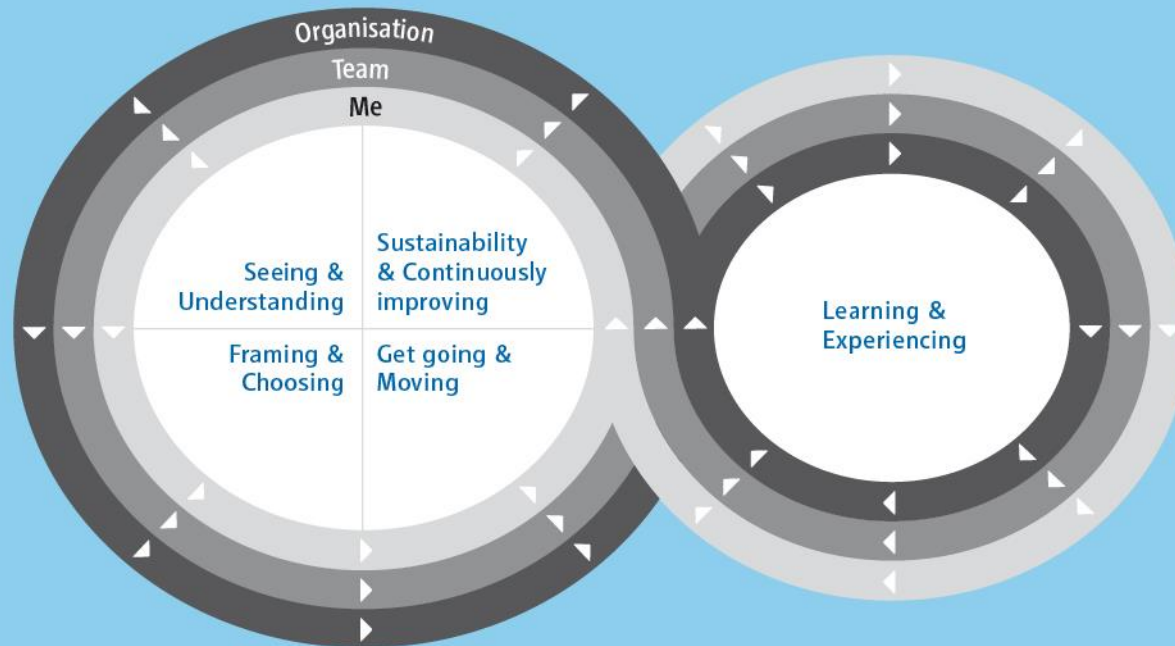


RWE CHANGE FRAMEWORK

Pathway for Navigating Change

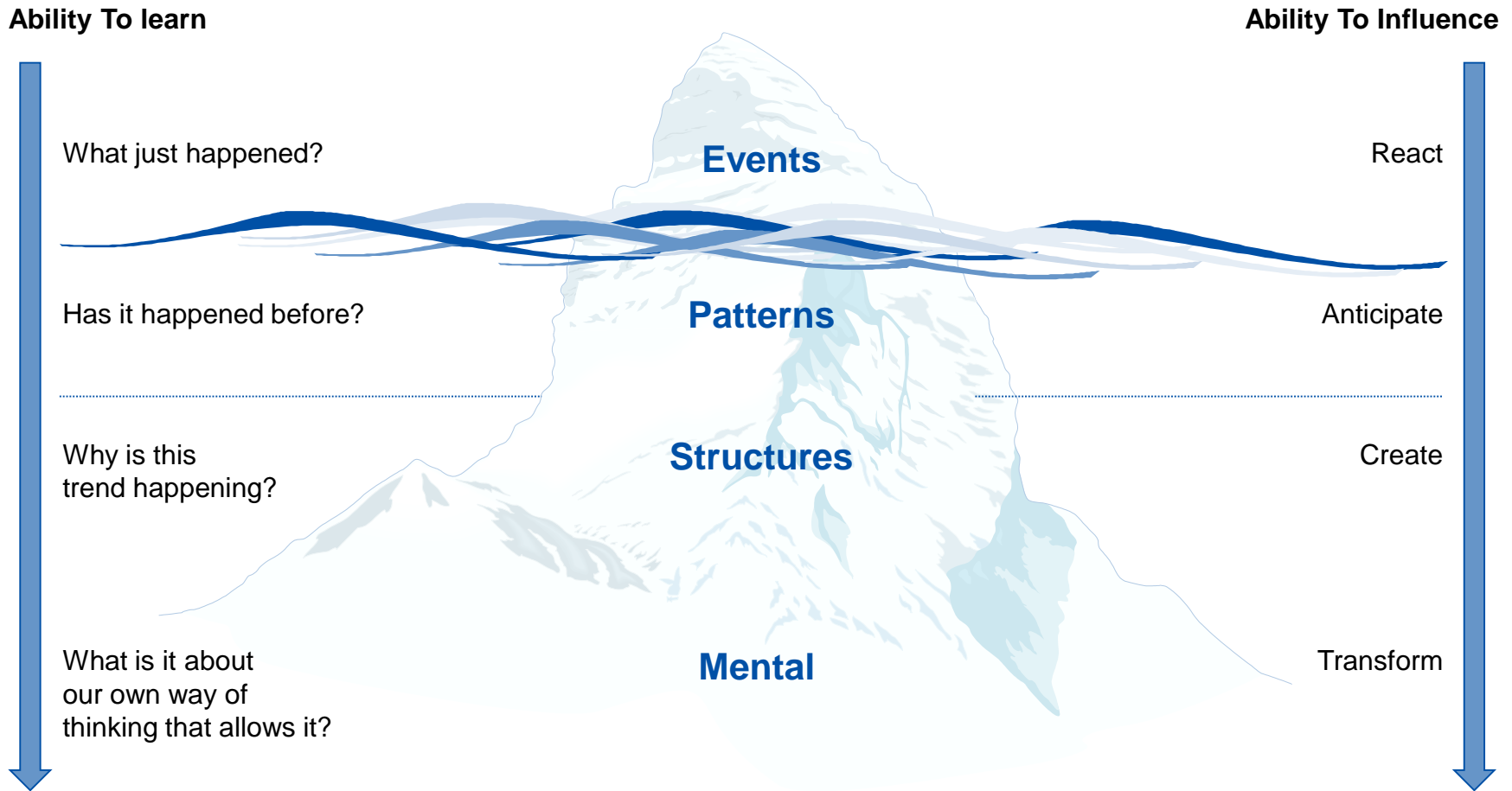


Business environment

Winter 2012 – Seeing and understanding

A Systems Approach to Change – What is going on?

