



Santos, Australia

Reliability & Performance Improvement Project

“It has been the smoothest change program I have ever been involved in”

Eric Bardy
Reliability & Maintenance Manager

Santos is the largest producer of natural gas to the Australian market, supplying 18% of the nation’s gas. In 2009, Santos had a market capitalization of \$12 billion, with new investment in LNG across Australia and Asia.

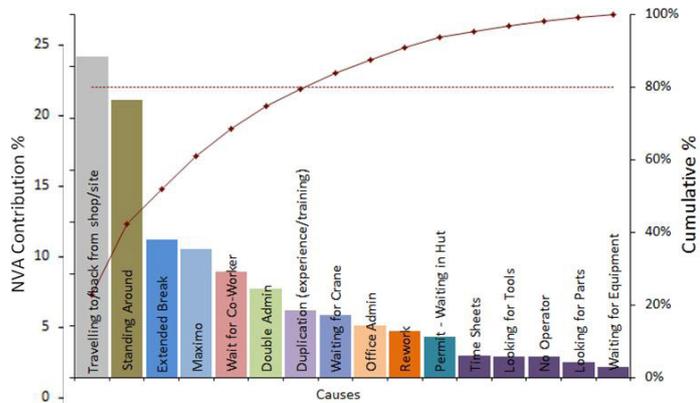
ANALYSIS

Renoir was invited to identify efficiency improvement opportunities in the maintenance operation of Santos’ largest gas processing facility, including planning, scheduling, contractor management, and the behaviour of management and supervisors. Renoir identified savings opportunities in a range of \$3.9M - \$5.8M, achievable without additional capital investment.

PROJECT APPROACH

The survey highlighted opportunities to increase tool time of Santos staff and contractors by 12-20%, through:

- Removal of non value adding administration
- Improvement of planning and material management processes
- Implementation of short interval control
- Empowering management to hold staff to account.



KEY RESULTS

Annual cost reduction of \$5,100,000 through efficiency increases

Increase in tool time of 14%

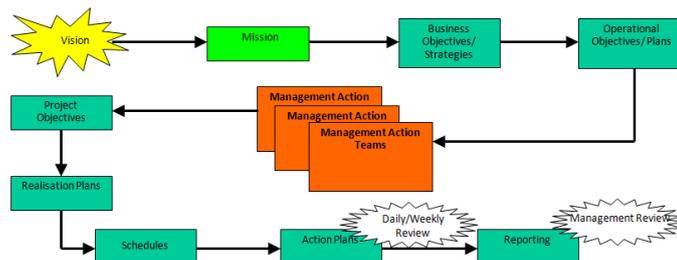
Reduction in contractor spend of around \$2,200,000

Overtime reduced by around 25%

Reduction in reliance on temporary contractors to complete major shutdowns

The proposal gained commitment from Santos management to ensure success of the project, over 43 weeks, divided into 4 stages:

- Definition and quantification
- Solution development
- Installation of solutions
- Auditing and aftercare



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The Focus Process™ spanned 13 weeks. During that time, the Management Action Team (MAT) was selected.

The key findings from the team were:

- Much time spent on non value adding activities
- Inadequate control of contractors and payments
- Low Active Supervision a result of high admin burden
- Estimated job times were inaccurate
- Bills of Materials routinely missing or inaccurate
- Process to improve job plans not trusted so not used
- KPIs not driving positive behaviours
- Poor budget visibility to Supervisors/ Superintendents
- Lack of co-ordination between trades

During implementation, the Management Control System was installed, enforcing daily, weekly and monthly KPI reviews, with investigations and actions generated to address any exceptions.

PROJECT RESULTS

Renoir helped Santos achieve annualised savings of \$5,100,000, a tool time increase by an average of 14%, a reduction of contractor spend by \$2,200,000 and an overtime reduction of around 25%.

Ownership of the project was kept with those people responsible for its benefits and continuing improvement:

- Trades were involved in solutions workshops, and asked 'what prevents you completing your job?' for excellence.
- Trades and Management comprise the Taskforce, embedding skills required
- Management forms the MAT, and takes responsibility for the project's success.

Site management was supported in conducting a weekly audit. This allowed monitoring of project progress, and is embedded as a tool to provide visibility of regression.

THE RENOIR GROUP

Renoir Consulting is a world leader in sustainable, implemented change. Founded in 1994, Renoir has offices located in North and South America, UK, Europe, Turkey, Middle East, Southern Africa, India, China, South East Asia and Australasia. With over 300 fully employed and highly trained consultants, their work across a wide range of industry sectors gives them a broader perspective of the issues facing your business, allowing them to be sensitive to your unique challenges, culture and specific business issues. This cross-pollination ensures truly effective, rapid and sustainable solutions.

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