

Driving operating excellence across an organisation

John S Sieg, Jr.
Vice President Of Safety and Operations – BP America

Topics



- A bit about BP
- What is an operating management system (OMS)
- Why OMS is important to sustainable operations
- BP's OMS journey
- How an OMS facilitates the right type of creativity
- How understanding your companies OMS can help get projects approved and supported

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Global BP



BP is an oil, gas, petrochemicals and renewables company

We employ around 96,000 people

We have operations on 6 continents and in over 100 countries

...market capitalization \$204 billion (as at Feb 2007)

...annual revenues/turnover of \$262 billion (in 2005)

...one of the 10 largest companies in the world

...with approx 28,500 service stations worldwide

...serving 13 million customers every day

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Managing Systems and OMS



- At the heart of anything that operating system is its managing system
 - Vehicle
 - Computer
 - Human
- An OMS helps the organization
 - ✓ Set Priorities
 - ✓ Assess performance
 - ✓ Engage its people
 - ✓ Maintain its operations



What is an operating management system?



- An “Operating Management System” is the framework of processes and procedures used to ensure that an organisation can fulfill all tasks required to achieve its objectives. - *Wikipedia*

...our OIMS (operational integrity management system) is a means to help ensure that every operating organization has the resources, skills, systems, procedures, and tools to perform safely, reliably, and with environmental care...



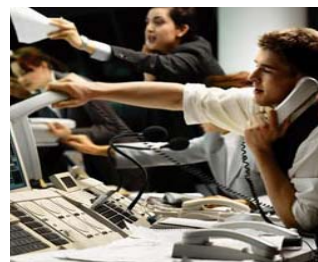
... a systematic approach to HSE management designed to ensure compliance with the law and to achieve continuous performance improvement".



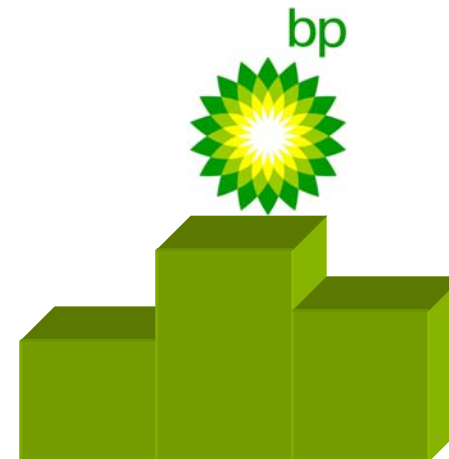
Rethinking our operating managing system



- Recent events



- Led to drive and commitment for sustained changes
- To start the journey to being a great operator



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The importance of OMS Essentials



1. An OMS recognizes that people don't know what they don't know ... so it:

- Outlines clear expectations (essentials) describing what needs to be managed
- Helps remove risk and identify opportunities
- Delivers competent, capable, consistent and safe operations
- Provides a basis for improvement

2. Without the essentials, operations can fall into routines leading to bad events and unsafe performance

- BP's OMS basics cover plant, process, people and performance

3. Operating essentials will not deliver best practice or operations excellence



A good OMS delivers



- **Organizational clarity regarding the required operating essentials** ... the '*whats*' required for good operations
- **Sustainable performance** (consistent and rigorous) via an integral continuous improvement loop

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" The OMS has two purposes:

- to further reduce HSE risks in our operations and*
- to improve the quality of those operations"*

