

Interview

Tritch Talk

An Interview with Stephen R. Tritch, Chairman, Westinghouse Electric Company



Stephen R. Tritch

EDITORS' NOTE Stephen Tritch has held his current post since July 2008. Prior to assuming his post at Westinghouse, Tritch served as President and Chief Executive Officer since July 2002. He has been employed by Westinghouse since 1971. In April 2009, he was elected to serve on the Board of Directors of The Shaw Group Inc. Tritch is a member of the American Nuclear Society and was appointed by then President Bush to the President's Export Council. He is also Chairman of the Board of Trustees at the University of Pittsburgh and Chairman of the Board of Trustees for the Senator John Heinz History Center in Pittsburgh. He holds a B.S. in mechanical engineering and an M.B.A. from the University of Pittsburgh.

COMPANY BRIEF Founded in 1886 by George Westinghouse, Westinghouse Electric Company (a group company of Toshiba Corporation; www.westinghousenuclear.com) is a premier global nuclear power company and a leading supplier of nuclear plant products and technologies to utilities throughout the world. Worldwide, their nearly 13,000 employees continue to pioneer value-added engineering and services for customers in the three core businesses of Westinghouse – Nuclear Fuel, Nuclear Services, and Nuclear Power Plants.

During the 20th century, Westinghouse scientists and engineers were granted more than 28,000 U.S. government patents, the third most of any company. Throughout its history, the

name Westinghouse has been associated with a large number of significant achievements, mostly related to electricity and electronics. The company's milestones include: the first commercial alternating current power generating station (1886); the first commercial radio broadcast (1920); the first diesel-electric rail car (1929); the first industrial atom-smasher (1937); the electronic amplifier to improve X-ray images (1948); and the first commercial PWR nuclear plant (1957). Westinghouse also provided the cameras that enabled the world to watch man's first walk on the moon in 1969.

Are you surprised at how deep the economic crisis is and how quickly it hit, and where do you think we are in terms of the recovery?

I wasn't surprised there were some issues. A lot of people probably saw some signals, but were unable to predict that this would happen when it did. But the speed at which it happened and its depth both surprised me.

In terms of recovery, I'm still worried about unemployment, the deficit, and the amount of money we're spending to try to dig our way out of this. There may still be some things lurking that haven't come out yet as this thing unwinds itself. But I have been surprised at how many positive things have come out of the recent moves.

Many felt the stimulus was necessary, but that true recovery is going to come via entrepreneurship and innovation in the private sector. Do you agree with that and do you worry that excessive regulation designed to discourage some of the abuses might stymie that opportunity?

I agree with that very strongly. The actions we've taken have been to stem the downfall and to try to put in place some things to stop what happened from happening again. But it's innovation and creativity in the private sector that's going to get us out of this, although some of the innovation and creativity in the financial world may be what got us into this. In terms of our products and good old American capitalism, I agree 100 percent that that has been, and will continue to be, what keeps this engine moving. We still have a lead on the rest of the world in creativity and innovation, and we need to rekindle that to sustain us as we come out of this current crisis.

You mentioned that the United States still has a lead in creativity and innovation. Are you concerned that the U.S. may be losing that competitive edge?

Yes. I am worried when I see the number of engineers graduating who are from other places versus the U.S. We ought to be taking a hard look at the educational leadership that we've always fallen back on. We have a capitalistic approach to life, although this current administration is showing signs that it's going to be changing that, and I do worry that some of those changes may set us back some. But as long as we depend on creativity, the ability to be successful and earn more than the other guy will drive continued creativity and benefit the economy.

Is it challenging for large companies like Westinghouse to continue to be innovative and to maintain an entrepreneurial culture?

It is, because for any company, its DNA changes as it goes from being a small entrepreneurial company to a bigger company that requires more policies to keep the company moving in a certain fashion. It then depends on quality of performance, sustainability, not having big issues, and avoiding the big risk, because it then has a lot to lose. The DNA of a small company is such that it doesn't have a lot to lose and it can take some bets and have some fail, but the economy won't suffer when they fail.

That said, when you run a big company, there is a place for innovation. You need to set up skunkworks or some part of your organization where you have a slightly different DNA, even within the big company, that still fosters innovation, and you need to allow for some risk taking and mistake making, although it has to be contained.

Can you train people to be entrepreneurial, or is it something you're born with?

I don't know that you're born with it. It does develop though as part of your own culture depending on the business you're in. You can hire it, but have to be careful to maintain an atmosphere that promotes entrepreneurial thinking, or whomever you've hired will get stifled.

Having joined Westinghouse in 1971, could you have imagined it would be a place you would have spent almost 40 years, and what is it about the culture that made it

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a place where you wanted to spend your career?

