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“GROUP VALUE FORESIGHT“ - TREATING THE NUCLEAR INTEREST IN IVO GROUP COMMUNICATIONS

IVO Group
Corporate Communications
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Fortum is a new international energy group formed through the combination of the **IVO Group** and the **Neste Group**, two Finnish industrial groups with extensive operations in the energy sector in the Nordic countries and certain other countries throughout the world.

IVO Group uses almost all fuels to generate electricity: nuclear, hydro, gas, oil, coal, peat, biomass, municipal waste, wind and solar. The main capacity is generated by nuclear, coal and water but gas, particularly in cogeneration, has been expected to grow. The major challenge in communicating is to find a balanced way of dealing with this variety so that the messages will be open and objective and, at the same time, not harming unnecessarily any of the generation forms in business terms. Moreover, new business procedures are welcome.

- The majority of the communicating issues deal with either competition or environmental questions under the threat of bad publicity and more strict regulatory controls.
- The competition framework in the IVO's Nordic energy market is probably the most progressive in the world with lots of cross-border power trade and a fully operable real-time power exchange (Nordpool).
- IVO enters the market from its home-base in Finland with the richest variety of generation concepts and fuels as compared to any of its major competitors.
- Almost 80 % of IVO's capacity in Scandinavian countries, however, is composed of hydro and nuclear generation along with high-efficiency cogeneration (CHP) that are all beneficial even in terms of the most demanding climate change challenge.
- In general, the majority of energy-related emissions and harmful substances in Finland are received from sources outside the market area i.e. rest of the Europe.

New demands - new messages in the market

However, all forms of generation have been openly communicated in order to promote any new investment and secure the old installations. To fit these communications to IVO Group's strategy formulations and any foreseeable, alternative regulative environment, a process entitled “Group Value Foresight“ (EEV) was founded. This process gives crucial support in defining the core policies and messages of the Group.

- The traditional way of dealing with new regulatory pressures was quite reactive, slow and it was seldom innovative.
- The emerging, new demand and customer based market condition required new proactive ways of dealing with corporate communications.
- Especially the key corporate messages had to be rethought and formulated accordingly.

Futures anticipation encouraged

The process is today partly based on broad, multidisciplinary futures studies and scenario work executed earlier as a set of special R&D projects since the mid-eighties to support corporate strategy and to understand general change, technological opportunities, stakeholder expectations, public energy policy formulations and pertinent, new market regulation.

- IVO was fortunate enough to prepare for the coming upheaval of the market condition through accommodating lots of systematic scenario exercises early as a core of R&D and business planning. Futures thinking was strongly encouraged.
- Scenarios were also a widely celebrated form of foresight in Finland while the country and its public institutions were preparing for EC membership and sought new ways to overcome economic recession. This gave a lot of support for company-wise scenario exercises.

Group dynamics and networking

The outcome of the final, “structural scenarios“ and 1993 autumn experience of the Parliament rejecting the application of the fifth nuclear power plant coincided. These events resulted in establishing a working process consisting of several future-oriented executive working groups with a leading group related to the Corporate Board, all of them seeking to foresee new and existing businesses in relation to emerging public and regulatory pressures.

- After these „milestones“, the gap between scenario planning and business management still somewhat prevailing was treated with deeper concern by inviting the executives to become more involved in these anticipatory exercises.
- No formal structures e.g. departments were established but a set of loose ad hoc working groups started to scan weak signals and relate them to the earlier regulatory scenarios.

New richness of nuclear vocabulary

From the beginning, one of the working groups was responsible for defining the issues and sorting out the weak signals related to nuclear energy. In terms of corporate communications, special nuclear policies and messages have been worked out each year. For many reasons, the earlier nuclear policies and communication agendas have been unnecessarily strongly emphasising the nuclear option only.

- As a consequence, IVO has been gradually recognised as a broad-based power company operating much more else than the renowned -- and later renewed -- nuclear fleet at Loviisa.
- Internal speculations concerning nuclear lobbying and policy agendas were also somewhat more decentralised in the company with a resulting good motivations and better capacity to actually anticipate both stakeholder expectations and related fresh messages provided for the Board and key executives.
- Networking as a working method was welcome by the middle-management and among specialists, in particular.

- Broader preparedness to shape and formulate priority key messages concerning e.g. nuclear issues in changing conditions was established.
- As a final outcome, more sensitive and flexible communications can be guaranteed. Nuclear issues are no more emotional issues at least within the company. Consequently, rational expectations and communications in the open market begin to meet each other.

Today, the Group Value Foresight process, among others, has helped IVO to find the correct weighting of any nuclear issue and option in relation to other major forms of generation and related issues. The policies and messages have become more reasonable and more sensitive to changing situations in the market and in relation to public perception. There is less and less need for presenting the nuclear option in public with a quivering voice of offended authority.