

# Governing Energy

## Sustaining It!

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### Prologue

This is the third in a three-part series. These three editions of the blog have addressed critical issues the energy sector must address in the current market environment—how to develop organizational *Agility*, *Resilience* and *Sustainability*. At the conclusion of this series readers will have access to our online Economic Value Proposition Matrix® model to assess the impact Organizational Agility, Resilience and Sustainability (OARS) can have on their business.

### Part Three

It is challenging enough to create an agile and resilient organization much less sustaining that culture over the indefinite future. Management is constantly distracted by a number of critical issues such as economic recessions or Merger & Acquisition opportunities. It can be easy to slide back into old habits.

If the benefits attributed to the Agile (Bottom) Line and the Resilient (Bottom) Line are to be codified into the organization's Way of Doing Business or *OARS Culture*, **Leadership** must assure that this business model is followed regardless of local and/or temporary distractions. Of course, extreme events will require a rapid response but that is the nature of a resilient firm.

Dictionary.com defines *Sustainability* as, “the ability to be sustained, supported, upheld, or confirmed.”<sup>i</sup> This seemingly straightforward definition can be incredibly difficult to actually achieve.

**Energy, Energy, Energy!** In the March 17, 2014 edition of this Blog we discussed Sustainability.<sup>ii</sup> In that edition, we referred to the need to sustain energy in the physics *excitation* process.<sup>iii</sup>

Energy applied to an atom will cause electrons to “jump” to higher energy levels. As long as that energy is sustained, the electron remains at that level. Taking away energy returns the atom to its status quo.

Human **Behavior** is similar to this physical phenomenon. We respond to the application of energy. When this energy is withdrawn, likewise we return to our previous **Condition**.

This energy changes the **Relationships** the organization has with its constituents. This is the essence of sustaining the cultural transformation of the concern. Now the firm now has, “the ability to be sustained, supported, upheld, or confirmed.”

### The Sustainability Line

Making the mental and economic investment necessary to achieved sustained organizational agility and resilience requires a business case. This is not different than any other investment of shareholder funds.

The construct of the *Business Case* is well established.<sup>iv</sup> The challenge is actually writing one that can convince management that the proposed investment is sound.

Based on the cited definition of a Business Case, the (most if not all of) following criteria must be met:

- An Executive Summary
- Problem Statement
- Situational Analysis & Options
- Project Description
- Cost-Benefit Analysis
- Recommendation

This seems like quite a bit of work. Perhaps more importantly, it often becomes a substantial exercise that even if approved does not generate the expected success.

There is a better way! The Economic Value Proposition Matrix<sup>®</sup> model (EVPM) was developed specifically to assess the value to an organization of so-called “soft” variables such as **Organizational Agility, Resiliency and Sustainability**.<sup>v</sup>

A version created for OMS is available including the QuickStart Guide and is available soon at no cost.

All six of the Business Case components are captured in one easy to use model. At the end of the modeling process, the business case for this type of investment has been made and “bought into” by the organization. Preparing the presentation to management is the only task left and that is now more stress free!

## What is the Value of Sustainability to Your Organization?

### About the Author

Dr. [Scott M. Shemwell](#) has over 30 years technical and executive management experience primarily in the energy sector. He is the author of six books and has written extensively about the field of Operations Excellence. Shemwell is the Managing Director of The Rapid Response Institute, a firm that focuses on providing its customers with solutions enabling operations excellence and regulatory compliance management. He has studied cultural interactions for more than 30 years—his dissertation; *Cross Cultural Negotiations Between Japanese and American Businessmen: A Systems Analysis (Exploratory Study)* is an early peer reviewed manuscript addressing the systemic structure of social relationships.

### End Notes

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<sup>i</sup> <http://www.dictionary.com/browse/sustainability>

<sup>ii</sup> Shemwell, Scott M. (2014, March 17). Sustainability? [Governing Energy](#). PennEnergy.

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- iii <http://physics.stackexchange.com/questions/233465/if-increasing-applying-energy-to-an-atom-excites-electrons-why-does-electrical>
  - iv <http://whatis.techtarget.com/reference/How-to-write-a-business-case>
  - v <http://www.systemdynamicsapplications.com/tips/softvariabandintanginsistemdinamimodel.htm>