

badenova

The accelerated transformation of an energy company



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The South Baden company group was faced with a generational change in the board of directors. This was accompanied by high expectations and a "breath of fresh air" for all 1550 employees regarding orientation, organisation, and new working methods. This article examines how badenova achieved this despite the Covid and energy crises.

On a November evening in 2021, the two new members of the board of directors of the badenova group met for the first time in the car park of the city hall of Freiburg. They immediately laughed and spoke to each other in a friendly manner. It was not clear at the time that these two board members would be leading the entire group of companies as a dual leadership only four months later. After a few weeks, it was clear: in spring 2022, the existing board members would leave the company, and the two new board members would lead the entire group of companies through the transformation as dual leadership. And this transformation had its challenges because badenova's challenge is also THE challenge of its industry - the energy transition - the 1.5-degree target.

Company profile

badenova, headquartered in Freiburg in Breisgau, is one of Germany's most innovative energy suppliers with around 1550 employees. The largest shareholders include Thüga and the city of Freiburg, along with over 95 other municipalities.

The energy transition the 1.5-degree target

"The energy and global warming turnaround means a major transformation task for our entire industry - and thus also for badenova - which Covid and the Ukraine crisis once again intensify,"

recalls Heinz-Werner Hölscher. He is one of the two new members of the Board of Directors, who stands for sustainable and innovative provision of public services. It quickly became apparent that a structured, well-orchestrated approach was needed. An approach that staff and managers would quickly adopt, feel confident about and enthusiastically support.

"Transformations are made by people for people. Mastering the triad from vision to strategy to OKRs - from vision to real results. This required experts and a reliable transformation method. FocusFirst combines both," emphasises CEO Hans-Martin Hellebrand, who has already successfully transformed the energy supplier eprimo in a very short time based on his experience in Silicon Valley. For the transformation of the badenova group, including all its companies, the board of directors chose the PEAK method of the Frankfurt-based management boutique consultancy FocusFirst.



- Hans-Martin Hellebrand, Member of the Board badenova AG & Co.KG

Hellebrand has two decades of extensive international management and board experience in the energy industry. As a board member of "badenova AG & Co. KG", he focuses on the company's digitalisation and innovation topics and is responsible for sales, finance functions, corporate development, various staff units and human resources management. As an international manager, Hellebrand has strong expertise in rapidly aligning and scaling companies, such as founding and scaling digital companies like rEVUlution, as well as transforming traditional companies into agile organisations and growing them based on strategically realigned business models. Which he was able to put to the test not least in Silicon Valley for RWE and was awarded CIO Manager of the Year.

a reliable transformation method. FocusFirst combines both.



PEAK – At a glance

33% accelerated transformations, 15% higher engagement rates, 5 innovation awards

The PEAK method is an orchestrated approach to accelerate transformations,

This balance of clear structure in the process and a high degree of freedom in the content is crucial for successful transformation work. Especially at the beginning of the transformavague or unknown, the risk of getting lost or

What it's all about: Aligning a team around a shared, inspiring goal - the OneGoal.

p-Innovator

1. Perceive

Involve key stakeholders from the beginning

Critical analysis of the status quo of the organisation and change. This phase builds on insights from key stakeholders and identifies what is needed to create clarity and get people excited about and aligned with the transformation.

2. Envision

The one goal emerges, and the team stands behind it

In this phase, the goal is to create an 80% draft for the target picture the so-called "OneGoal". The entire management team is involved, and the transformation plan is drafted.

3. Architect

The structures for achieving the OneGoal are defined

The OneGoal is finalised, and structures for implementation are prepared. This includes forming a dedicated transformation team that drives the actions in the evolving transformation plan.

4. Kick-off

Aligning the organisation consistently with the new OneGoal

Now the task ahead is to bring all employees along to inspire them to follow. This involves well-orchestrated communication and building the systems to align the whole team with the OneGoal. Focus checks constantly calibrate the path.

Phase 1: Perceive

The supervisory board, board of directors and management team are involved.

