

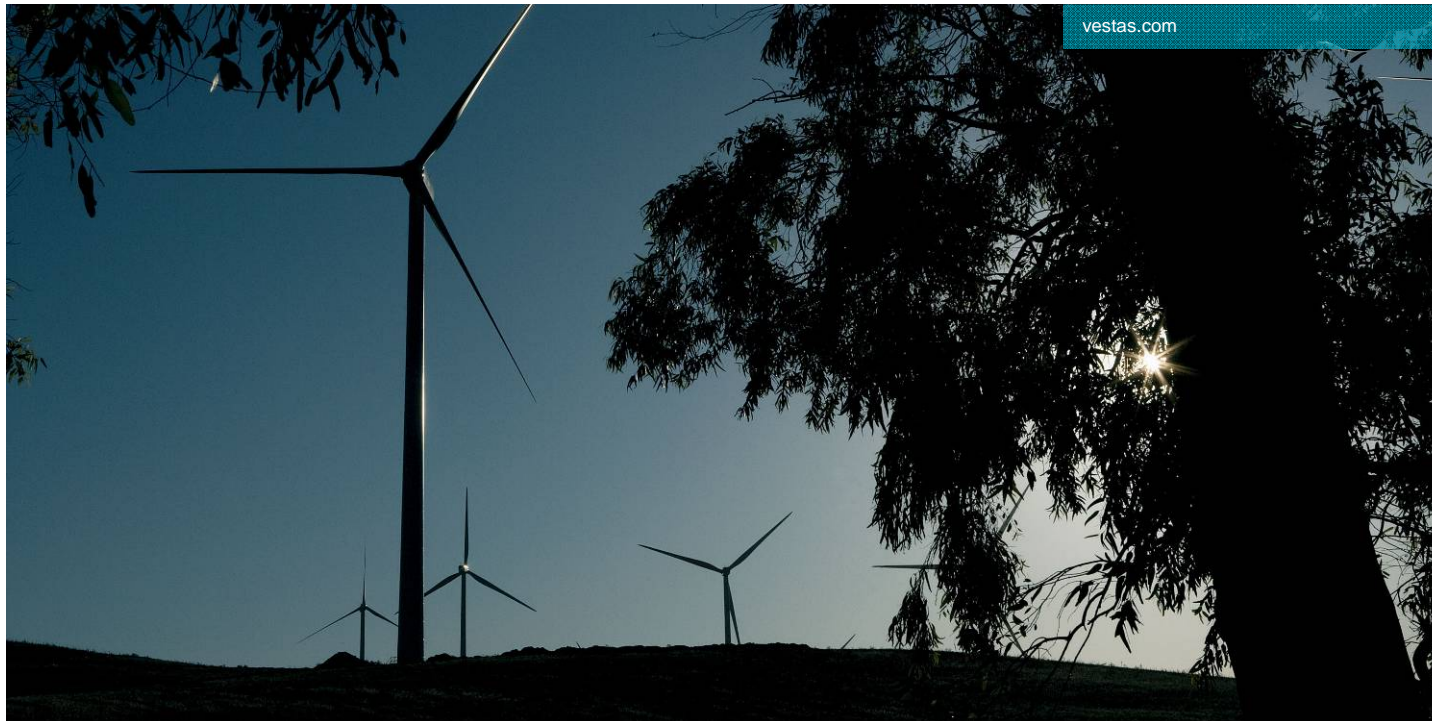
No. 1 in Modern Energy



# Breaking down silos in Vestas

WorkingLab, 22.04.09

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**Vestas**<sup>®</sup>

# Agenda

- Intro about Vestas
  
- Yesterday
  - MustWinBattles - prioritized projects
  - Organizing the Battles
  - Learning from the Battles
  
