Creating a Performance Culture™: Part 5

PC Element 3: Adopting the BEST Behaviors

SAMI has identified some 350 best behaviors, which lead to a Performance Culture. We show them graphically below.

We have developed a set of behaviors for each box in this diagram. For instance, a question in Meeting Discipline is: Do meetings start on time, with a clear agenda?

Most of us have been victims of poorly run meetings, where people straggle in at any time, no one is in charge, the point and results of the meeting aren’t clear, people haven’t done their homework assigned at the last meeting, etc. These meetings waste time, fail to address really important topics, and sap the life of the people attending them.

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Integrated Problem Solutions
A Case Study

Maintenance improvements are at the heart of many of the improvement projects that we undertake. It is widely held that availability of equipment is the key issue being faced by the majority of our clients. However, maintenance is only one of the factors that can lead to less than stellar performance and it is important that while maintenance may be the “presenting problem” a wider view of the roots of the issue be carefully analyzed. During a recent project we were confronted with a myriad of issues revolving around availability uncovered during a wall-to-wall assessment of a mining operation.

Supply chain ineffectiveness was a major contributor. The processes used for procurement and warehousing of spare parts and materials was in a shambles as we discovered that over 40% of the items critical to the operation held in the warehouse was below minimum stocking levels. Maintenance had been relegated to cannibalizing less critical equipment to keep the critical centers in operation. SAP had just been installed across the major functional areas and the installation, training and customization of the system to support the proper business processes was not present. This caused many of the issues within the supply chain.

The organization itself was working in a most dysfunctional manner. The heads of Operations, Supply Chain, Finance, and Human Resources were spending most of their time defending their home turf; the spirit of cooperation required to solve the problems within the operation was non-existent which in turn caused those reporting to these heads of departments to act in the same manner as their superiors. It took many months to bring these people to the table to start working together to attack their common issues.

Maintenance in itself was in a reactive mode of operation. Virtually no planning was evident nor was there any of the proactive processes of preventive/predictive maintenance being carried out on a routine basis. There was no maintenance or process engineering support to analyze what was happening within the operation of a chronic nature. The concentration points had been the major breakdowns that had been occurring frequently and left little time to sit back and analyze the chronic failures that happened daily, accounting for more output losses than the sum of the major failures.

Production Planning had one mission; produce as much as possible as soon as possible. No thought was given to the healthcare of the equipment so it was driven into the ground. In one specific example, a key operating unit had been scheduled for a major outage during mid-July 2010; Planning decided to forego the outage for one year. In July 2011, the materials for the outage had not been properly specified or sourced so the date continued to be pushed farther into the year. Major delays were encountered in shipping the materials to the very remote location of this facility; the outage is now planned for early January, 2012. Meanwhile, the equipment in question fails repeatedly and the output of the operation continues to deteriorate, multiples of the loss that would have been taken during the initially planned outage in 2010.

The Production operation itself was causing a large amount of the availability issue which we did not discover until we had installed a proper loss reporting system. The system now records each event of lost time and categorizes the losses into a paretoized fashion which now points them toward those areas which will have the largest payback when corrected. This new system also provides MTBF (Mean Time Between Failure), MTTR (Mean Time to Repair) and also MTBOF (Mean Time Between Operational Failure). To their surprise, we found that operationally induced failures were causing over 50% of the lost time on most of the equipment, not maintenance.

This indeed was an eye opener for our client. Further investigation uncovered SOP’s that were outdated and not being followed, a lack of short-interval-controls within the day-to-day operation, and a lack of accountability within the shift crews as there was no data to support accountable actions.

As you look at your operations you must take a more global view of the root causes of your pain. All of the issues that we encountered were not totally apparent even following a full assessment. It has taken months to uncover all of the major causes of “availability issues”; their correction has required an integrated solution that covered most of the functional areas of the facility.

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Creating a Performance Culture

Part 5
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What if we could make meetings work? How would that change the entire company?

This is the type of behavior we work on.

We have developed a software tool, in which these behaviors are embedded. We call this tool APEX™. APEX helps us administer the behavioral and performance evaluation. We track each team or site, demonstrating progress in behaviors and performance over time.

APEX always helps us establish a baseline for performance and behaviors. Starting in the Assessment phase, we evaluate the existing tools, capabilities, results and interactions within the team and organization, and create a baseline score. Each quarter subsequent we again evaluate the same items, and make a formal report to the leadership team, as well as feedback to the individual units.

We give this tool to the teams to evaluate themselves during the course of a project as well. It’s important for them to know the target behaviors that really work, and it’s something they can more easily control than KPI’s that may be the result of many teams working.

Ultimately APEX is the primary tool we use to evaluate whether a company has fully implemented new processes, whether behaviors will stay after the consultant leaves, and KPI’s indicate substantial mastery of the new systems. We go on to recertify our clients on an annual basis, to assure they continue to make progress.

Summary

There are as many kinds of cultures as there are companies, but generally they can be divided into two dimensions: Functional vs. Dysfunctional, and Conformance vs. Performance. Our goal with our clients is to develop a highly functional Performance Culture. Such a culture performs continuously at a high level, maximizing production, minimizing cost, working safely in a safe and well maintained equipment environment, and fully compliant with all environmental and asset integrity requirements.

Creating a Performance Culture requires many elements, but we can simplify this to three areas:

• Element 1: Leadership will support a consistent plan over a multi-year horizon
• Element 2: Knowledge of the best and most appropriate practices for the stage of development of the organization
• Element 3: A means to continuously improve behaviors along with the practices in Element 2

We in SAMI have developed methods, tools and experience to create these conditions for success, and bring them to our clients to help create the Performance Culture.

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