

MILLSTONE NUCLEAR STATION

STRUGGLING NUCLEAR STATION RETURNS FROM STATUS-QUO BY CHANGING IT'S CULTURE AND CHALLENGING ITSELF WITH SEEMINGLY IMPOSSIBLE GOALS

In 1996 the Governmental Nuclear Regulatory Commission shutdown the Millstone Nuclear Station in Connecticut because of safety and productivity concerns. The shutdown seriously impacted parent company Northeast Utilities, as the station was closed indefinitely.

Two years later Northeast Utilities began the recovery process. After fundamental safety changes had been completed, Millstone returned to service with new management; making culture enhancement training with The Pacific Institute for it's management as well as all employees. According to then newly appointed Chief Nuclear Officer, Lee Olivier, "The Pacific Institute equipped people with the tools to see what the possibilities were out there. It allowed people to see the opportunities that existed in the organization and in the industry."

Near the end of 2000, less than five years after the station was deemed unusable, **Millstone was purchased for nearly five times its projected market price.** When asked why they were willing to pay such a high price, Dominion Nuclear Connecticut pointed to Millstone's employees, and the productive and safe work environment that had completely transformed during the time of making changes and working with The Pacific Institute.



Millstone's site in November 1999

DIAGNOSIS

Stuck in the Past

When Olivier was appointed to Millstone in 1998, recent deregulation in the nuclear industry was creating extensive competition, with consumer prices at record lows. Olivier recognized if Millstone was to remain competitive, the station would need to improve the reliability and quality of their product.

At full capacity, Millstone employed nearly 4,000 technicians, engineers and power plant workers. With only one-third of the station functional in 1998, Olivier decided to continue to operate at full staff levels. Change in employee effectiveness was urgent. Employment was at risk. To bring the station back online – with shutdown lows threatening closure – teamwork and productivity improvement were going to be essential.

INTERVENTION

Developing Efficacy and Teamwork from the Top Down

"We wanted to grow into a top-rated organization," Olivier said of his vision for Millstone. "The only way to do that was [for our employees] to grow individually."



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Olivier started by putting 150 managers through team leadership training with The Pacific Institute. Olivier's appreciation of The Pacific Institute's *Imagine 21*™ curriculum focused on the values of developing individual responsibility, teamwork and the creation of a unified vision.

By the beginning of 2000, the *Imagine 21* program, which was used initially for management training, was opened to all employees on a voluntary basis. After endorsement and evident change in the managerial team, over 90 percent of the staff enrolled in the curriculum.

"The environment we wanted to create was one of collaboration and inclusion," Olivier recalled, **"After our people went through The Pacific Institute curriculum, they were very open [to collaboration]. By using cross-functional teams, we started to generate breakthrough performance ...we were able to show people that we had limitless growth potential."**

MEASURABLE RESULTS

Stay On and Expand

Millstone intended, to be an industry leader through a set of values and goals, in safety, capacity, cost and work environment. Founded on ambitious culture change and productivity goals developed by managers and staff, Olivier challenged his staff to become the "Best of the Best."

According to Olivier, by focusing on these ideals to achieve their cultural and productivity goals, the managers and employees created an environment of excellence where each individual was boosted by the entire network.

"The Pacific Institute curriculum has been one of the launch pads that has enabled us to achieve success that was, quite frankly, beyond anyone's imagination," Olivier said.

"All of the regulatory pundits, and even my own board, were concerned that we were taking on too much change and that it might be considered reckless to try to make the changes we did. But we did it."

By the time Dominion Nuclear Connecticut geared up to make their bid for the station, Millstone was achieving their stretch goals faster than scheduled. After the buy-out, Dominion saw Millstone's work with The Pacific Institute as a valuable component to the station's growth. Within 18 months, nearly 10,000 employees between Dominion and Northeast Utilities were offered *Imagine 21* training.

As a result of their culture shift, Millstone's management and production costs were dramatically reduced without sacrificing any of their staff. **Net earnings reached \$86 million for 2001, exceeding the organization's goal by more than \$50 million. According to Olivier, the accident rate – the primary reason behind the shutdown in 1996 – "was kept to two-thirds of the already ambitious goal."**

"Nobody can tell me we could have accomplished all that we did using just conventional management techniques," Olivier said. "We ended up making performance breakthroughs, and The Pacific Institute played a big role in making it happen."

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The Pacific Institute, Inc. is a Seattle-based education and consulting company, delivering solutions based on applied psychology and best business practices. Since 1971, the Institute has helped individuals and organizations manage change, achieve goals, and transform culture.



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