



ASSET INTEGRITY: ACHIEVING PERFORMANCE EXCELLENCE THROUGH OPERATIONAL DISCIPLINE

“The stage after crisis is chaos”

As the price of oil continued its nosedive to levels last seen more than a decade ago, the oil and gas world continued to bear the brunt of swingeing cuts and plunging profits. The sector is in the worst slump for forty years: the days of \$140 a barrel are ancient history.

There is hurricane on the horizon, and those in the asset integrity field are being tasked with steering a sinking ship through the storm.

We assembled a room full of seasoned operational excellence (OE) professionals and quizzed them on how to go about making ends meet in tough times through an operational excellence approach. The following is what they thought....

MAKE SURE YOU USE THE RIGHT SET OF KEY PERFORMANCE INDICATORS (KPIs)

With thousands of KPIs to choose from, it is vital that you chose the right set to give you the business intelligence you seek for performance improvement. KPIs should be well-defined, quantifiable and thoroughly

communicated throughout the organisation.

BRING OMS IN EARLIER TO CLOSE THE OE GAP

Just as starting enhanced oil recovery (EOR) techniques at the beginning of a well's operational phase can help yield significantly more oil over the asset's lifespan, instituting an operations management system (OMS) as early as possible can help to eliminate the number and width of OE gaps throughout the organisation.

A prime example of this theory in practice in the case of ConocoPhillips. Instating their OE programme at corporate headquarters a decade ago to focus on asset integrity, monitoring and tracking performance led to significant reductions in asset integrity costs. The system has been rolled out to include operating integrity and assess facets of leadership and human performance.

TOP DOWN SUPPORT AND NURTURING

As custodians of culture, it is key that C-level executives drive and support OE programmes. This kind of executive sponsorship is vital for the promulgation of operational excellence as culture, and is enhanced by professionals getting out into the field to observe and absorb what is going on.

OE IS MORE THAN A PROGRAMME

As an adjunct to the way that your C-suite champions the

OE message, OE should be regarded as far more than just another fly-by-night internal initiative, it should become the bedrock on which the organisation does business.

Embedding an OE programme into the corporate culture of the organisation should be the end goal of any organisation with a serious motivation for continuous improvement.

SYSTEMATIC APPROACH FOR GUIDANCE

Any programme for monitoring and improvement should aim for self-sustenance to provide guidance for safe, reliable, efficient operations.

This is unlikely to happen without a guidance framework that is disciplined and predictable to turn opportunities into tangible returns.

FACING UP TO EXITING LEADERS

Leadership is an essential cog in the process excellence machine, but it is far from a permanent fixtures.

Sometimes replaced through choice, sometimes through attrition, a process excellence framework should be hardened to deal with leader turnover and provide consistency and continuity.

DATA IS KING

How do you prove to a potentially skeptical workforce that systems and processes are important around your core competencies like safety and reliability? Through the exposition of the right data in the hands of leaders. Armed with persuasive information, the right data sets can lend the best kind of support to process excellence conversations throughout an organisation.

BUILDING A STRONG TEAM

A strong team consists of a cohesive unit, fostered by leadership and the preponderance of a “one team” philosophy. Building that interlocked relationship will include the organization of and partaking in activities that can unite the group, such as monthly dinners, shared retreats etc.

THE TRAUMA OF CUTTING COSTS

Triage: a word directly out of the medical manual and one that embodies the severity of harsh times. As teams and departments are rent asunder and employees are shuffled about the business, the psychology of leadership comes into play. The importance of consolidation and concentrating on delivering the customer mandate is essential, but so is the emotional well-being of those left behind.

Those that have survived the cull will feel be feeling anger, fear, suspicion and a deal of “survivor’s guilt”. Engage them in a transparent process of change and focus on what is in store for the future in order to allay further disquiet and heal fractures.

TOP DOWN AND BOTTOM UP

Although top down leadership is, traditionally, the most visible and effective form of management, behavioural change and transformation can equally be fostered from the bottom up.

Whilst those in the lower echelons of an organisation may not have the clout that executives wield over company policy, their position as influencers and champions cannot be understated in the drive towards the success of initiatives and the realisation of effective change.

WHAT'S CONTROLLABLE AND WHAT ISN'T?

In the design of every process there are both *controllable* and *uncontrollable* factors. Having these clearly defined at the outset of a transformation process could be the difference between success and failure.

Even if failure is the ultimate lot of change, it is better to fail swiftly with all variables accurately-categorised than to fail in the mid-term and not have the appropriate knowledge to be able to identify why.

CHANGING LEADERSHIP BEHAVIOURS TO DRIVE RESULTS FASTER: ACHIEVING MORE WITH LESS

In the rush to reform that an oil price downturn imposes on an organisation, the change that is ahead will be predicated, in a large part, on the decisions made and intimidated by your leadership.

Whether directly or indirectly, turnover and attrition by redundancy, retirement or lateral movement will affect those in positions of authority. Leaders will have to learn how to do more with less and accelerate change. It is unlikely that this will happen without a complimentary change in that leadership itself. We've distilled that into two areas: building competency and then defining those competencies that will code for success in these troubled times.

DEFINE EXCELLENCE

What constitutes excellence in the context of the organisation you are working in? What does that perfect day look like? What is your interpretation of the concepts of quality, continuous improvement, and transformation? A clear delineation of these will set the foundations for your operational excellence programme in stone and not sand.

PAINT AND DISPLAY YOUR VISION

Once you have defined excellence, you can start to put together the roadmap that you envision will get you there. Paint the picture with clear, fine brushstrokes and present that artwork in an appropriate forum for open and frank constructive criticism ahead of implementation.

ASSEMBLE THE TEAM TO MAKE IT HAPPEN

Once the dream has been exhibited and critiqued it is time to assemble or reassemble the team to deliver it, and display the following leadership competencies:

- Engagement buy-in
- Foster development, oversight, coaching, constructive feedback
- Common language
- Critical thinking
- Accountability/responsibility, understanding
- Clarity
- Embody the principles

ASSET INTEGRITY



Building on the success of the last 10 years of the conference, the **Asset Integrity Management Aberdeen Summit taking place 27th September 2016** will address current challenges in extending the life-cycle of their ageing assets and will focus on the tools and methodologies to successfully plan, initialise and implement high-level inspection, maintenance and integrity assurance framework to deliver, support and maintain asset capabilities to ensure it is safe, cost- effective and reliable for operation.

THIS CONFERENCE IS A MUST ATTEND IF YOU WANT TO:

- Discover how to converting £100,000 maintenance costs to savings through critical assessment and evaluation; ensuring maintenance and ROI of your assets.
- Guarantee savings of a ⅓ on your control systems by learning how to maximise the value in your vendor contracts.
- Reduce monthly costs from £120 million to £4 million by learning how to ensure value from vendors and streamline technology alongside operational processes.
- Discover international industry insight to maximise best practice on your assets and extend your structures by at least 40%

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