- Today
  - Vestas Excellence
  - Alignment Office
  
- Tomorrow
  - Future growth, silos and organisation

# Global outlook. Local presence

Vestas Nacelles A/S

Vestas Blades A/S

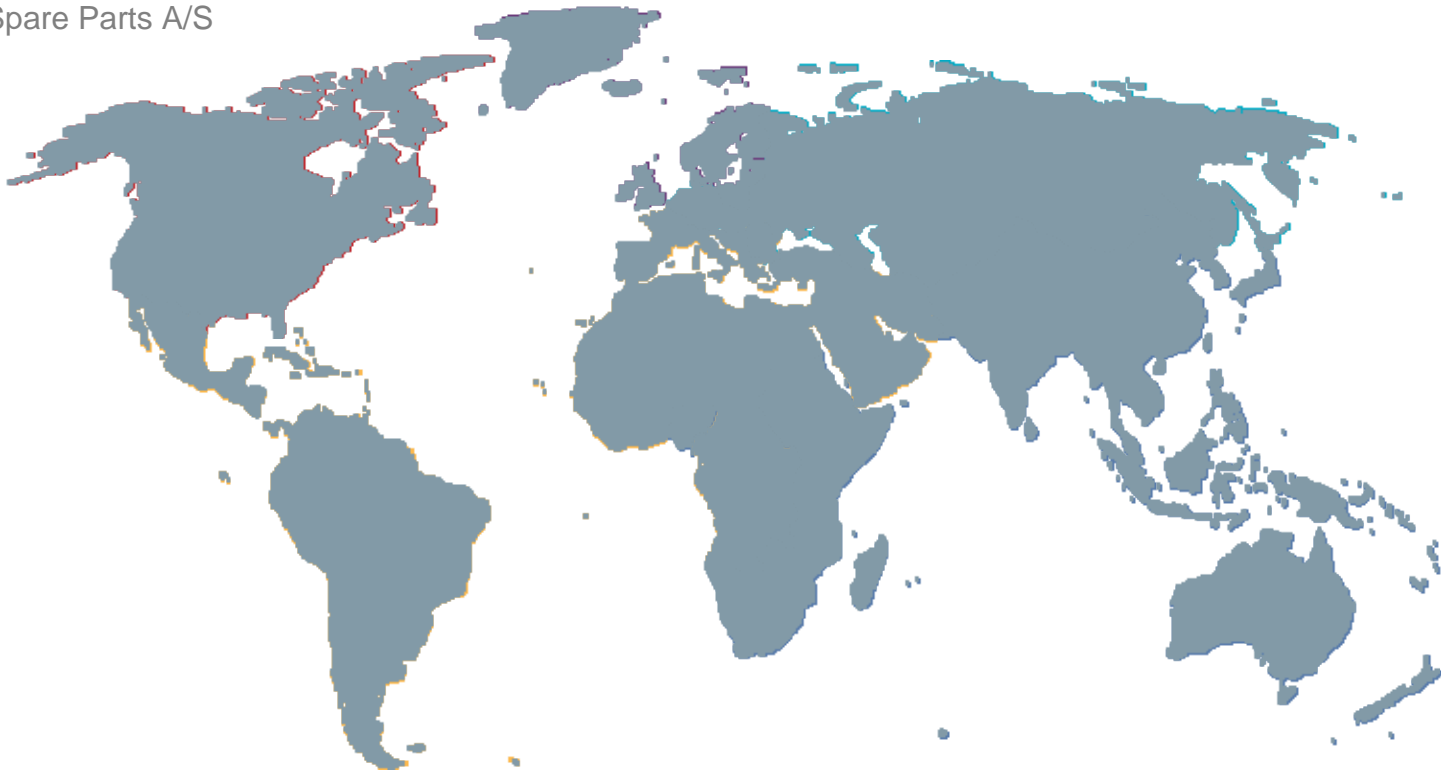
Vestas Spare Parts A/S

Vestas Towers A/S

Vestas Control Systems A/S

Vestas People & Culture

Vestas Technology R&D

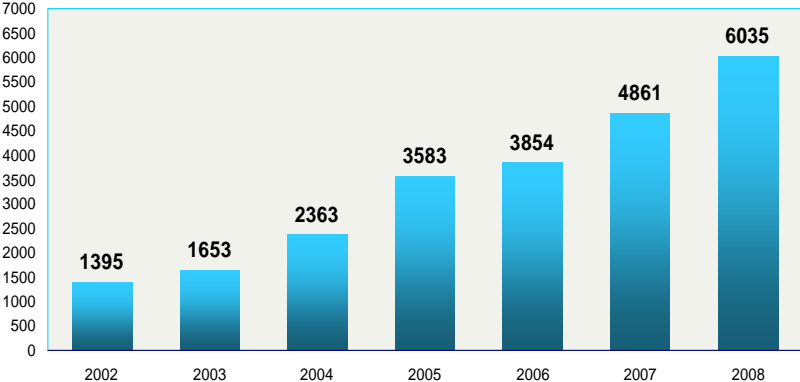


- Vestas Americas
- Vestas Northern Europe
- Vestas Mediterranean
- Vestas Central Europe
- Vestas Asia Pacific
- Vestas Offshore

