

Shell sees results through SAMI improvement process

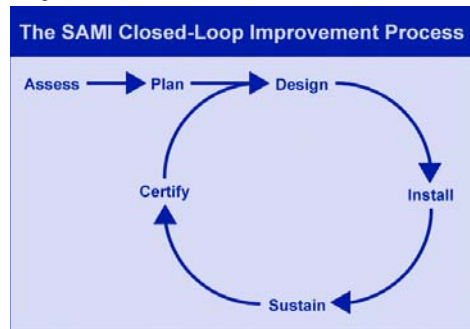
Strategic Asset Management Inc. (SAMI)

The results are excellent! At Shell, direct costs are down by nearly 20 percent. Deferred production has been reduced from 11 percent to less than 6 percent (including planned outages). The business case identified \$250 million in benefits, and the results are exceeding this target!

Shell's dilemma: Assure asset integrity, spend less doing it, become predictable in production and maximize production output. Long-term integrity was a concern on some platforms, and costs were high. Platform operations managers were busy and had been confronted with a long list of "No. 1 priorities." Maintenance improvement was just one more important activity that would be hard to get to.

Over many years of reviewing consulting successes and failures, Strategic Asset Management Inc. (SAMI) has been sharpening a model that is nearly always successful at addressing this dilemma. They call it the SAMI closed-loop improvement process. See Figure 1.

Figure 1.



Assess and plan

Getting people engaged for change is the first step. This involves understanding something that is a bit of a mystery for most: Change doesn't happen because of understanding or knowledge. Change happens because of *passion!* If we want change, we must feel strongly about it.

In the planning phase of SAMI's process, they create a forum for middle managers to review their common progress and gaps, and to decide collectively whether they will address the gaps. This is much more positive than a top-down directive. They develop an emotional bond to "go and get this fixed once and for all."

In Shell's case, a limiting field factor was "initiative overload." SAMI helped them look at what was on the table, what was real and what could be combined. In the end, several major initiatives were combined into a single implementation plan, and a single implementation team was set up to help them. Finally, SAMI constructed a compelling business case. It was detailed and owned by the middle managers who had to deliver it.

Design

One of the most valuable aspects to

Shell, from what SAMI contributed, was the logic and simplicity of SAMI's model for asset healthcare. The Asset Healthcare Triangle helped them see where they had gone wrong in the past. Too much emphasis was placed on higher level activities without having the enabling base of the triangle in place.

A team of strong field leaders was brought into an eight-week design and validation project based on this Asset Healthcare Model. They added to and modified an outstanding system that would really work in the field. The team of maintenance planners and supervisors was chartered to decompose and reconstruct "the Shell process." At the end of the design phase, the team was absolutely convinced of the necessity to implement the new work processes in the field, and they were passionate about implementing them!

Install, sustain and certify

SAMI finds that some companies think implementation is complete when the training is completed. For SAMI, implementation means firmly establishing the desired behavior, and developing renewal processes. Install is only the first step in implementation. One must sustain and certify to achieve a lasting result.

The Shell installation began with training on process and tool revisions developed by the design team. This training was the easy part. The real work began with coaching the 20-year veterans on this new and better way of working. Many hours were spent individually coaching schedulers to embed the techniques and the disciplined behaviors required to better manage the platform resources.

After the endless retorts of "but we've been doing it this way forever," the operators and maintainers were coached on the new expectations and behaviors required. Shell leadership was diligent in their explanations of why the changes were required and communicated the need for patience to see results.

The project owners group (OG) was another critical part of the implementation activity, providing active direction during the entire course of the work. The OG had line managers, including senior managers, who committed half a day every two weeks to project review and management. This level of commitment assured complete visibility to schedule, performance and behavioral indicators.

SAMI's coaching model was to have full time coverage on major Shell platforms. SAMI's consultants worked back to back hitches, overlapping Shell crew changes to ensure consistency. This model of real time, "trench" coaching, inspired confidence in the Shell team that "the consultants are in this with me" and "they understand our challenges." From a tactical perspective, this

coverage allowed early detection and correction of behaviors that would not sustain performance improvement. Just as important, it allowed for positive reinforcement when the behaviors were appropriate and maintained the enthusiasm for continued change.

Of course, without measures, the composite effects of the new behaviors would not be evident. When measures are made public and given attention by leadership, there is often a strong drive to meet or exceed targets. Results were reviewed at the highest level of the company in weekly performance meetings. Line managers were held accountable for schedule and key performance indicator compliance, and had to explain variances on a weekly basis. This level of review assured full success.

The certification process evaluates whether behaviors are in place and continuing or improving from the prior state. Shell has held certification reviews of nearly all the platforms using a specially designed software application to standardize the process. Based on passing the current standard, each of the platforms is now ready for Asset Healthcare Stage 2: Proactive Maintenance, which will be implemented in

2005 and 2006. SAMI's expectation is to capture much of the remaining facility (planned and unplanned) downtime.

Often SAMI's clients wonder if the company's efforts are going to be effective and achieve the desired results. The reality is that

SAMI's Asset Healthcare Triangle helped Shell see where they had gone wrong in the past.

the methods described above work consistently. The variable is the quality of attention SAMI's clients place on the project. Shell placed serious management time and quality attention to assure the program worked. They received all the benefits and more, because they are a very capable organization.

For more information on the SAMI closed-loop process, the SAMI Pyramid (which includes the Asset Healthcare Triangle) and additional case studies, please visit www.samicorp.com or call (860) 675-0439. □



Strategic Asset Management Inc.

We Deliver Change!

SAMI is a global management consulting group specializing in Asset Management strategy development and implementation. We lead the industry in defining and implementing Strategic Asset Management for clients and enable organizations to progress quickly from thinking differently, to acting differently, to establishing a new Asset Management Culture.

What We Do

- Achieve dramatic financial improvements with our clients, generating ROI's 3x to 100x our fees
- Lead the industry in defining Strategic Asset Management (SAM)
- Work with clients to create and implement their Operational Excellence (SAM) strategies through collaborative Strategic Planning, Design, and Implementation of major change initiatives within a condensed timeframe
- Ensure that improvements implemented are significant and sustainable in the new culture
- We deliver change!

Log onto www.samicorp.com/BIC to request a free copy of S. Bradley Peterson's article, "The Future of Asset Management."

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