

## MATERIALIZING LEADERSHIP: FROM OIL AND GAS TO RENEWABLE ENERGIES

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UK-based firm Acteon provides marine and subsea solutions comprises over 20 companies that provide complementary services in the subsea solutions sector. As the company transitions into the renewable’s arena, we speak to its chief growth officer, Paul Alcock, about this shift.

### WALK US THROUGH HOW ACTEON IS DIVERSIFYING INTO RENEWABLES.

**Paul Alcock.** Acteon has been quite fortunate in that since the mid-2000s, when we took over pile-driving hammer company MENCK, we’ve been involved in renewables. This 15-year exposure has given us a base to work from. The focus on expanding our offering into geoservices – geotechnical, geospatial, geophysical – has opened up the renewables market for us. Geoservices is one of the first services required in the offshore renewables sector; knowledge of the seabed and associated soils is critical to the future design, construction and maintenance of a wind farm. Our involvement in this market segment has certainly accelerated in the last two years through strategic acquisitions. It’s an early-stage way of accessing opportunities in the renewable energy space.

### WHAT ACQUISITIONS HAS ACTEON MADE SINCE YOU BECAME CGO IN JUNE, WHAT WERE THE MAIN CHALLENGES THEY POSED, AND HOW WERE THEY RESOLVED?

I’d actually been leading growth at Acteon for many years – before becoming CGO I was Executive Vice President of Growth. So it was mainly a title change; growth has been my remit over the last decade.

We acquired Benthic and TerraSond last year, two significant acquisitions that strengthened our geoservices capability. The geotechnical and geophysical are early stages into a project, and give us an opportunity to call on our sub-groups such as anchoring systems, structural engineering and integrity management as well as fixed pile, driven pile, drill pile and suction pile.

There was a natural fit between us in terms of the space we all occupied in the market. The challenge was binding their capabilities into an even more compelling story for clients to understand. Our ongoing ambition is to provide a simpler, more joined-up service; we needed to emphasize the commercial benefits of this. Every company has a slightly different culture and leadership style, and the way we move the business forward takes time, patience and communication for all parties to understand how we operate.

It's a sharing of learnings: we're not always 100% right, we gain knowledge from the incoming company to help develop our values and style.

### HOW, SPECIFICALLY, CAN EXPERIENCE IN OIL AND GAS BENEFIT THE RENEWABLES SECTOR, AND WHAT ARE THE CHALLENGES FOR FOSSIL FUEL EXPERTS TRANSITIONING INTO RENEWABLES?

Our approach to it involves understanding the generic skills you can promote. **There's a real risk of resting on the laurels of your oil and gas expertise and believing it's totally transferable – it's not.** You have to strip back the oil and gas specialisms, look at the core domain skills we've gained over the years, and apply them to the new market. First and foremost, our health and safety record is something we are proud of, and we continue to replicate that in our offshore renewables projects. In terms of services, we've become experts in structural dynamic engineering in floating and fixed assets in oil and gas. The dynamic understanding and risk assessments of those assets is totally transferable to renewable assets, whether they're fixed or floating.

Another example is the seabed, which is the same whether you're developing an oil and gas asset or a renewables asset. You need to understand how to anchor to the seabed, and how you get a foundation solution out to the site and installed correctly. We've got a huge library of knowledge of seabed conditions that suit the host facility you're trying to anchor. Equally, you look at the OpEx [operational expenditure] cycle of an asset in harsh marine environments, how fixed or floating assets operate under various loads, and how they respond to corrosion. We've successfully begun to replicate our data capture and data interpretation of subsea and marine asset performance into a user-friendly integrity monitoring solution, the origins of which came from monitoring subsea oil and gas drilling and production risers.

Language can be a challenge. We've adapted to the change in terminology and language style when moving into renewables. We have to be humbler and more inquisitive.

### AS CHIEF GROWTH OFFICER, WHAT REGULATORY CHALLENGES DO YOU COME UP AGAINST REGARDING RENEWABLES?

I do not see regulatory challenges per se. I do see a **notable increase in interest from energy operators to decarbonize offshore oil and gas assets** through the use of floating offshore wind solutions. The challenge currently, however, is that although the benefit to the environment is obvious, the CapEx [capital expenditure] outlay required in a challenging financial market could prove too great a cost to bear without regulations to incentivize such decarbonization projects.

## WHEN YOU TOOK CHARGE OF THE COMPANY'S GROWTH STRATEGY, WHAT WAS YOUR VISION? HOW DID YOU WANT TO CHANGE ACTEON'S TRAJECTORY, HOW SUCCESSFUL HAVE YOU BEEN SO FAR, AND WHAT REMAINS TO BE DONE?

I wanted to accelerate and concentrate our trajectory rather than change it. We've had exposure to the renewables market for many years, and **this year we're going to see 25% of our turnover being renewables**. We aim to broaden, deepen, and accelerate our provision of services for renewables and marine construction, and to become a pure marine services company with a more balanced portfolio across the energy space, perhaps even majority-focused on renewable solutions.

There's a number of things that have to be in place for this to happen. We have to maintain core business and cash, especially in uncertain times like now, with COVID-19 and the February oil crash. We also have to identify value pools to which we can apply generic skills in new markets and have the patience and inquisitive nature to know how to penetrate those value pools and convert opportunity into revenue. There's been a groundswell within Acteon of embracing change; **marine green energy is the future**. We've got to be open to reapplying our skills and learn for the new market. For instance, fixed wind is already a mature supply chain, so we need to figure out how to adapt into that supply chain to unlock further growth.

The **renewables supply chain is set up for industrialization in a way that oil and gas weren't**. Oil and gas projects were much more bespoke, with less standardization. We need to accommodate a more industrialized way of working for renewables, through cost-efficiency and leaner delivery of services.

## FROM A LEADERSHIP PERSPECTIVE, HOW HAS ACTEON HANDLED COVID-19?

With any change in the macroenvironment, you have to assess and react quickly. Acteon's done a very good job of adjusting our position in accordance with the change in market conditions.

We've communicated the landscape along the breadth and depth of the organization, and the understanding and the dynamics of what we were facing from a market and commercial perspective, so that everyone recognizes where the challenges are and how to address them in a unified manner that maintains the health of the business.

We've started to develop roadmaps for the future, restructured the organization with a much clearer market focus, and analyzed and identified where we can add value and retain our commercial position. We've maintained positions where there's a strong geomarket and moved our positions where we won't necessarily be seeing short-term growth. We've further scrutinized CapEx but have continued to invest in equipment that has a strong future in growing markets like renewables. We've not just battened down the hatches – in select areas we've been proactive and accentuated our market focus.

ESG [environmental, social and governance considerations] and CSR [corporate social responsibility] will also have to be more embedded in the culture of the organization as we evolve. We'll all have to practice what we preach, which is a mode we're transitioning into.