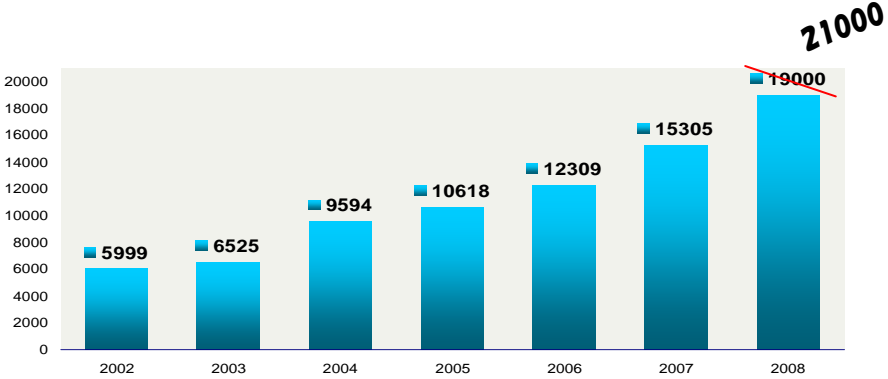


# Growing revenue & Ramping up our human resources

REVENUE, MILLION EURO



EMPLOYEES



## Yesterday

### MustWinBattles – prioritized projects

The Message: *Must-Win-Battles have priority over all other improvement projects*

- Cross-BU projects that are not Must-Win-Battles should be stopped
- No new large cross-BU projects can be started without agreement from top management
- Encourage BU's to review own project portfolio
- Local BU projects can continue IF the President agrees that the potential is big enough

In order to 1)Release resources. 2)Secure focus

# Organisation around Battles

## Portfolio Management & Battle Support

### *Portfolio Managements primary responsibilities were to:*

- Ensure close alignment of Battle activities with Must-Win-Battles' strategic goals and success criteria
- Proactively ensure clear alignment across the Strategic Portfolio focussing on inter-linkage/interfaces between relevant Battles
- Develop a reporting structure supporting transparency and avoiding scope creep among Battles
- Manage the Portfolio, and proactively ensure Executive Management and
- Government involvement and action taking on deviations and uncertainties

### *Battle Supports primary responsibilities were to:*

- Work in close relationship with the Battle organisation.
- Be the "Business Consultant" and support with relevant services
- Continuously assess the Battles' probability for success and intervene/improve when necessary
- Offer structured methods, procedures, processes and tools within communication, change management and project management disciplines together
- Give general assistance as needed for the Battle Managers to fulfil their tasks.

# Learnings from Must-Win-Battles

## Why did previous improvement projects fail in execution?

### Some reasons:

- Unclear timeline
- Moveable targets
- No transparency
- Overlapping
- Not the right skills
- Lack of focus
- Lack of planned communication

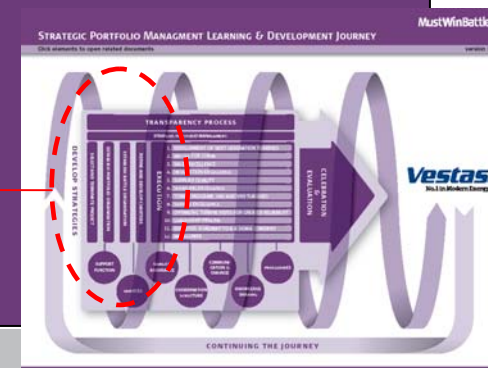
## What was the most important learning?

### Communication and awareness was critical to success:

- Detailed communication plans should be developed
- Everyone MUST understand the importance, impact and need for change
- We all need to focus and make the most of our resources and competences in order to meet the targets we set for the future

## How did Vestas capture knowledge after the Battles?

1. Select and determine projects - criteria
2. Establish Portfolio organization - responsibility
3. Establish Battle organization - roles
4. Refine and develop charters - expectations
5. Execution – strategy, knowledge sharing, communication

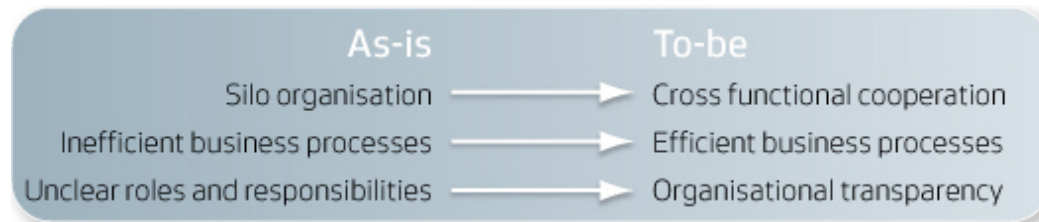


# What is Vestas Excellence?

Vestas Excellence is a new, permanent function working to improve and align structures and processes in Vestas.



# Why and How



The Alignment Office will support management in the establishment and running of Vestas Excellence.

Specific tasks of the Alignment office include:

- Start up and sparring for new Excellence Centres
- Establishment of a reporting and Governance structure for the Excellence Centre
- Facilitation of Knowledge Sharing and coordination of activities across Centres

## Tomorrow Prepare for future growth

Organizational structures covers some of the challenges, but not all...

- Breaking down cultural barriers
- Ensure trust across business units
- Organizational innovation and development

