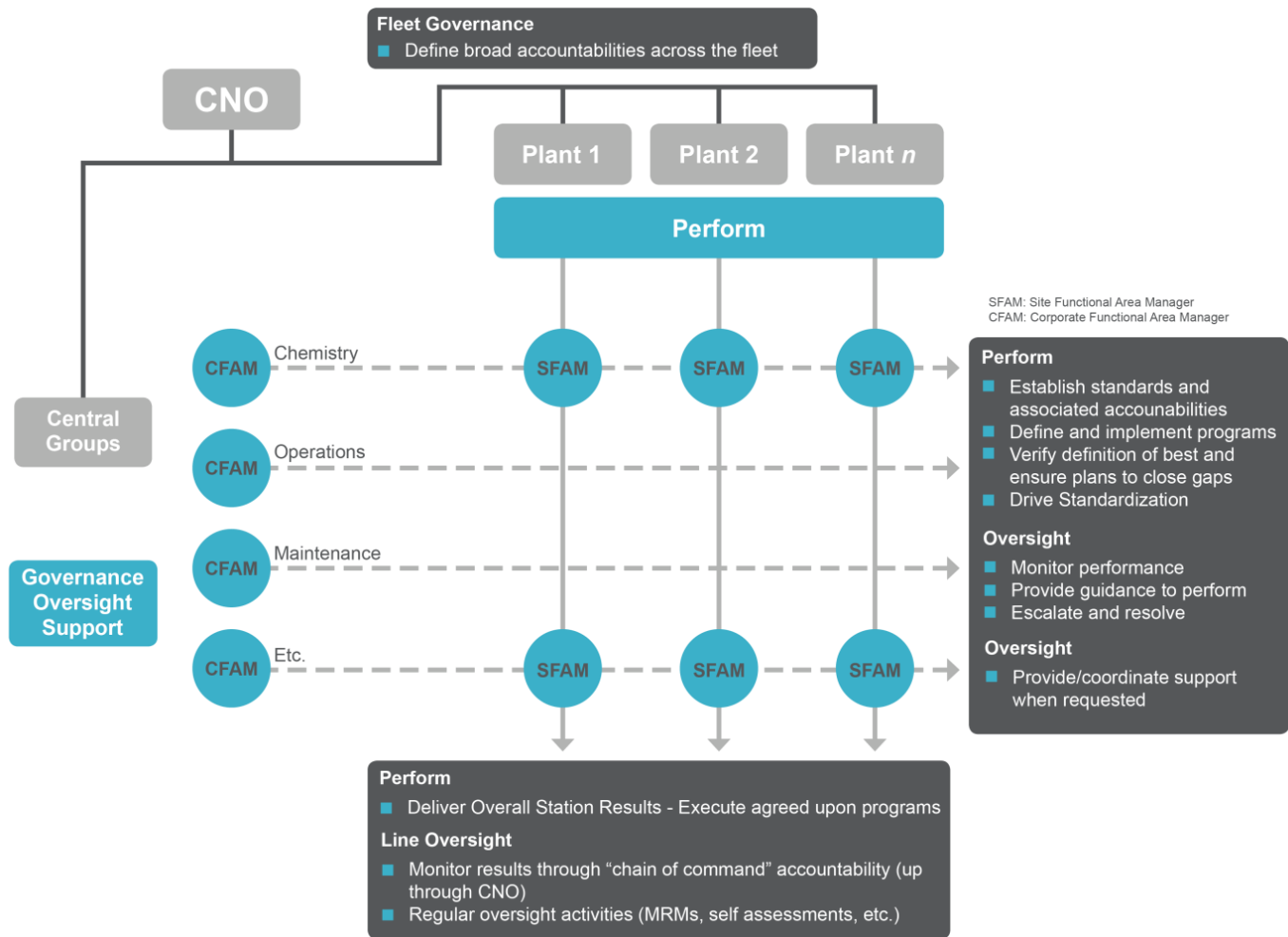
ScottMadden has worked with 13 of the top 15 nuclear operators (representing more than 70% of all nuclear capacity in North America) on a wide variety of projects and has a reputation for being “management model” experts with a strong nuclear management model experience in particular. Previously, the ScottMadden team has helped clients who had acquired a new plant bring that plant into a fleet and increase reliability, increase operating life, and maximize output. However, this client had operated their fleet for years. ScottMadden drew on a range of experience with fleet operating models to execute this project.

