

Innovation & Customer Focus Drive Veolia's Transformation



In North America and across the globe, Veolia is known as a leading provider of environmental solutions for industry, government and business. With a sharp focus on customer service, safety and technological innovation, Veolia helps customers address their environmental and sustainability challenges in energy, water and waste. Last year, Veolia combined its environmental businesses to focus on aligning the company's service solutions with customer needs, focusing on technology and operations synergies to ensure environmental compliance and safety.

A global reorganization

Veolia has undergone a structural change as part of its global corporate reorganization. Previously, Veolia had been organized around strategic business units with a

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— Steve Hopper, Veolia

focus on water, environmental services and energy. Under this previous organization, each of those groups had its own strategy, direction, operating businesses, management teams and functional support, etc. Following a period of deliberate introspection, Veolia's board recognized the need for one common strategy and direction across the business units, along with an organizational structure to support it.

The company is now structured around 11 geographic zones across the globe, all operating under the Veolia brand. In North America, Veolia is organized across two focus areas: a municipal and commercial focus and an industrial focus.

Steve Hopper, chief operating officer and president of Veolia North America's Industrial Business, explained the benefits of this new structure. "One of

the key reasons for this structure is to make sure we are closer to our customers from the perspective of overall environmental management, including water, energy and waste solutions," said Hopper. "That means we're able to understand what their needs and requirements are so we can provide faster and better solutions."

Veolia North America Industrial Business

Under this new structure, Veolia North America's Industrial Business provides services across three distinct yet complementary services. Veolia's offering includes integrated solutions for the management of industrial water and residuals systems, the reduction and reuse of waste, and hands-free industrial cleaning and maintenance programs.

Waste services are primarily focused on hazardous and regulated waste, including hauling and disposal, recycling, recovery and tolling. Industrial services include industrial cleaning, vacuum truck services, hydroblasting, chemical cleaning and tank cleaning, with a specialization in utilizing hands-free technologies. Veolia's water services are three-fold, incorporating residuals processing, byproduct recovery, and designing, building and operating wastewater treatment plants on industrial sites. This ability to bundle services and provide an integrated approach across waste, water and industrial cleaning services allows the customer to reap cost and resource efficiencies, especially when compared to having three separate companies on-site to satisfy the requirements.



Steve Hopper, chief operating officer and president of Veolia North America's Industrial Business.

'One Veolia'

With all operations now under the Veolia banner, the rebranding process has focused on creating teams and synergies based on employee skillsets and competencies, and then educating customers through one service and account team.

"'One Veolia' means the organization is strategically aligned and

backed by a structure that allows our leadership to work directly with local management to pursue common goals and priorities, as well as have the flexibility and nimbleness to make decisions around that prioritization," said Hopper.

Hopper also believes the company will be much more customer-oriented. "Here in North America, over 50 percent of our activities center on supporting industry," he said. "It just made strategic sense for us to create an industrial focus group for this region. It's perfectly aligned with our customer base."

With a singular focus on supporting industry, the company's business strategy aligns closely with the needs of its customers. This synergy is manifested at the site level and paves the way for even stronger partnerships.

According to Hopper, customers like what they see so far, but he realizes it's all about successful execution. "We're at a point now where we're focused on monitoring, adapting and applying incremental and continuous improvement to make sure what we're trying to accomplish with this new alignment gives our customers what they are looking for," he said.

Another customer-driven benefit that emerged from the reorganization is the strengthening of Veolia's key accounts and projects group. Operationally, Veolia merged its site-based offerings, which are largely the industrial cleaning and water-based services and offerings. Because over 60 percent of that business is oil and gas and petrochemical, many clients overlap. Therefore, streamlining the management and communications with the customers was a natural progression.

"By expanding our key account management structure, we are making it easier for our customers to do business with Veolia," said Hopper. Hopper also believes this structure is making Veolia more efficient in its offerings to customers and ultimately brings value to both Veolia and the customer.

Mark Hemming, vice president, key accounts, Veolia North America's Industrial Business, leads Veolia's key account and projects group. "This structure takes advantage of our collective expertise and brings it to a whole new level. It is a key differentiator for Veolia," said Hemming.

With significant expertise in program management, Veolia is able to bring efficiencies to bear through its integrated services



Veolia's North American Industrial Business is structured to meet the needs of its customers in heavy industry sectors, primarily oil and gas, chemical processing and power.

approach and key account manager organization. "By being able to bring these three integral services to an industrial operation, such as a refinery or chemical plant managed by a single project manager who understands the synergies between these services, we're able to more efficiently plan the work, find higher value by creating waste recovery solutions and measure performance across all services over time," said Hemming. "As a customer, having to work with just one project manager instead of three, or hiring one company instead of three, translates into cost savings and ease of doing business."

An example of the value the new "One Veolia" and key account management model brings to customers is demonstrated by work being performed for a Gulf Coast refinery customer. For many years, Veolia provided services across three different areas of the refinery:

1. A site-based crew performing daily industrial cleaning and maintenance services
2. A project team running a coker injection system for oily residual management
3. A proprietary Veolia technology used to treat water used in the refining process

The three service groups worked in silos and reported into different customer teams. However, Veolia implemented a new management approach and a solution to simplify the customer's ability to manage the breadth of services being performed by Veolia inside its plant.

The three separate teams started holding weekly stand-up meetings between the manag-

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ers of each operating area to discuss key initiatives, best practices, safety performance and issue resolution for any trouble areas. They also designated a key account manager to handle communications with the customer on all three operating areas to further demonstrate unity and optimization across the Veolia groups.

