



WEPCO CASE (B) *(ABSTRACT)*

RESPONSE TO A.T. KEARNEY REPORT

For more than a decade, WRI's Sustainable Enterprise Program (SEP) has harnessed the power of business to create profitable solutions to environment and development challenges. BELL, a project of SEP, is focused on working with managers and academics to make companies more competitive by approaching social and environmental challenges as unmet market needs that provide business growth opportunities through entrepreneurship, innovation, and organizational change.

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Ted Blocker and Bruce Rosen met with Chairman McAlister and President Austin to discuss the consultant's findings a few days later. Chairman McAlister and President Austin were not particularly surprised by the findings and were very supportive of the recommended Action Plan that Ted brought to them. The recommendations fell into five categories: (1) Environmental Department, (2) Risk Management, (3) Performance measurement and reporting, (4) Committees, and (5) Planning.

Environmental Department

An overall goal was to strengthen the Environmental Department's leadership role. Two objectives included: (1) increased emphasis on environmental stewardship, issue management and regulatory-legislative matters, and (2) increased planning and operations coordination to improve Environmental Department responsiveness to new business realities.

To accomplish these objectives, five new positions were authorized for the Environmental Department (see Exhibit 1 for new Department organizational chart.) A new management position, Manager of Environmental Affairs, was added. Its responsibilities included issues management, legislative and regulatory relations, and environmental stewardship functions. This individual would serve as Chair of the Environmental Working Group. The previous "Manager of Environmental Affairs" became Manager of Environmental Operations, with more day-to-day operations interface, and focused responsibility on environmental compliance, permitting and licensing, auditing and a new risk management program. Two positions were added to the Department for the risk management program. One position was added for water quality and solid waste responsibilities and finally, there was one additional clerical

position.

Along with these positions, a renewed commitment was made to involve top Environmental Department managers in day-to-day operations decisions. The goal was to improve the communications links between the Environmental and key operations departments.