## How We Helped

The goal of the project was to improve nuclear fleet organizational clarity, alignment, and standardization in order to improve performance. This applied both operationally and philosophically.

Operational clarity, alignment, and standardization were accomplished across the organization through the adoption of a GOSP (Governance-Oversight-Support-Perform) model.

## GOSP Model Illustration



To enable this, the organization was realigned around 29 functional areas, each with a corporate lead and a lead at each site. The corporate leads ensure alignment across the sites, and together with the site leads deliver "200% accountability."

This 12-month project began with the definition of the 29 functional areas and their leads, both in corporate and at the sites. ScottMadden developed and provided training to these leads. Each of the 29 functional areas created a Functional Area Notebook in which they performed a current state assessment, outlined the desired future state (organization, metrics, document hierarchy, etc.) identified gaps to excellence and/or standardization, and detailed a plan to close the gaps. ScottMadden not only developed the notebook tools and trained client personnel on their use, but also used extensive industry knowledge to identify best practices across the fleet as well as industry best practices to support the functional areas as they formulated the desired future state. Next, ScottMadden facilitated challenge and approval sessions by the client senior leadership so that clear commitment was made to the functional area plans. The outside perspective provided by ScottMadden was critical to maintaining the momentum away from business as usual for the client. Lastly, ScottMadden assisted client personnel in the implementation of the approved future state by

supporting the development of a plan and assisting in the project management of that plan across each functional area.

To codify the desired future state established through the functional area notebooks, and to provide guidance and direction for its implementation, a management model/playbook was created with the following attributes:

### ***Typical Playbook Contents***

<b>Part of Playbook</b>	<b>Key Contents</b>
<b>1. Fleet Direction</b>	<ul style="list-style-type: none"> <li>Definition of success/what is expected <ul style="list-style-type: none"> <li>Vision/mission/values</li> <li>How we measure success with line of sight through the organization (quantify the vision through defined focus areas and tiered metrics)</li> </ul> </li> </ul>
<b>2. Organization and Accountability</b>	<ul style="list-style-type: none"> <li>Who is accountable <ul style="list-style-type: none"> <li>Clear accountabilities with clear division of responsibilities between sites and corporate</li> <li>Standard organizations linked to processes</li> <li>Functional area management (with clear accountabilities for governance, monitoring, support, and performance)</li> <li>Clearly defined local accountability for process execution and results</li> <li>Other organizational entities such as peer groups</li> <li>Behaviors specified and integrated into performance management</li> <li>Human performance standards</li> </ul> </li> </ul>
<b>3. Planning, Direction Setting, and Resource Allocation</b>	<ul style="list-style-type: none"> <li>What have we committed to accomplish <ul style="list-style-type: none"> <li>Benchmarking for target setting; targets aligned with goal structure</li> <li>Multi-year, gap-based business plans to achieve goals (actionable initiatives to close gaps with clear accountabilities)</li> <li>Cost management (e.g., budget parametric)</li> <li>Owned by the line and aligned with working level plans (e.g., dose reduction plans)</li> <li>Strong linkage to monitoring and control and performance management</li> </ul> </li> </ul>
<b>4. Monitoring and Control</b>	<ul style="list-style-type: none"> <li>How we will ensure we stay on track and follow through <ul style="list-style-type: none"> <li>Multiple, overlapping, aligned control mechanisms to achieve “intrusive management” and “redundant controls,” e.g., <ul style="list-style-type: none"> <li>Performance monitoring and reporting</li> <li>Regular management meetings (daily calls, monthly review meetings, quarterly business plan reviews)</li> <li>Oversight and assessments</li> </ul> </li> </ul> </li> </ul>
<b>5. Process Management (Operations, Maintenance, etc.)</b>	<ul style="list-style-type: none"> <li>What controls we need to accomplish our plans <ul style="list-style-type: none"> <li>Standard best processes (policies, programs, processes)</li> <li>Document hierarchy and control</li> <li>An approach for process improvement (e.g., six sigma)</li> <li>Change management process</li> <li>Functional area performance monitoring</li> </ul> </li> </ul>

To do so, senior leadership had to agree on organization’s vision, values and beliefs, strategic focus areas, and other key attributes. ScottMadden assisted by creating a framework that made a cohesive whole out of several initiatives that had been rolled out separately over time. All of these business philosophies by which senior leaders committed to run the business, including GOSP, were captured in this company-wide management model/playbook, which was published and made available to all employees accompanied by targeted communications and rigorous change management.