Understanding the Current Reality – Seeing Deeply

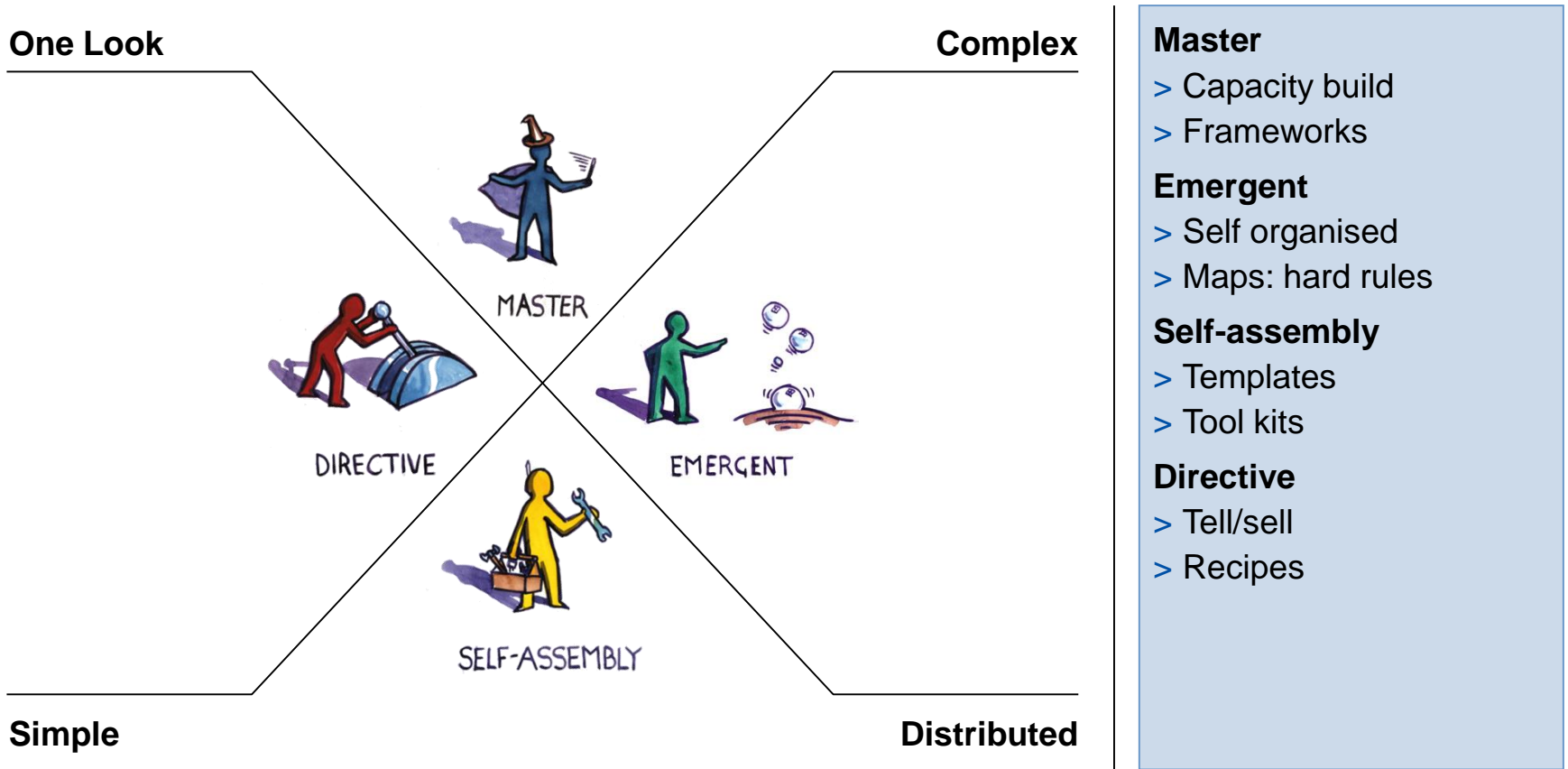


Summer 2013: Framing & Choosing **Change Principles chosen**

- > Change is the disturbance of repeating patterns - Breaking dogma's
- > Change is for a goal, it is inseparable from work (WHAT and HOW)
- > The only thing you can change is what is happening right now
