

SOME THOUGHTS ON THE ROAD AHEAD

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What Makes a Good Coordinator?

- Knowledge and Experience
 - Need to be known and respected at your site.
 - Need to stay on top of events, conditions and changes in the DOE complex.
 - Need to keep management apprised.
 - Need to have a cross cutting point of view.

What Makes a Good Coordinator? (cont'd)

- Credibility
 - Street sense.
 - Knowing what's important and what's less important.
 - Maintaining a depth of knowledge about enforcement rules and related requirements, such as ISMS and CAS.
 - Maintaining good professional working relationships with DOE counterparts.

What Makes a Good Coordinator? (cont'd)

- Trust- Difficult to gain, easy to lose.
 - Always keep management apprised of what's going on.
 - Remember you're in the business of finding solutions, not just finding problems.
 - Prepare management for Office of Enforcement inquiries and investigations.
 - Keep your local DOE site office apprised of developments. They can be your ally!

Why Are Good Quality and Safety Programs More Important Than Ever?

“What is different is the seriousness of the economic crisis facing the nation. So we know we need to find a way to have adequate national security and do it with less money.”

Robert Hale

Pentagon Comptroller

Business Week, 9/5/11

What Are The First Things Cut In A Financial Crisis?

- Training
- Travel
- Assessments
- Preventive Maintenance
- Other Elements Of Contractor Assurance Systems.

What Are Some Great Companies With Great Quality and Safety Records?

- DuPont Corporation
- Intel
- Exxon Mobil
- Exelon

What Do They Have In Common

- They are highly profitable.
- They are highly proactive in their health, safety and quality programs. They don't cut programs during difficult economic times.
- They have high rates of return on invested capital.
- They perform better in the marketplace.

Examples

- DuPont Corporation- 2010 rate of return: 17.1%; 2010 return on equity: 32.7%
- Intel- 2010 rate of return: 22.8%; 2010 return on equity: 23.7%
- Exxon Mobil- 2010 rate of return: 19.3%; 2010 return on equity: 20.7 %
- Exelon- 2010 rate of return: 18.8%; 2010 return on equity: 18.9%

Source: Value Line Investment Survey

Examples of Programs With Mediocre Safety Records

- British Petroleum- 2010 rate of return: net loss; 2010 return on equity: net loss; 2009 rate of return: 11.4%; 2009 return on equity: 13.7%
- Pacific Gas and Electric- 2010 rate of return: 9.6%; 2010 return on equity: 9.7%

Source: Value Line Investment Survey

Successful Contractor Assurance Systems Make a Difference

- Data shows companies in the top 10% of employee engagement boosted earnings at nearly four times the rate of companies with lower scores.
- This includes effective training, effective worker feedback programs and effective lessons learned programs.

Source: Passionate People = A Profitable Company, by Ann Rhoades; Fortune Magazine; September 5, 2011

How Important Are Regulatory Coordinators?

- You are a corporate early warning system.
- You view an organization from 10,000 feet-across stovepipes.
- You can provide sound guidance on where to invest scarce resources in health and safety programs.
- Your credibility and diplomatic skills can help manage client relationships.

How Important Are Regulatory Coordinators?

- You aren't paper pushers. You are problem solvers.
- You can help management understand the difference between an investment and a cost.
- You can help management get to the bottom of things.
- NTS reporting is important, but it's not the most important part of your job.

The DOE Vision

“It is worth considering the benefits of a deliberate, systematic approach for managing our operations so that we may consistently deliver results in the most efficient way possible.”

Secretary Chu, 10/3/11

A Proposed Response To That Vision

- An Adaptable Contractor Assurance System
 - Relies on existing CAS infrastructure
 - Focuses on strategic planning and organizational risks
 - Emphasizes more top down assessment and issues management decisions tied to strategies and risk
 - Conserves resources by producing fewer reports but more actionable items

Adaptable Contractor Assurance Systems

- Provides cost effective value by focusing on:
 - Relative significance of risk
 - Relative effectiveness of risk management measures
 - Stakeholder expectations
 - Project lifecycle and duration
 - Implementation cost
 - Highly project specific

The Path Forward

- Leverage existing CAS processes
- Reengineer those processes to proactively make a difference
- Focus on specific user of information and their decision making needs
- Identify critical performance drivers and risks
- Work with people who understand corporate strategic priorities and corporate risk
- Demand results

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Questions or Comments?

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