A Structured Holistic Approach Towards Bridging the Gap Between Strategy and Optimal Asset Execution

Ideally in any business, efficiency and performance can only be improved if everyone works together. However, this ideology is sometimes much harder in practice than in concept. Under optimal circumstances and conditions, all areas and/ or departments within an oil and gas organisation would be in sync throughout—from HSE, to asset integrity, operations, procurement, shutdowns, capital projects, maintenance and reliability. Unfortunately, this is often not the case.

BY MATTHEW POPOVACKI

To effectively address disconnect, organisations must bridge and mitigate the gap between strategic vision and the tactical planning and execution of activities. This article highlights the key steps necessary for implementing a best practice shutdown, turnaround and outage (STO) strategy with a special focus on integrated planning that addresses the importance of analysing strategies and the common challenges which accompany scheduled events.

Changing an Organisational’s Outlook

Over the past several years, discretionary spending has been drastically reduced. As a result, cost reduction and risk management will remain a high priority. Now more than ever, it is essential for organisations to continue their focus to not only effectively manage assets but to optimise them to gain the best performance, reduce failure, and maintain availability. In order to realise optimum results, all initiatives must be aligned in the early stages of the asset strategy.

Common Challenges

Although an organisation hopes to align all departments frequently, they do not always fully understand the path, approach and level of effort it takes to do so. Decision makers should stop differentiating the strategic planning as long term and planning and execution as short term. Multiple, sometimes conflicting corporate goals for different functional areas will not align naturally. Even if all the major elements are in place within the organisation, processes cannot integrate on their own. The enhancement approach must also be strategic: focusing not only on defining the work performing process or processes but not be enough to attain the overall asset performance potential. Strategies which take into account the execution required to diminish the spaces between multiple functional areas will be capable of ensuring true integration and/or optimal asset performance.

Many organisations share the following misconceptions which continually challenge them in the implementation of a practical asset management approach:

- Strategic planning is long term while planning and execution is short term.
- Multiple, sometimes conflicting, corporate goals for the different functional areas will not naturally align.
- All the major elements are in place within the organisation, processes will integrate on their own.

1. Long-Term Event Schedule

A long-term event (five-year) Level Two schedule outlining the regulatory requirements for Outages, Turnarounds and Shutdowns must be created. The long-term schedule should also include the timing of event execution and the timing for packages to be completed for upcoming events typically one year prior. It is essential that the five-year plan must also support corporate production goals and revenue forecasts.

2. Milestone Plan

A detailed plan that includes best practice milestones due dates and deliverables which accounts for all activities from inception, front-end loading, execution, integration and post events should be put together.

3. Milestone Description

A detailed description of milestones outlining the purpose, people, accountable, deliverables, tools, and templates available to complete the milestone must be developed.

4. Milestone Task Breakdown

A detailed breakdown of the individual tasks required of each functional area to complete agreed-upon deliverables must be outlined. The breakdown should include a description of the task, an outline of the RACI (who is Responsible, Accountable, Consulted, and Informed) for each task, and the time requirement for each task.

5. Integrated Resource Requirements

A comprehensive outline of the resource requirements must be calculated monthly, by functional area in real time to identify the gaps for facilitating a successful long-term STO strategy.

6. Management Control Reporting System (MCRS)

Best practice REIs and reporting structures must be communicated, variances to plan identified, and action plans driven to stimulate performance.

Holistic, Tactical and Structured Approach

To maximise profitability in a global, competitive environment, organisations are expected to consistently deliver on production demands while maintaining optimal performance of their assets at minimal cost. Successful strategies do not execute themselves. In order to deliver on their strategies, organisations must tear down functional silos by increasing visibility across multiple functional areas and effectively integrating their processes. To be proficient, they must adopt a more holistic, tactical and structured approach focused heavily on integrated planning, so that the large gaps typically found between long-term strategic visions and actual performance can be minimised.

Incorporating a structured approach such as an STO strategy allows organisations to engage all the functional area processes. This also enables companies to take advantage of the synergies within the different functional areas and deliver on strategies that will represent a more profitable and optimal performance of assets in the long term. Leveraging an STO strategy will ensure that the “sum of the parts is greater than the whole” and that real sustainability can be achieved.

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<figcaption align="center">Aligning departments is important at all times, and is especially imperative during turn around events (Illustration: T.A. Cook)</figcaption>
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