
view from the top



Tom Voss, chairman, president and CEO of Ameren, discusses leading a culture transformation at the St. Louis-based utility to restore it to top performance and winning in four critical categories.

The culture work led to creating an inspiring purpose, 'to power the quality of life', and has been a big factor in helping Ameren achieve goals of top-tier performance in safety, total return on shareholder value, customer satisfaction, employee engagement and operational excellence.



senn delaney
the culture-shaping firm

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St. Louis-based Ameren, a generation, transmission and distribution utility providing energy services to approximately 2.4 million electric customers and 900,000 natural gas customers in Illinois and Missouri, has undergone a significant culture transformation in recent years. Chief Executive Officer Tom Voss worked to restore the company to winning, high performance.

Tom Voss, who will retire from Ameren and its board of directors in July 2014, discusses the culture transformation called “Project Unfreeze” in a new view from the top interview with Nick Neuhausel, a partner at Senn Delaney who leads the energy practice.

Voss engaged culture-shaping firm Senn Delaney, a Heidrick & Struggles company, to guide the culture-shaping program to enable short and long-term business

strategies as it navigated an increasingly dynamic business environment, rapidly advancing technologies, fluctuating market forces, increased regulatory mandates and evolving customer expectations. In addition, Ameren was facing some very significant challenges that had put the utility in a vulnerable financial position making it difficult to meet the expectations of its constituencies.

“Every company has a culture, and it’s established over a long period of time, and if you don’t try and shape it it’ll just tend to get worse. We had some serious gaps in our culture and we really needed to fix them,” says Voss. “If you look at the way our culture is today, it’s significantly different than it was six or seven years ago.”

Voss and his executive leadership team had four clear goals for Ameren that he felt would be achievable through creation of a winning culture to enable them.

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According to Voss, the culture change initiative has been a success and helped in several ways.

“Ameren is now performing at a very high level, within the top quartile of our industry and certainly within the top half in shareholder return. We actually passed that. We were always in the bottom half. So, it’s been a real turnaround financially. In fact, our financial performance is probably the best it’s ever been compared to our peers, probably at least in the last 20 years,” says Voss. “Our nuclear plant performed extremely well. It’s one of the best in the country. Our reliability was an all-time best last year. So, almost all aspects of the company now are performing at a very high level.”

The following is an edited transcript of a video conversation about the culture-shaping journey with Nick Neuhausel, Senn Delaney partner, EVP and energy practice leader, and Ameren CEO Tom Voss.

Nick Neuhausel: I’d like introduce Tom Voss, who is the chairman, president and CEO of Ameren. He has inspired me by his leadership over the years, and we have an opportunity to hear from Tom today about culture and about Ameren and about some of the great things that they’ve done over the years.

Tom, let’s start with describing Ameren and what it is as a company.

Tom Voss: Well, Ameren was formed in 1998 from a merger of Union Electric Company, which had then served primar-

ily Missouri, and Central Illinois Public Service Company, which served Illinois. Since that time, Ameren has been able to acquire Illinois Power and Central Illinois Light Company, and now serves 1.2 million customers in Missouri and Illinois, and serves an additional 900,000 gas customers in Illinois and about 100,000 gas customers in Missouri.

We're a very traditional rate-regulated utility in Missouri, where we have generation, transmission and distribution. In Illinois, we're a delivery-only company, and then we also have a transmission business that serves the Midwest.

Nick Neuhausel: Obviously Ameren does not live in a vacuum. There have been numerous and significant changes in the utility business. Tell us about the changes that have occurred over the last number of years, and what you are doing to address some of those changes.

Tom Voss: The most significant change to affect us was a deregulation in Illinois, and the movement of the power plants that were a part of Ameren into an unregulated part of the company.

But there have also been plenty of other things to deal with, the rising customer expectations on delivery service. They just want it there; electricity service there all the time and really won't tolerate very many outages. We're also having more and more government regulation, espe-

cially in the area of environmental regulations on our coal plants.

Nick Neuhausel: One of the things that I know you've done a lot of work on is the area of culture. Can you describe the culture at Ameren prior to embarking on this effort, and what the culture has grown to over the last number of years?

Addressing culture problems, including lack of alignment, coaching and accountability

Tom Voss: Every company has a culture and, over time, Ameren's was headed in the wrong direction. We had some serious problems. We weren't aligned. Our senior group wasn't aligned with each other. We were texting and e-mailing during meetings. We weren't paying attention all the time to what was being done. A lot of times business wasn't conducted during meetings. It was done in the hallways and after the meetings.