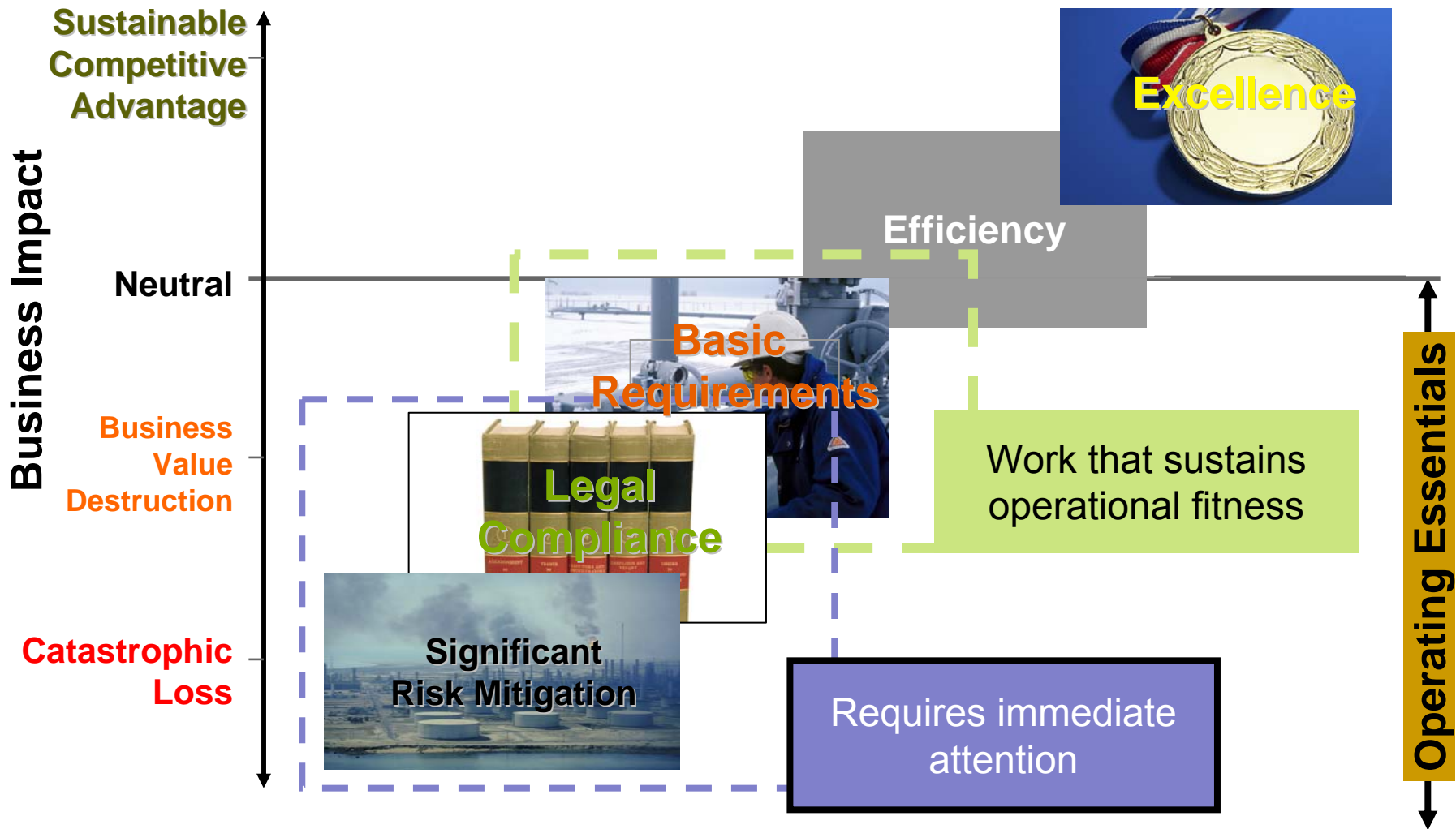
Tony Hayward,
BP Group CEO designate

BP's OMS includes:

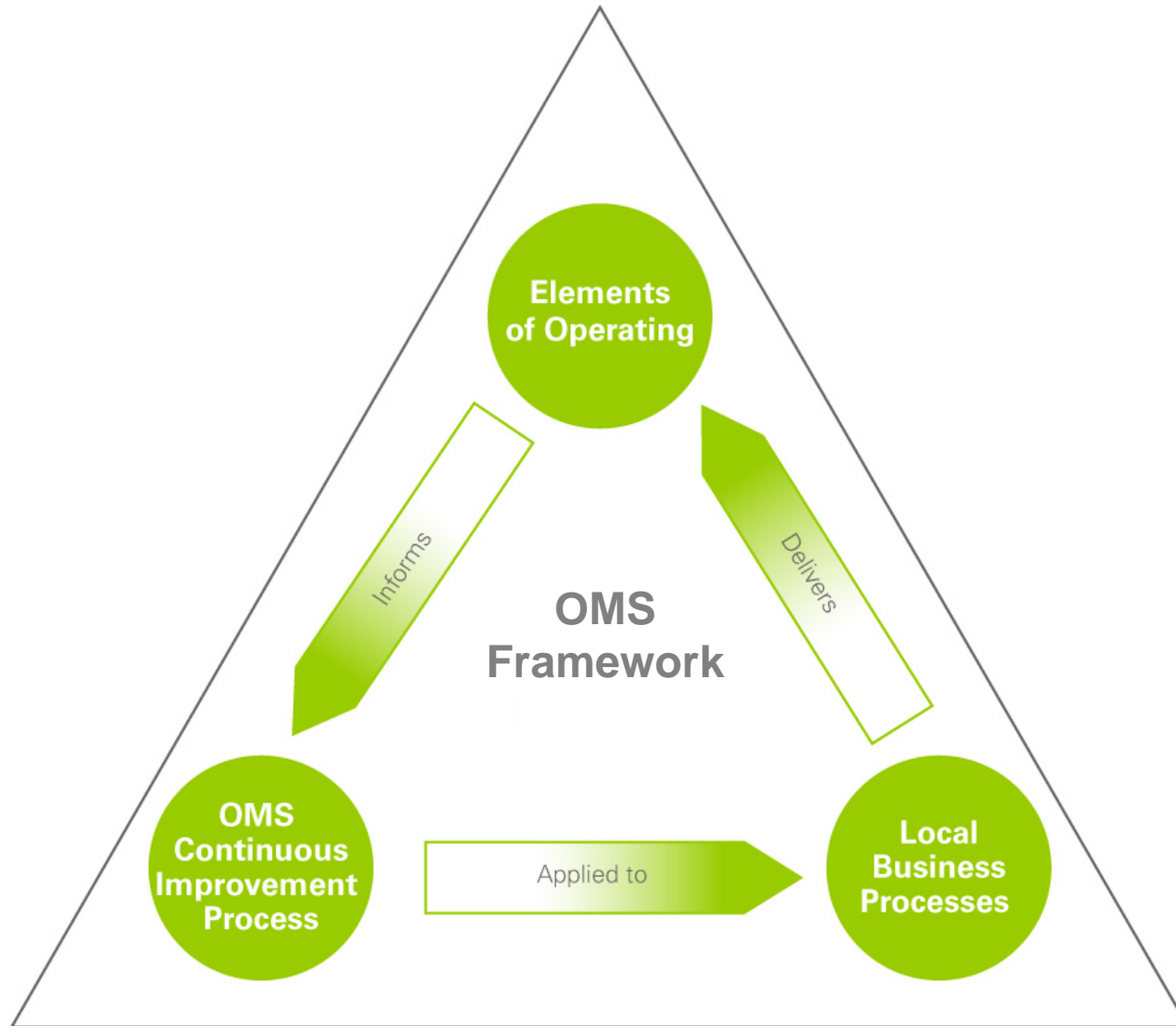


- A description of operating with essential requirements (Elements of Operating)
- A process that drives continuous improvement
- A consistent approach to manage local processes
- Content covering personal safety, process safety and environmental safety
- An integrated recasting of existing standards and management systems ... bringing everything into one local controllable system

Building blocks of the BP OMS



BP's OMS framework



The elements of operating



Measurement is used to understand and sustain performance

We deliver what is promised and meet the expectations of our key stakeholders

Our leaders exhibit visible, purposeful and systematic leadership and are respected by the organizations they lead

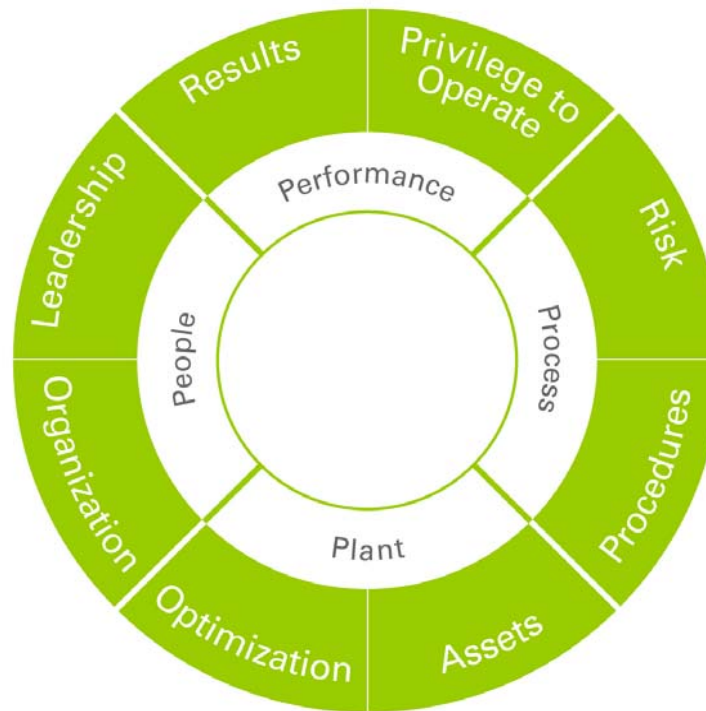
Staff at all levels of our organization understand and manage risk

We have fit for purpose and agile organizations staffed with competent people.