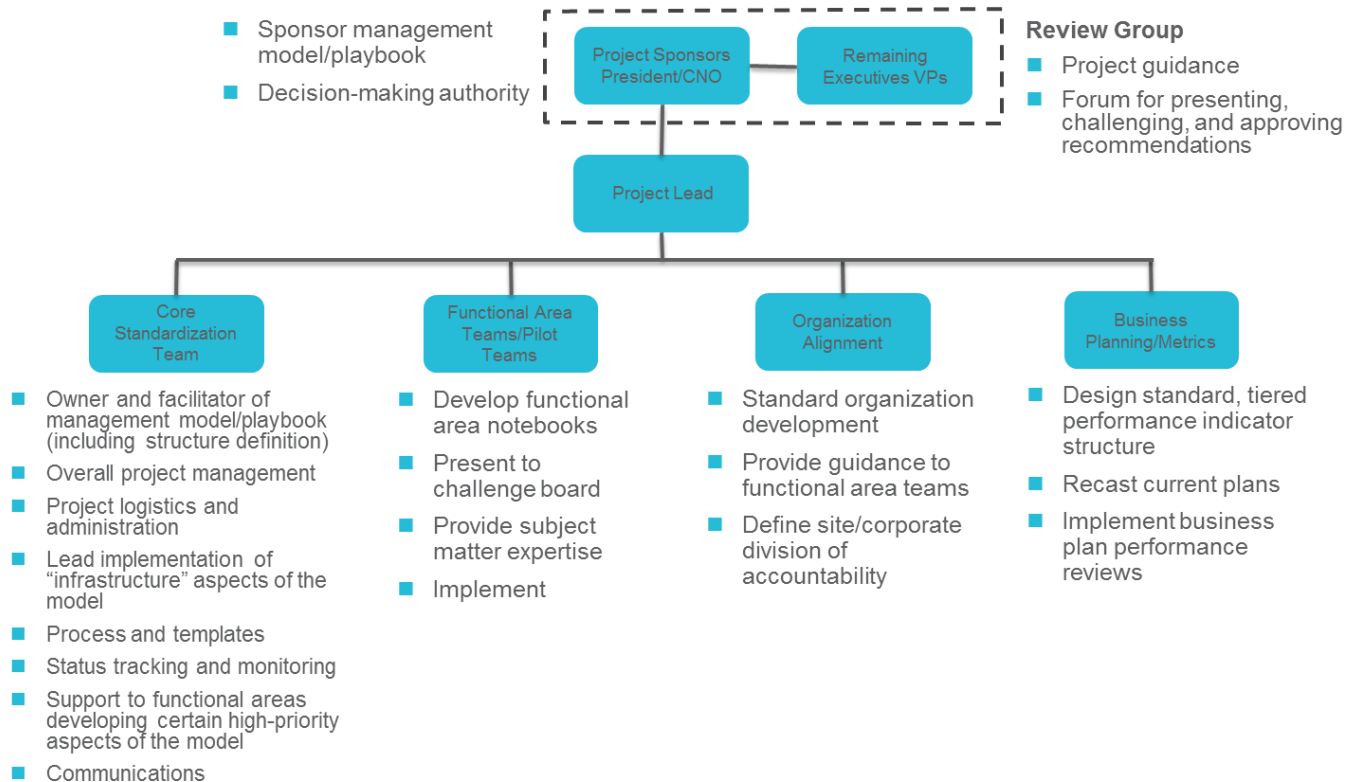
We approached this complex project by dividing it into three manageable phases—get organized, build foundation, and build-out.

## ***Project Roadmap***



The key to project success was organizational sponsorship and commitment at the right levels of the organization. Involvement by the CNO and other VPs down through core team members from each functional area ensured buy-in throughout the company.

## Project Organization



## Results

The primary deliverables for this project were the documentation of the new model developed in collaboration with client project team personnel—a management model/playbook and supporting functional area notebooks for each of the 29 functional areas. The main result of this project was improved fleet-wide standardization, establishing a platform for long-term improved and sustained performance and synergies from operating as a fleet. In one year, out of 22 first and second tier metrics:

- Twelve improved to first quartile (half from below median)
- Another six improved from below median to above median

### Contact Us

Ed Baker  
 Partner and Gas Practice Lead  
 Piedmont Road, NE  
 Building 10, Suite 805  
 Atlanta, GA 30305  
 Phone: 404-814-0020  
[edbaker@scottmadden.com](mailto:edbaker@scottmadden.com)  
[www.scottmadden.com](http://www.scottmadden.com)