We weren't coaching each other. We weren't aligned with each other. We weren't taking accountability. Also, we had a series of severe setbacks back in 2007, and we were blaming everybody else but ourselves.

But since we started working on our culture, and it is something that is important to work on, we've managed to turn that around. If you look at the way our culture is today, it's significantly different than it

was six or seven years ago. We're now a team that's really aligned with one purpose, and we really took care of all those little issues that were causing us to not function at a very high level.

Nick Neuhausel: Is it important to start shaping the culture at the top?

Tom Voss: One of the concepts of the Senn Delaney training is the Shadow of the Leader. It's particularly important in this area because otherwise the employees just will say, "Is this just the flavor of the day? Can we wait him out and it will change and go away?"

But if they know it's something that I'm personally very much interested in, that I'm spending time on, then they know it's important and they'll start paying attention to it. It can't succeed unless the senior people are totally behind it and show to the rest of the workforce that they're totally behind it.

Nick Neuhausel: That's an interesting point because one of the things I've noticed about you over the years is that you show up. Now that was even before you became CEO and certainly since you've become CEO.

You are out with the workforce. You are out talking to people. You are out demonstrating the kind of culture you would like to have in the organization. Why did you do those kinds of things, and why is that important?

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Tom Voss: I recognized with some help from Senn Delaney that we had some serious gaps in our culture and we really needed to fix them. I was determined that I was going to do everything I could do to make sure that we got on the right track. If that meant going to training sessions with new culture-shaping facilitators or going to somebody else’s training sessions other than in my own areas of responsibility, that’s what I did because I knew this was something really important for Ameren, and that Ameren could never be a top company until we fixed this problem.

The importance of creating an inspiring purpose

Nick Neuhausel: Tom, one of the things that we’ve talked a lot with organizations about, particularly in the last few years, is having a sense of purpose. Why does the organization exist? So a purpose is typically inspiring. Would you describe Ameren’s purpose and why that is so important to you?

Tom Voss: Ameren’s purpose, which we worked on last year, is to power the quality of life.

We had a mission statement before our purpose statement that really wasn’t very inspiring to our employees. We felt that if we could convince them that what they’re doing is really important and is really making a difference in

the community, we could raise the performance of the whole organization.

We worked on this new purpose, this why, and it was, again, to power the quality of life so that – you know, everything that happens we say, “Ameren doesn’t do brain surgery, but it couldn’t happen if we weren’t there.”

So, we tell people we are providing the why of letting things happen in our area and our community, and our employees play such an important part of that.

Nick Neuhausel: That’s a great point. Think about that a moment. We don’t perform brain surgery, but if we didn’t provide the means it wouldn’t be performed. So you have a sense of purpose, the why behind it. Talk about how you win as an organization, because I know that’s something important to you.

Tom Voss: This will to win came about after I was reading a book that Tony La Russa wrote after the Cardinals won the 2011 World Series. Somebody asked him what it took for that team to win, and he said it took four things; it took talent, character, toughness, and a will to win.

I was sitting there thinking about Ameren and what does it take for Ameren to win, and do we have those qualities? I thought, well, at the time we certainly had the talent. We had the character and we had the toughness. We’ve demon-

strated that many times. But I wasn’t sure we had the will to win. So, I came back and said this to my organization: “You guys have these three qualities, but I don’t think we have the will to win.”

It ties in very closely with one of our values, which is a commitment to excellence, and that we tend to just settle for good enough when we get to a certain level of performance and we can’t do that. We really have to show that will to win, that willingness to not settle for good enough, but strive for excellence.

Defining a will to win in four important categories

Nick Neuhausel: How have you defined winning as an organization?

Tom Voss: We defined winning in four categories. Certainly we wanted to have continuous improvement in safety. A winning team has to always be improving in safety. We want to have a top tier of customer satisfaction.

We want to have a top-tier performance in employee engagement, and we want to have a top-tier performance in total shareholder return.

Nick Neuhausel: How are you doing?

Tom Voss: Actually, we’re doing very well. Our top tier total shareholder return, for the first time in probably 20 years,

Ameren is now performing at a very high level, within the top quartile of our industry and certainly within the top half. We actually passed that. We were always before in the bottom half. So, it's been a real turnaround financially.