In the first phase, the focus was identifying the key expectations and requirements of the most critical stakeholders and shareholders and incorporating them into the further transformation process. For this purpose, interviews with the supervisory board, shareholders, works council, and the management team of badenova took place right at the beginning of the year. The view from the outside and the involvement of the most important stakeholders is a core element of the PEAK method because the feedback and the early involvement of the most critical stakeholders right at the beginning is what makes the acceleration in the further course possible. The deep conviction that "many answers to the most urgent questions lie primarily outside the company" also applies there, as Hans-Martin Hellebrand, for example, adds.

As a neutral third party, the transformation experts from FocusFirst interviewed 45 people in 45-minute meetings within a few weeks. In addition to the general perception of the situation of badenova, the interviews also focused on the expectations for the future and the interviewees' wishes for the company as shareholders, mayors, employee representatives and managers.

The consolidated core topics from the numerous interviews formed the basis for the strategic and holistic orientation of further action in close exchange with the Executive Board team. For badenova, the focus was also on the direction towards a common goal or elaborating a further developed target image to remain successful as a group of companies in a constantly changing world.

Phase 2: Envision

The new vision is created, and the team is behind it.

Based on the collected interview feedback, the so-called "workpiece" of the new target image was developed in the second step. In a target image workshop with the badenova management team, the voices of the stakeholders were reflected, discussed and translated into drafts for the new target image. Very important in this process: a common and, above all, pragmatic understanding of the term "target image" so as not to get too lost in rather academic discussions about terms such as vision, mission and purpose and thus lose the momentum of the process. To unfold the full power of such a goal picture, it was also necessary to condense the range of all the actions of a complex organisation like the badenova Group into one inspiring sentence. Because regardless of whether someone is in direct contact with customers, works in a support function, drives innovations or takes care of the security of supply: the target image should ideally provide orientation and motivation for everyone.

In the further course of the process, internal change facilitators, employees and, above all, customers were also involved in designing the target image using other formats such as feedback groups, workshops and short surveys. In this way, almost 100 people were actively involved in shaping the new vision for badenova within a short time. The result: "We are shaping the energy and heating transformation for a future worth living. For the region with the region." In the end, this was the new OneGoal of badenova, replacing the previous vision "We are the best energy and environmental service provider in Baden-Württemberg". This sharpened focus was then also confirmed by the Supervisory Board, which was also involved at the beginning of the process. This step was essential to the two board members: standing together behind a common goal.



Heinz-Werner Hölscher Member of the Board Dadenov<u>a AG & Co.KG</u>

Phase 3: Architect

Everything rises and falls with the target picture, and now that this has been officially set, the finalisation of the transformation plan can begin. A central building block for this is good coordination, so it is usually advisable to set up a Transformation Management Office (TMO) - or in this case, an "Energy Transition Office". The TMO is an essential aspect within the PEAK method for accelerating such transformations and should, whenever possible, be led by internal employees. In the case of badenova, for example, three colleagues from the HR, Corporate Development and Communications departments were nominated. In this way, a transformation that seems abstract to many is given one or more official contact persons who continuously accompany the transformation in the background and coordinate and follow up on the most critical measures of the transformation plan.

Phase 4: Kick-Off

Consistently align the organisation with the new vision.

In the summer of 2022, Freiburg showed its sunny side. And the badenova team, including the new board duo, had a special event ahead of them: the badenova Zielbild Hock. A few weeks ago, the new target image was already "unveiled" in live streaming and with the parallel strategy process and the introduction of the OKR, already filled with initial content. Because the energy crisis & geopolitical situation were strong accelerators of the sharpened focus. But now, the entire company is coming together physically to exchange views on the new vision and to find out how the individual divisions are approaching it in the network. Appropriately, with storytelling around the region (e.g. Hock = a Baden gettogether).

In PEAK's transformation method, a great example of a "big day" where the transformation has its widely visible kick-off. The purpose: to bring the whole team together, to commit to the common goal and to motivate each other to get there. In practice, this is

GEMEINSAM weiter nach VOrne



The structures for achieving the target image are defined.

