

The EAST Project - Delivering Sustainable Performance Improvement

Company: SHARQ | **Sector:** Chemicals |

Location: Saudi Arabia |

Services Provided: Work Management |

Client Testimonial: "The application of SAMI's structured work management processes brought excellent benefits in terms of efficiency and safety to the organization."



SITE:

SABIC Affiliate Eastern Petrochemical Company (SHARQ) is a leading petrochemical company in the Kingdom of Saudi Arabia employing 1600 people and producing several grades of ethylene glycol, low and high density polyethylene, and ethylene gas. The company provides quality products and services through innovation, learning and operational excellence. For more than 30 years, a tradition of ingenuity and continuous improvement has driven the company's relentless drive for growth to meet ever increasing demand.

CHALLENGE:

To uphold this commitment to continuous improvement, SHARQ's Senior Management Team (SMT) acknowledged the need to improve maintenance performance to increase efficiency and effectiveness. The SMT decided to launch a management initiative known as the EAST Project and brought in Strategic Asset Management, Inc. (SAMI), a leading organization culture improvement company, to analyze its maintenance operations and assist to define a path for the future. The goal of the EAST Project has been to improve SHARQ's maintenance performance and production reliability by addressing both business practices and behaviors simultaneously.

Talented individuals from across SHARQ's business units and functional areas joined together with the SAMI consultants to form the EAST Team and conduct an assessment of the company's maintenance performance to identify areas of opportunity. During this assessment, the team discovered a number of limitations that were preventing employees from reaching their highest potential. The existing culture was rather more reactive (more than 34 percent of employees' time was spent on emergencies and urgent work orders) with short planning horizon which put more stress on the employees who have lack of clarity of their roles and responsibilities. This limits the company for optimizing its resources and falling short of world class performance levels.

The team's action plan to remedy these shortcomings included a focus on both process and behaviors. The EAST Team developed customized work management processes and key performance indicators to improve plant availability and reliability, which would ultimately drive long-term business improvements. On the people side, the team created clarity around roles and

responsibilities, and implemented guidelines and training to ensure sustainability of the new processes, create a proactive culture, and enhance both the efficiency and effectiveness of SHARQ employees.

HOW WE HELPED:

To achieve the goals of company's SMT, the EAST Team first implemented a disciplined work management process that was consistent across business units and in line with best practices. This was completed using a phased approach so that each stage (preparation, set-up, training and coaching) was owned and supported by SHARQ employees.

The new work management processes addressed the organization's planning and scheduling capabilities, data accuracy and availability, resource utilization, interdepartmental collaboration and employee accountability. This was done through:

- **A formal approach to identifying and scheduling work:** The team designed and implemented formal work identification, priority coding and work execution processes to ensure SAP defect notifications were handled in an efficient manner. Working together and supported by the commitment of SHARQ Senior Management Team (SMT), the East Team extended the planning horizon to guarantee that the required resources (manpower, parts, materials, contractors & equipment) were available before any work was scheduled.
- **Increasing the level of visibility and control over work processes:** The team also put in place a comprehensive set of key performance indicators that elevated scrutiny throughout the organization and better tracked improvement opportunities. A formal meeting structure was also instituted to increase visibility and control over employees' daily activities.
- **Establishing employee accountability:** SAMI developed formal roles and corresponding responsibilities to enhance the productivity and accountability of all employees—from planners and technicians to supervisors and maintenance coordinators.

The final piece to the puzzle was ensuring sustainability of the changes. As a company manager commented, "It is not enough to just have a good work management process; it must be implemented in a sustainable manner to achieve lasting improvements." Supported by SAMI's Senior Consultants and proprietary tools and process, the EAST Team did so through carefully

executed training and coaching activities across all functional areas and reporting levels at SHARQ. This approach helped to establish buy-in and ownership of the changes, not just at the frontline level but also amidst the leadership ranks. One Business Unit Manager agreed, "One has to have an open mind for change, and be involved as a leader to make the change happen."

RESULTS:

SAMI led implementation of the new work management approach at all six of the company's business units and the results to date have been remarkable. SHARQ has realized significant tangible and intangible benefits from this effort. They have documented significant financial benefits from improved operational efficiencies and operations reliability. Schedule attainment went from 40 percent to 75 percent, and is still improving; schedule disruptions caused by support services were cut in half; and the EAST project contributed to improve plant reliability where the unplanned S/D dropped to less than 5 hours per year.

The impact of the EAST Project went far beyond financial and operational metrics though. The organization culture has changed, there is now more openness, willingness to share, and better communication between disciplines and across organizational functions. The organization views work differently now and as a result, the management team is better able to pursue its long-term objectives. The petrochemical company's president summed it up perfectly, "The application of SAMI's structured work management processes brought excellent benefits in terms of efficiency and safety to the organization."