But also we had the best year operationally we've ever had. Our nuclear plant performed extremely well. It's one of the best in the country. Our reliability was an all-time best last year. So, almost all aspects of the company now are performing at a very high level.

As you know, every company has a culture, and it's established over a long period of time, and if you don't try and shape it it'll just tend to get worse. So, we turned it around. We consciously focused on these areas and decided to improve them.

We formed a One Ameren team. We had a new, inspiring purpose, and we really changed all those little bad habits so that we could all be aligned and accomplished our goals for our company, and we've had an extremely successful last couple of years. In fact, our financial performance is probably the best it's ever been compared to our peers, probably at least in the last 20 years.

But the other things are getting better, too. Our safety is better. We've been recognized for our diversity efforts in *Diversity* magazine, and our reliability is

the best we've ever given our customers. Our customer service is performing much better. Plants are operating like they never operated before. Our nuclear plant is probably now one of the very best in the country. It all came from this emphasis on culture; that we're going to fix those things about being victims, fixing the accountability thing. Stop blaming others and figure out that we really have the capability to do this.

Nick Neuhausel: What are some of the cultural milestones you've been able to achieve over time? How has it helped you to be able to accomplish the strategy that you've set out for the organization?

Tom Voss: I guess the first cultural area that I was really concerned about was the safety area of our company. Just a few years ago we were probably one of the very worst performers in the industry. We were having significant safety issues, life-changing events.

We worked on that one, and I can now say over the years we now are at least a top quartile performer, and are actually closing in on top decile performance in our industry in the area of safety. But it's not about trying to get some number. It's just about making sure everybody gets to go home the same way they came that day, and it's really the right thing to do.

The next area that really fascinated me, and I felt like our company really needed

some work on, was diversity; diversity of thought. We had to make sure that we embraced everybody's thoughts and everybody's feelings, and didn't dismiss anybody just because of some built-in prejudice, whether it was the color or the race, the religion or what work group they worked in before they're in their present job.

That led us to the situation we started in 2007, where we found ourselves misaligned and all those other things I mentioned earlier.

We knew we had to work on all three of those areas. We had to have our employees highly engaged, very comfortable that this was a good place to work, and we had to continually work safely.

Nick Neuhausel: So what did you call your culture-shaping effort?

Tom Voss: We called the project Unfreeze. We took that name because we wanted to change the way we had approached culture in the past; actually unfreeze the things that we were all doing wrong and start going towards doing them differently and doing them more proactively.

We totally embraced it. We actually administered the concepts to all of our employees. We started at the very top, went through our top management. We went through everybody.

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We went through all our union workers, down to all the clerks. Everybody in the company has received this Project Unfreeze training and it’s very much branded with Ameren.

We used Ameren special blue chips and all kinds of unique things to make it so that the employees truly felt that this was an Ameren initiative.

Nick Neuhausel: You referred to blue chips. What’s that about?

Tom Voss: The blue chip is one of the Senn Delaney principles about focusing on what’s really important. We’ve actually branded our blue chips as one of the things you do in the training session, and they’re now Ameren blue chips.

They’ve got Ameren’s values on them. I actually have a special one that I have with my name on the back saying, “Thanks.” I walk up to employees when I find them doing something really well and give them one of my personal blue chips, and it’s just like if you’d given them a raise or something. It’s just a tremendous response.

Nick Neuhausel: How has the culture work and the work that you have seen as important in the culture helped you in terms of the industry overall?

Tom Voss: The concept of Shadow of a Leader, which means really you do cast

a shadow and you can make a difference in an organization on how you act and how you present yourself... It works other places besides just at work. It works in the community, as you get involved in community activities and try to raise the image and the profile of your company in the community.

It also works in the industry. When I would go to industry meetings, particularly Edison Electric Institute, I started talking to people and I started taking on responsibilities, accountabilities, and I knew that when they saw me interacting that way with these culture-shaping principles that I would be recognized. Immediately, I got put on the executive committee and I play a part in how that organization functions and how it leads our industry.

Nick Neuhausel: Has this journey around the culture been fun? If it has been, what has occurred to cause it to be fun and not as formidable as some might think.

Tom Voss: If I could refer back in my career, I came up through operations. For me to have fun in our business was to put out a fire in a substation or to do something that – figure out a way for an explosion that happened somewhere to fix the electrical supply. When I got involved in this culture thing I wasn’t sure how I would personally react to it, but I think what I saw was that it had such a tremendous response from our employees when we started talk-

ing about these issues, whether it was employee engagement, diversity, safety or all the concepts to Be Here Now, Shadow of a Leader. They just really got it and you could just see them change almost right before your eyes.