The contents of the transformation plan often contain several work packages and measures. Typically, however, these can be assigned to 5 categories, which in turn helps to reduce complexity and provide orientation:

- 1) People and skills
- 2) Communication
- Mindset and congruent behaviour 3)
- 4) Strategic approach
- 5) Productivity

Depending on the organisation's status quo and the stakeholders' feedback, it is worth prioritising this wealth of topics. In the case of badenova, for example, the strategy and OKR process were vital from the very beginning to guickly move from vision to action in harmony with the target image.

also a highlight of the communication around the transformation, which has been worked towards a lot and from which much more can be derived. For example, badenova was able to further consolidate the target image's triad, strategies and OKRs and, following the event, also launched external communication around the target image for the external magnetic effect. In addition, the last phase of the PEAK method also means the translation into day-to-day business to build up the identified systems and transfer them into dayto-day activities - everything aligned with the new, shared target image. Therefore, it is also the phase in which external transformation experts withdraw from the project, and the organisations continue to develop towards the target image in an increasingly self-organised way. However, to ensure that this continues to happen in a goal-oriented way, it is worthwhile to include some "focus checks" along the way to determine whether the organisation is still on the right track and how to prioritise.

Closing

After a total of 12 months, badenova has shown why it is one of the most innovative municipal utilities in Germany: Within a very short time, a complete change of the board of directors after 20 years was carried out, and the transformation started towards a new, co-created vision including a strategy process and the introduction of OKR - during the Covid and Ukraine crisis. A good transformation begins with initiators who are passionate about it, a well-orchestrated transformation method and a team of experts. And now?

Going further, everything now starts from the target picture. The next step is to adjust the leadership model and align the talent strategy and many other points to shape the energy and heat transition together for and with the region for a future worth living. And all in the spirit of "the WE creates energy", as Hans-Martin and Heinz-Werner like to put it

Für eine lebenswerte Zukunft gestalten wir die Energieund Wärmewende.

Mit der Region, für die Region.



About FocusFirst

FocusFirst is a boutique consultancy for transformation and strategic change projects.

We are the specialised company in the industry that combines former top executives and an awardwinning methodology for accelerating transformation. This unique "double helix" of capabilities enables us to help our clients achieve results faster and reach challenging business goals. Executives work with us to develop and structure organisations and accelerate transformations. We work with leading Fortune 500 companies such as Merck, Novartis, E.ON and BASF, and established medium-sized companies.

This is us.

Our senior advisors & experts are located in 10 cities within 6 countries, spanning 3 continents. The team has planned, led, and supported international projects in over 30 countries.

We have won 5 awards for our innovation & excellence.

We are a family-owned business. Our freedom and objectivity are not restricted by anyone. We work with those who share our belief that leadership is the ultimate lever for positive change and value creation.

We are on a mission.

When René Esteban founded FocusFirst, he found that too many transformation projects take too long, waste money, and annoy stakeholders – and that there must be a way to accelerate business transformations, sustainably. This belief unites an international Focus-First team consisting of former top executives and subject matter experts. Today, we are honoured to serve senior leaders across many of their most critical leadership challenges.

All Senior Advisors were former executives and were responsible for international organisations.





René Esteban CEO, Founder, Senior Advisor

Melanie Esteban Art Director





Senior Advisor & Coach

Katherine Starks Senior Advisor & Coach



Cinny Little Senior Advisor

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Tobias Heeger

Darius M. Ghiai Senior Advisor & Coach



Susann Kunz Expert & Coach



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Anthea Heitkamp Senior Consultant



Anastasia Jakopanec Marketing & Operations



Susanne Ringen Expert



Ali Boujataoui Expert



Dr. Petra Kring-Kardoš Expert



David Jeans Senior Advisor



Thomas Mickeleit Senior Advisor



Carolin Adler Senior Advisor & Coach



Tim Shaw Expert



Amina Carter Expert



Dr. Matthias Finke Expert

... and many more Senior Advisors & Experts.

Selected references

We are honoured to work with senior leaders at:



- 1. Building and accelerating the growth of an e-commerce organisation
- 2. Bringing two teams together after post-merger
- 3. Holistic realignment of an energy company
- 4. Building an international marketing team focused on one goal
- 5. First 100 days of a new board
- 6. Realignment of the communications department
- 7. Introduction of global systems (SAP, website, CRM, etc.) worldwide
- 8. Key stakeholder management of the supervisory board & executive board
- 9. Strategic communication for global company transformation
- 10. Introduction of new corporate culture





We would be honoured to help.

and focused.

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