- > Change starts with Self - Showing Courage and Getting out of the comfort zone
- > Work with, not on an organisation... people support what they create (“masterful change”)
- > Change approach has to mirror the future (“parallel process”)

How you "approach" change will determine where you end up

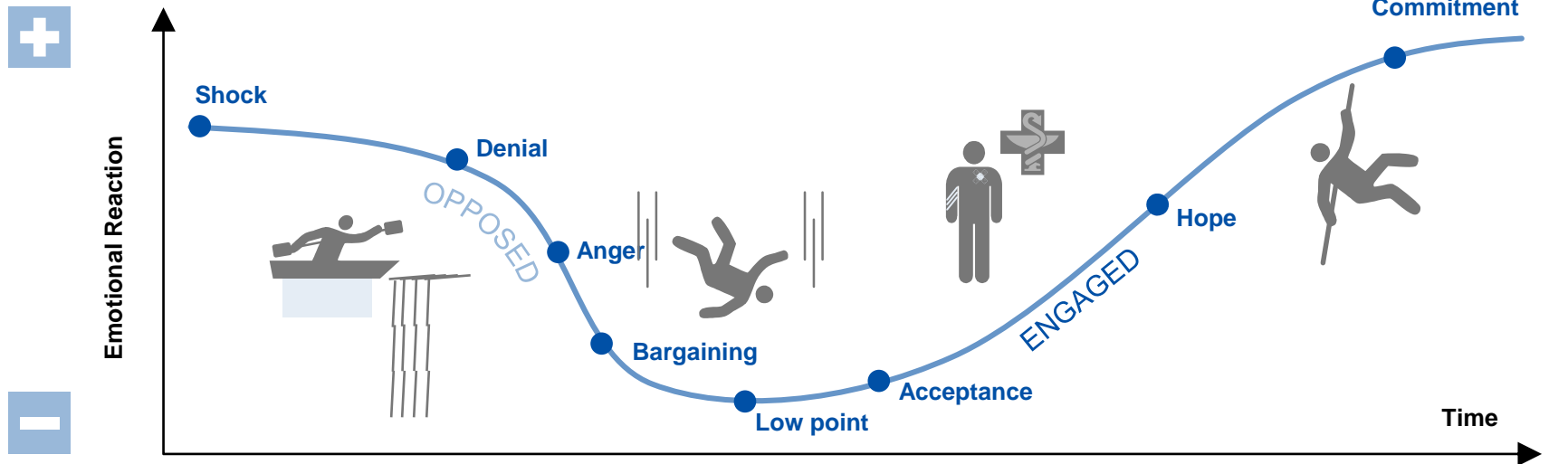
There is a relationship between the success of complex change and the change approach