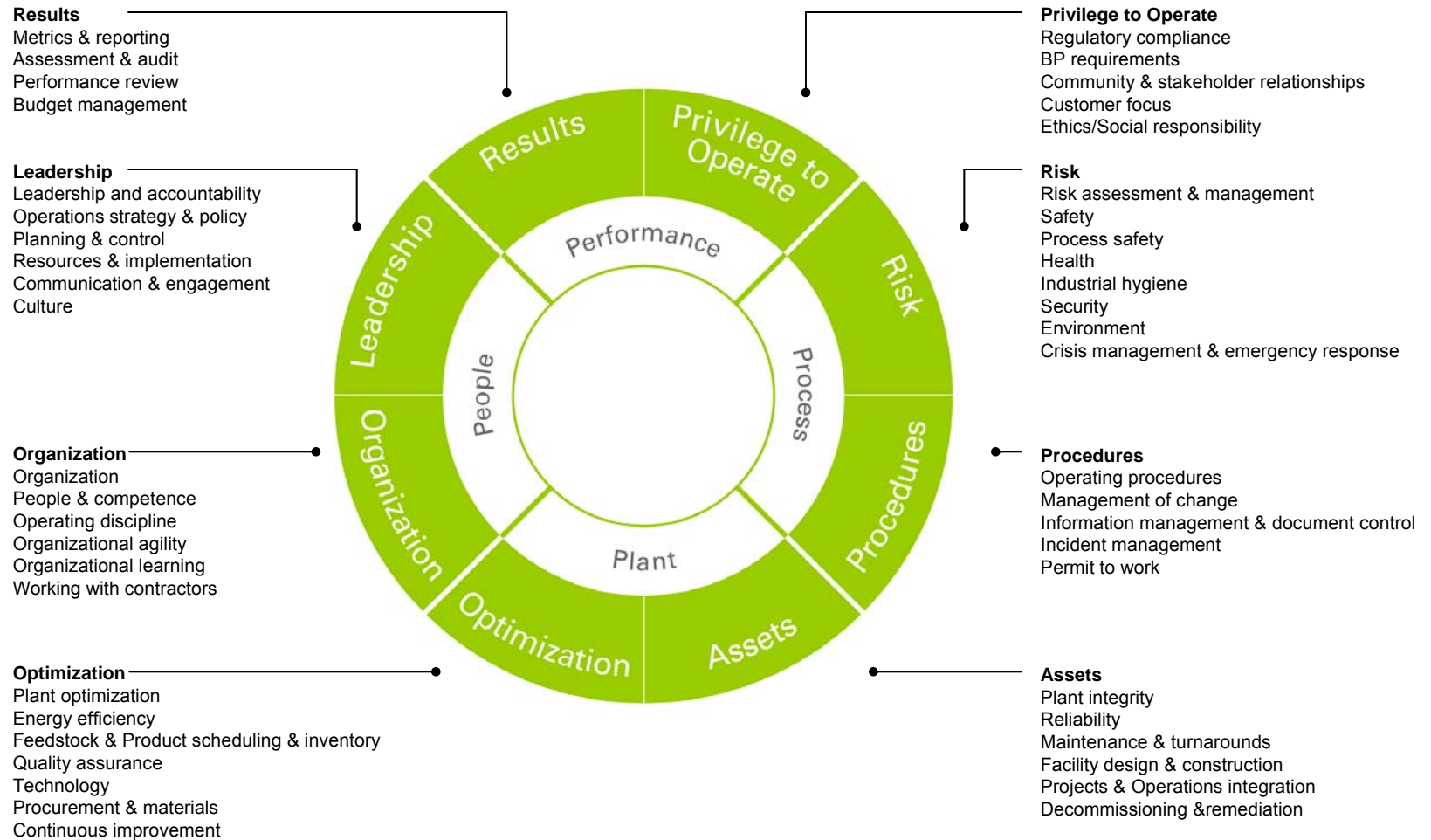
We document and rigorously follow procedures for safe and effective operating

Our operations are continuously optimized to improve performance and delivery from our assets

Our plants, facilities and assets are fit for purpose throughout the lifecycle of the operation



47 sub-elements



BP's OMS includes a CI loop



- Provides systematic approach to managing operational improvements
- Helps sustain performance
- Delivers efficient, effective, less wasteful operation
- In the future, helps deliver operational excellence



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OMS 'Whats' demand continuous improvement



Process

- Clear accountabilities and unambiguous goals
- Compliance with local laws, regulations and Group requirements
- Consistency across organisation

Plant

- Continuous risk reduction ensuring sites are safe
- Equipment fit for purpose throughout the lifecycle

People

- Workforce understands site priorities, feels supported and empowered
- Two-way feedback
- More capable people, better team work and respect for expertise
- Better leadership, capability and capacity

Performance

- Continuous improvement in operating processes and activities
- More waste reduction
- Customer expectations met

Continuous improvement requires continuous creativity regarding 'Hows'



- Based on ISO concept of plan, do, check and act
- Sustains the operating performance
- Assesses and prioritises risk
- Establishes clarity around activities
- Helps consistent delivery of plan
- Monitors and measures activities
- Reviews and delivers improvement
- Ensures effective and efficient operation
- Helps the upward spiral of continuous improvement



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Understanding your organization's OMS



Helps you **anticipate what will be valued**

Improves prioritization of your project priorities and personal efforts

Helps you frame YOUR opportunities using the language of your business

Increases the likelihood that **your projects will be supported** by the line organization

Leading factors for project success!