The thought process for most people coming out then was to find a company you think you can stay with that will give you enough opportunity and that will challenge you in different ways. Pensions then were carried totally by the company, which is what everybody was relying on; nobody had a 401(k). I had other opportunities, but I ended up choosing Westinghouse, partly because it was a local company, but more because it was a place where I thought I could succeed and build connections to some of the people I interviewed with early on. It has changed dramatically in the 38 years I've been there, but I've had tremendous opportunity: I've worked in defense, power generation, transmission and distribution, and advanced energy. I've moved every three to five years, and have always found a new challenge to address.

How critical was it to create a seamless transition of your role as CEO to Aris Candris?

Aris and I and a lot of the staff had worked together for a long time, so the transition went very well, in large part because of his broad range of experiences within Westinghouse. By the time Aris became CEO, he had personally been within 70 percent of the company's divisions at one layer or another. Aris is clearly the right guy to follow me, and just a year into this, he's really proven that. He's a little different than I am and has some strengths I don't have. He also has strong support from the staff, just as I did.

Westinghouse maintains a heavy focus on corporate responsibility and community engagement. How important is that to the culture of the company, and is that a critical responsibility for today's business leaders?

Absolutely. Our headquarters happens to be in Pittsburgh, but we have facilities around the world, and it's important that you become part of the communities where you have major operations. It helps you in terms of hiring, getting services, and doing other things within those areas. It also teaches you a bit about what the population in general is dealing with, which makes you think more broadly. You can get isolated sometimes in the corporate world. Clearly, when we do business in Europe, things are more socialistic, and some of the things you need to do

to help the community expose you to some of the issues these communities deal with. At Westinghouse, our young people seem very interested in community involvement and we give them time and freedom to pursue that within reason. As people develop and join the executive ranks, it's one of the expectations, and we give people some freedom to find a cause that appeals to them. Everybody has a personal story, and depending on your personal story, different causes may appeal to you. The problem is finding the time to do as much of that as you would like; you don't want to get committed and not have the time to support it. So we encourage our senior staff to do it, but sometimes the demands of the job make it difficult to schedule and be available. I've been doing more of it since I retired than I did when I was in the CEO job.

Did the CEO role evolve or change while you were in it, and have the key ingredients that make a successful CEO remained consistent, or is there a different set of characteristics required today?

The role evolved dramatically in the six years I was CEO. The first three years were what I would call a normal CEO job – executive responsibilities such as the normal leadership of the company, visibility with your employees, and certain customer responsibilities – but your main job was to worry about strategy and check on the major issues within the business.

In the past three years of the business, the nuclear opportunities grew very quickly and in many different places. Because of the size of the opportunities, the customers – from Presidents of countries to CEOs of major utilities – had the expectation that the CEO of Westinghouse would be involved, causing the global travel demand on the job to become too great. It wasn't that these customers were holding an unreasonable expectation, but they felt the Senior Vice President was not going to be acceptable; they needed the CEO involved because it was such a big commitment for them. While that is understandable, you can't be 14 places around the world within three weeks.

Is there an adequate understanding today about the benefits of nuclear and its safety?

There are people who want to raise those fears, which I do not think are legitimate, but they have some cause that they need to serve

by raising those fears. Frankly, we need to do a better job at getting that message out as an industry, not just at Westinghouse. If you look at the number of years that nuclear power has now served humanity in so many different parts of the world, the amount of electricity that has been generated from it, and the actual safety records, all of this compares very well. The economic and environmental benefits of it are starting to be recognized much better around the world. The United States was the leader in this early on, and as of late, I see signs we are coming back into it, so nuclear is going to have its opportunities here in the future.

As you have made the transition from CEO to Chairman, has it been easier to balance your life and get away from the business?

For me, it has been. The one thing I couldn't do as CEO was to delegate to a senior vice president, but the idea of delegating certain things to a Chairman or former CEO is easier. So I was able to help Aris in a couple of cases since I had the time to spread myself a little more. Having served as both Chairman and CEO, separating the positions has allowed me to give Aris a bit of support, which is important now that he's traveling globally much more than I am. Travel, of course, can be trying. I had gotten to the point where I wasn't welcoming flying back from eight days in China, then taking off for seven days in South Africa, followed by four days in Europe – it got to where I wasn't doing as good a job of it and my attitude about it was not as positive as it had been and I was getting physically worn down. It seemed the right thing for me to do was to step away from that and spend more time with my family.

Throughout your years at Westinghouse, there have been many who have had a chance to work with you in different capacities, and who know you well. If I was talking to some of them without you in the room and asked what it was like to work with and for Steve Tritch, what do you think they'd say?

They would say that he is not particularly easy to deal with, but is always fair, and has a reasonable set of business skills to go along with that, and that he tries to treat people – both customers and employees – with dignity and fairness. ●