As a result, the customer applauded the new management approach, which saves the customer valuable time and simplifies the process for working with three different areas of Veolia's expertise. This "One Veolia" approach demonstrates true partnership and has resulted in a deeper, more value-added relationship with this major customer.

'Resourcing the World'

As part of the rebranding process, Veolia also launched a new tagline: "Resourcing the World." Hopper explained the tagline grew out of the company's strengths in bringing innovative solutions to its clients and to the industry as a whole.

"For a long time, Veolia has been working behind the scenes to protect our natural resources and improve the environment in a way that makes sense for people, the environment and industry," he said. "A lot of what we've done and continue to do through innovation and R&D efforts is to focus on bringing incremental value to our customers beyond increasing efficiencies and lowering cost. We develop ways to extract value out of minerals, waste, wastewater and energy that might otherwise be wasted. 'Resourcing the World' is the outward expression of our efforts to help extend the longevity of, and renew or regenerate, the world's resources as part of what we do every day."

Examples of Veolia's offering that line up with the "Resourcing the World" promise to extend the longevity of resources include:

- Recycling water through complex technologies.



A continued focus on innovation and byproduct recovery allows Veolia to extract value and mitigate liabilities associated with hazardous waste management.

- Recovery and reuse of energy.
- Byproduct recovery, including potassium hydroxide regeneration.
- Pulling raw material through mineral and metal recovery.
- Enhanced oil recovery in upstream oil and gas and the refining sector.
- Chemical regeneration.
- Solvent reclamation.

These are just a few examples, but they demonstrate emphasis on continuously creating value for customers. And they also signal Veolia's intent regarding continual innovation. "We're always going to find that innovative and creative way to bring incremental value to our customers," Hopper concurred. "We're doing it in the mining sector, oil and gas sector, pharmaceutical sector, and the food and beverage sector. These all align with our new positioning."

Hopper cited an example of bringing incremental value through total waste and sludge management in a refinery. Veolia works to recover oil, reduce hazardous waste and enhance value by increasing tank capacity utilization. Packaging all that together demonstrates the meaning behind "Resourcing the World."

Hopper said customers get it. "We're working on transactions that allow the customers to capture that value," he said. "I think it helps them increase their social licenses to operate. It also allows us to differentiate from our competitors, particularly in North America where we are very unique in being able to recover value out of waste."

"When you think about getting aligned with water, waste and energy, and the present and potential creative solutions we can offer — especially with the energy piece and optimization of energy consumption at wastewater plants, combined with heat and power cycles and things like that — we definitely have something that's going to be interesting and unique for a very long time."



Veolia works to recover oil, reduce hazardous waste and deliver incremental value through its on-site oily residual management program.



The use of hands-free industrial cleaning technologies is a core element of Veolia's service offering, delivering unmatched safety performance and operating efficiencies.



Innovation in chemistry and technology has created means for turning byproducts from industrial processes into new value streams.

The circular economy

One of Veolia's seven growth markets is the circular economy, a means to tackle the problem of dwindling raw materials, water and energy resources. When applied to Veolia, this means a move from being a waste management company to one that uses waste materials as a mine for new raw materials. While it is a trend that has greater traction in Europe, it's getting the attention of Veolia's customers at higher levels.

"What we see over the next five to 10 years is something we can't ignore," Hopper said. "It's a trend of increasing water scarcity in some parts of the U.S., a pressure on our resources, metals and minerals, as well as pressure on our energy resources. The good news is maintaining a recursive reuse of resources to maximize efficiency is at Veolia's core. We're already part of the circular economy."

Looking ahead

Looking forward five to 10 years, Hopper believes there are several areas of particular interest. One goes back to the concept of "Resourcing the World." The notion of having the technology to recover materials and being able to do it across an array of markets will be key.

"The upstream oil and gas revolution that's going on right now — the whole concept of water recycle, water handling, and enhancing the recovery of oil and gas through our technologies — is playing into our conversations with other industries like mining and metals where there's opportunity to recover value. We can leverage our global expertise and technologies to further expand our service offerings," said Hopper.

In the industrial cleaning business, a trend that will continue into the next 10 years is hands-free automated cleaning technology. While this evolved from years of innovation, it also enhances worker safety and delivers efficiencies.

"Some parts of our business are more about efficiency than they are about innovation and technology alone, but we have to focus on both," said Hopper. "The former discussion point about 'Resourcing the World' is about innovation, differentiation and about capturing the wave. The latter is about efficiency, and we need to make sure we are well positioned on both fronts."

Veolia is also looking to expand its customer base into different types of industries.

"We have to be highly present in all industrial sectors," explained Hopper. The company is looking to better position itself in the upstream oil and gas sector and to expand its mining presence, too.

One area of focus that will always be front and center is safety. Veolia is driving a behavior-based safety culture throughout the organization. Customers expect it. It's part of Veolia's value proposition; it's the right thing to do; and it gives Veolia a competitive advantage. "We have to over-communicate and drive the expectation around our behavior-based culture," said Hopper. "Our leadership team has a real key focus on that."

Overall, Hopper is confident Veolia's new structure, focus and direction will ensure the company's continued leadership position. "Having one corporate strategy and direction, coupled with our focus on technological solutions, puts the customer first. It allows us to come up with innovative solutions to our customers' environmental and sustainability challenges," said Hopper. "Our ability to provide an integrated suite of industrial services, managed through a single point of contact, is the differentiation the 'One Veolia' structure creates. We're delivering greater efficiencies and cost savings to our customers, as well as creating incremental value by extending the longevity of resources through recycling, recovery and reuse. It's a win-win for everyone."

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