I got that same kind of feedback that I used to get from operations. You did something that put people back in service. You got some satisfaction that you really accomplished something.

I got that when I worked with the culture part of this company, because when we do something I always got 10 times coming back to me. It was just a tremendous response.

Advice for CEOs on leading culture

Nick Neuhausel: What advice would you give CEOs about the issue of culture?

Tom Voss: If you’re a new CEO, I would think you’re probably going to be like me, where you come into it thinking you’re going to spend your time either in operational areas or financial areas and that’s going to be your focus. But you have to spend time in the cultural area. If you don’t, your company will go nowhere. I mean it’s an important thing to really pay attention to. I’ve actually said that to some new CEOs in the industry, “You’ll be surprised at how much time you’re going to have to spend on the cultural area,” but it’s a good thing.



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You get rewarded back. You get good, positive feedback, and then you get great alignment in your company and you can actually achieve things you never thought you could achieve before.

Nick Neuhausel: How has it been related to people being willing to speak up? One of the things we’ve noticed in cultures is that oftentimes some of the most dramatic and significant incidents that have occurred have been the result of people knowing something was wrong, but being unwilling or afraid to speak up.

Tom Voss: I’d say we had that issue. In fact, when we polled our employees we called it “Safe to say.” We had a very bad culture about being willing to say how you felt and what you knew, and we had to fix that.

That was one of our emphases; that it is safe to say, and we do have robust discussions now at all levels of the company. People throw out ideas and nobody feels like you’re going to get in trouble for saying how you feel, and I think that’s been one of the keys to making us better.

Nick Neuhausel: You have a key leadership team. Why is that team important to the ongoing work and effort at Ameren?

Tom Voss: I just don’t develop the strategy myself and throw it out there and say, “Well this is it.” We develop it as a group and as a team, and we’re very much

aligned on how we think Ameren should go in the future.

We’re all aligned around safety. We’re all aligned around diversity. We’re all aligned about safe to say, and we’re all aligned that we’re going to be a top performer financially.

Nick Neuhausel: What was the reaction of the board to your new strategy when you came in as an aligned team?

Tom Voss: It was just about a year ago when we kind of refreshed our strategy and took a day with our board, and really took a deep dive into things that are really important about our business.

It was during that time we had all grown as leaders and as a team, and it was really amazing to see how everybody interacted with the board. And the board felt very good about our strategy and the way we were working together, and about our future success.

Nick Neuhausel: What have you seen for yourself out of this process, and what has occurred for you in terms of your growth as a leader?

Tom Voss: I thought this was a good concept and I thought it would make Ameren better, but I think it’s also helped me personally to be a better person, be better engaged in the community, be better engaged in our industry.

The principles are terrific, and they’re not just to be applied at business, at work. They can be applied generally in life. I think it’s helped me. When you become a CEO, it’s a little bit intimidating. You really don’t know how you’re going to perform, but you know everybody is going to hold you accountable no matter what.

Embracing those concepts and seeing my team aligned and working together for one set of results and having a will to win, of succeeding and not just settling for good enough, but always going for excellence has been terrific and very rewarding.

Nick Neuhausel: Tell me about the legacy you would like to leave at Ameren.

Tom Voss: First of all, I want it to be a company where people work safely, where people don’t get hurt. I truly believe that there will be a day here and it won’t be very far off, where there will be no lost work-day accidents at Ameren, and there will be no unsafe acts committed. I truly believe that will happen, because we’re right on the right path for that to happen.

I think the other thing is I’d like to leave Ameren knowing that it’s in a good spot, that things are aligned. It’s not in trouble. We’re not blaming other people for our problems, and that we’re on a path for even greater success in the future.

about Senn Delaney

Senn Delaney is the culture-shaping firm of Heidrick & Struggles International, Inc., the premier provider of Executive Search, Culture Shaping and Leadership Consulting services worldwide.

Founded in 1978, Senn Delaney was the first firm in the world to focus exclusively on transforming cultures, essentially creating the corporate culture consulting industry. A singular mission of creating healthy, high-performance cultures has made us the leading international authority and successful practitioner of culture shaping that enhances the spirit and performance of organizations.

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