Winter 2013 / Spring 2014: Get going and moving

Change gives an emotional reaction to everyone, each employee goes through the "Personal Change Curve"

Personal Change Curve and reactions



Phase	Shock	Denial	Anger	Bargaining	Low point	Acceptance	Hope/Commitment
Reaction	<ul style="list-style-type: none"> > Feelings of numbness > Recuperate gradually 	<ul style="list-style-type: none"> > This isn't happening to me > Seek disconfirming data; fear of confirming data > Cut off from feelings > Escape into fantasies about the future 	<ul style="list-style-type: none"> > Ok, it is happening > Why me? > Envy and resentment > Everyone seen as more fortunate is target 	<ul style="list-style-type: none"> > Feelings of guilt > If I change this one thing, or make this one promise, can I be spared? 	<ul style="list-style-type: none"> > Emotionally low, reacting to change in role and loss of meaning > Anticipating loss of valued relationships 	<ul style="list-style-type: none"> > No more strong feelings expressed > Ready to change - or "check out" > "Check out" coincides with a loss of hope, though not in despair 	<ul style="list-style-type: none"> > Learning to adapt to a new reality > Creativity level rises > Perception of opportunities > New potential for performance

Source: Elisabeth Kubler-Ross

Winter 2013 / Spring 2014: Get going and moving

Manage human dynamics in change: SCARF model

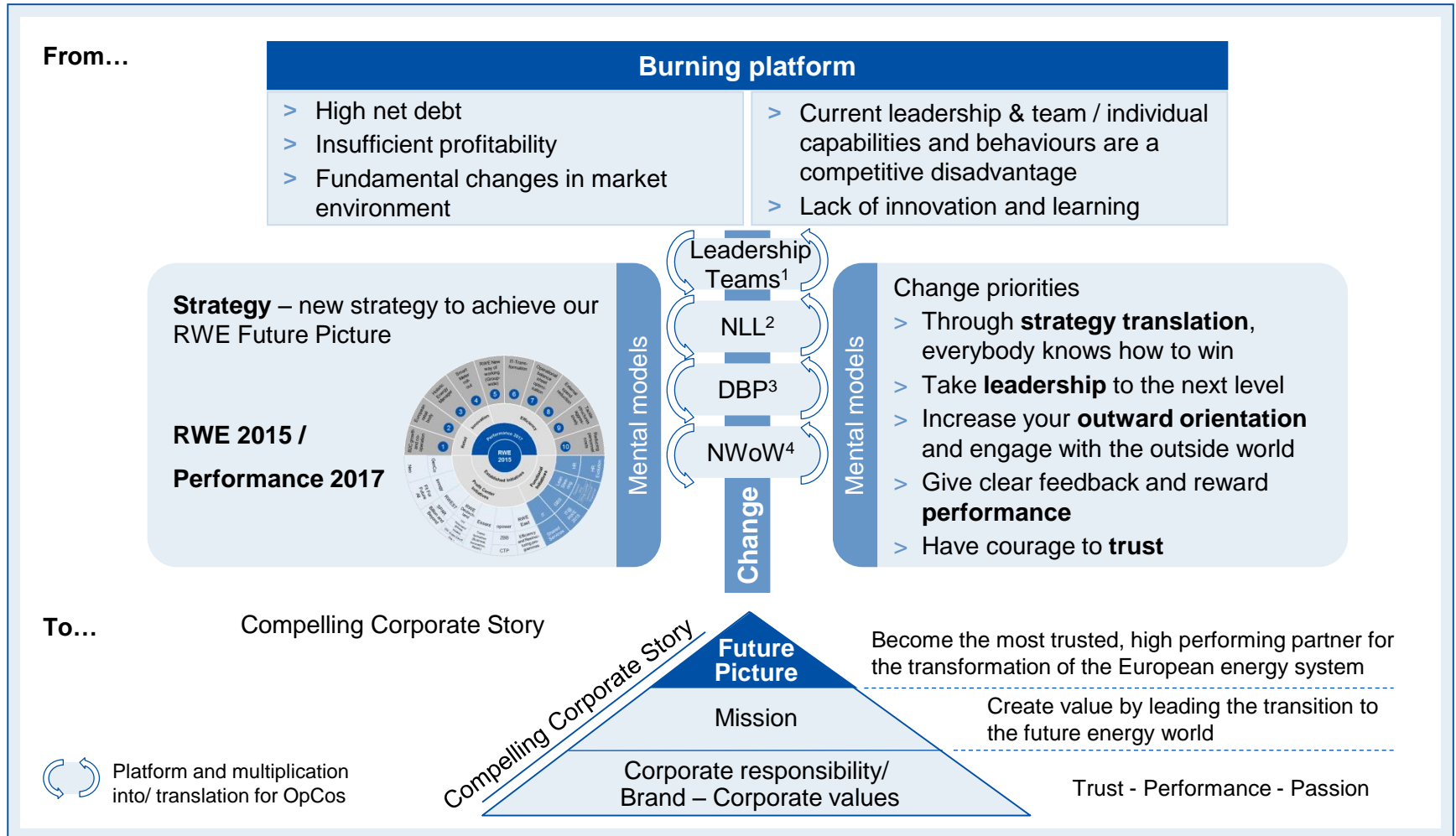
The SCARF model captures the common factors that can activate a reward or threat response in social situations. In general people want to minimize their threats and maximize reward. Applied to human dynamics in change SCARF gives the drivers of human behaviour and anxiety of people. Awareness of these drivers are important in managing human dynamics

