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Black & Veatch

Building a World of Difference

World Energy Interviews Rodger Smith, President, Black & Veatch Enterprise Consulting Division



Rodger Smith was named president of Black & Veatch's Enterprise Consulting Division in 2003. Smith has 20-plus years of energy, construction and consulting experience. Prior to joining Black & Veatch, Smith was a director for PriceWaterhouseCoopers (PwC), where he helped create, market and deliver management consulting solutions. He has also held management positions in the power industry.

World Energy: Rodger, you have 22 years of "hands on" energy business and management consulting experience at the executive level. Why the transition now to a private company that specializes in engineering, consulting and construction?

Rodger Smith: Black & Veatch presented a strategy to me that made an awful lot of sense. They made it clear that it is my 22 years of "hands on" management consulting experience that provides them the breadth and depth of expertise required to meet the unique demands of the industries they serve. Our current clients such as utility companies, water municipalities and those in the oil, gas and chemical sector are being bombarded with regulatory and economic issues that require tough decisions on how to manage assets and where to invest money and resources.

Market opportunities, competitive forces, market upheaval, regulatory rigor and more have driven today's energy and water companies to great organizational, financial and technical complexity. The fact is, coupling Black & Veatch's domain experience with a world-class management consulting division brings the best of both worlds to our clients and becomes a significant, competitive differentiator to our clients' operations.

World Energy: What led you to join a process-driven engineering company that focuses on developing the infrastructure needed to live in today's world?

Rodger Smith: Black & Veatch has almost 90 years of performance and a client-focused culture that has continually challenged the outer limits of the industry. Just look at the facts – Black & Veatch is involved in more megawatts of

power generation than any other company in the world, has built more gas turbine projects than anyone in the world, is the leader in sulfur recovery and NGL (natural gas liquids) fractionation markets, and has been involved with the infrastructure of an estimated 20 percent of the world's drinking water.

World Energy: Sounds like a perfect match. Now, explain a little more about Black & Veatch's competitive advantage.

Rodger Smith: We saw some of the large management consulting houses scrambling to come up to speed technically while traditional engineering companies struggled to present high-level management consulting solutions. Because of the breadth of our technical expertise, we are able to go beyond the high-level strategies. We are able to marry world-class management consulting solutions with world-class engineering, construction and process services. Our management consulting solutions have a more tactical, operational and practical approach simply because we have "been there, done that."

World Energy: So, how does this approach provide the client with a competitive advantage?

Rodger Smith: Simply having the best people combined with the best technology does not necessarily translate into a successful project if the process for implementation is flawed. Technical expertise runs like a backbone through this organization. We are passionate listeners, and once we understand the client's challenges, we don't need to be taught the technical side. This allows us to move quickly from statement of problem toward a solution, giving the client a quick return on their investment. By understanding the processes better than traditional management consulting firms, we deliver practical solutions that are designed to achieve our clients' goals.

World Energy: How, then, do you leverage Black & Veatch's management consultants with your traditional engineering prowess?

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Rodger Smith: We follow the lines of business where our engineering side is established: oil and gas, power generation and delivery, water and telecommunications.

World Energy: Are you limited to those vertical markets?

Rodger Smith: Not in the least. Because of our rich engineering heritage, we are fortunate to have alignment with many industry segments and sectors. We are able to combine the expertise across those vertical markets with our consulting solutions. No matter the industry or enterprise, we marry our industry and strategic expertise to deliver value through solutions such as supply chain management, value creation, performance management, information technology, organizational effectiveness and management advisory services. We have solution sets that provide value from the strategic to the technical and even the processes in between.

World Energy: OK. So, paint a picture of how Black & Veatch delivers the wide array of solution sets.

Rodger Smith: We have about 6,200 professionals in about 90 locations around the world. We serve our clients with conceptual and preliminary engineering services, engineering design, procurement, construction, financial management, asset management, information technology, environmental, security design and consulting, and management consulting services.

World Energy: How about an example of a recent project where you did marry the technical side of Black & Veatch with this new management consulting experience?

Rodger Smith: A Midwestern client with thousands of megawatts of power generation using coal and natural gas had significant environmental, state regulatory and capacity issues. They needed to understand the true impact of each problem, the exposure each was creating and how to go about developing a strategic plan.

We defined the issues in depth, showed ranges and probabilities of outcomes, quantified the relationships between each issue, developed potential action plans with projected outcomes and selected a final 10-year plan, complete

with integrated financial and risk projections. Then we got it going, developing a comprehensible framework that developed buy-in across all organization units, preparing a proactive response to environmental legislation, focusing employees to obtain the greatest improvements and prioritizing capital expenditures.

World Energy: You brought that strategic viewpoint to the recent Gulf Coast Power Association Spring Conference, where you joined several utility company leaders as a roundtable panelist. What were some of the key components of the discussions?

Rodger Smith: From a strategic standpoint, it seems that our gas, oil and chemical clients are really concerned with similar issues that face our power and water clients. There are legislative issues that drive certain strategic decisions that are still left unattended. Transmission constraints affect the gas industry as much as they do the power industry. Then you throw into the mix an unstable market, and you can see why it's important to have a business partner who truly understands all of your financial, competitive, technical and environmental challenges.

World Energy: Rodger, we appreciate your time. Do you have any closing comments that you would like to share?

Rodger Smith: Sure, thanks for asking. We have found that today's utility and energy executives have been afforded some impressive assets – physical, technological, human and financial – as tools for maximizing the value of the enterprise. In today's fluctuating economy and dynamic marketplace, organizations are struggling to find and realize the opportunities that advance their strategic objectives, enhance their balance sheets and strengthen the profitability of their entire enterprise. In short, they need a clear and comprehensive view of the business landscape. Providing that view with implementable and measurable strategies and tactics is the value of Black & Veatch.



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