	Description	Threats and Rewards and Examples of Measures
S tatus	The relative importance to others	Threat: advice, instruction, negative feedback, performance reviews Reward: promotion, attention to improvements a person made, positive feedback, value people
C ertainty	Ability to predict the future	Threat: change generates uncertainty: decreased by giving clarity on strategy, organisational structure, break a complex project in small steps, clear expectations, expected outcomes, provide people a certain date when more information will be available Reward: value people who increase certainty in times of change
A utonomy	Sense of control over events	Threat: change takes often autonomy away: decreased by creating awareness and pay attention, give people options Reward: empower people (even in small things), manage your own hours, work at home
R elatedness	Sense of safety with others	Threat: a person may feel "out" of a group: decrease by sharing personal aspects, social networking, encourage social networking Reward: involvement. People support what they create, fairness is perception hence work on the perception
F airness	Perception of fair exchange between people	Threat: sense of unfairness can be triggered easily (the manager using a different set of rules, conflicting messages, etc). Need to increase transparency, communication, clear expectations, ground rules Reward: set up buddy system, mentoring, coaching, action learning groups

Source: David Rock Neuroleadership Institute

Winter 2013 / Spring 2014: Get going and moving

Summary – WHAT and HOW being addressed simultaneously



¹ Leadership Teams = GLT = Group Leadership Team; GEM = Group Executive Meeting; Top 300/Top1400 = Leaders of the Group | ² NLL = Next Level Leadership | ³ DBP = Delivering Breakthrough Performance | ⁴ NWoW = New Way of Working

Backup

RWE Management Agenda: Forging The Future



Reshape the current business

Establish the case for change

Dismantle no longer needed assets

Take out unnecessary layers and costs

Move to an integrated European functional structure and establish functional teams across Europe

Create a winning team of the top 40 leaders

Build change skills among the top 1400 leaders, roll-out “new way of working” to all employees

Create new future opportunities

Create the compelling future picture story: Capture opportunities arising from combination of decentral and central energy supply

Establish a group-wide Innovation platform with incubator

Work with external partners to co-fund new revenue streams

Leverage the “new DNA” of the group: Train top 180 on how to “lead from the future”

Build a modern dynamic culture

Let go

Internal focus, entitlement, “we know best”

Continue

Professionalism & mission to serve society, innovation

Create

Empowered, informal, open, accountable, diverse, “we work together to solve things”, restore optimism and pride