



The Renoir Group

# Case Study: Santos Reliability

## Moomba, Australia

The Capacity to See. The Power to Change.

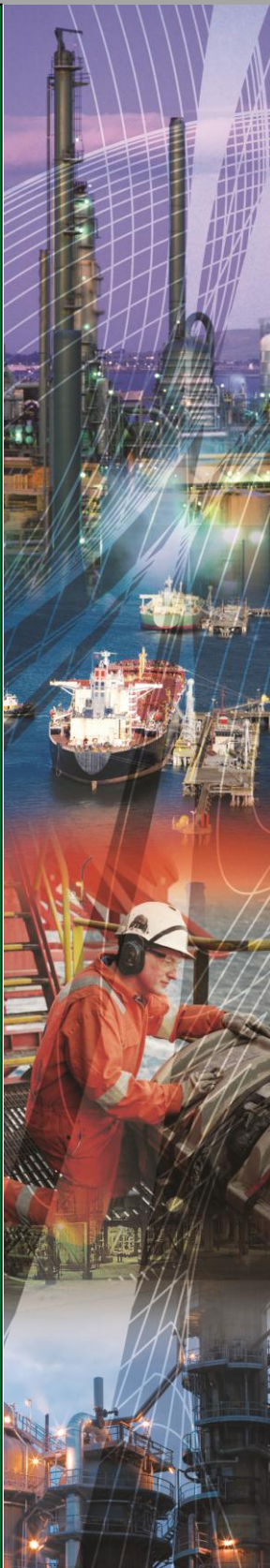
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### Key Results

- Annual cost reduction of \$5.1M through efficiency increases
- Increase in tool time of 14%
- Reduction in contractor spend of >\$2.2M
- Reduction in reliance on temporary contractors to complete major shutdowns

*"This has been the smoothest change program I have been involved in"*

- Eric Bardy, Reliability and Maintenance Manager, Eastern Australia



**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.**

### THE ASSESSMENT

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 \$3.9-5.8M, 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.

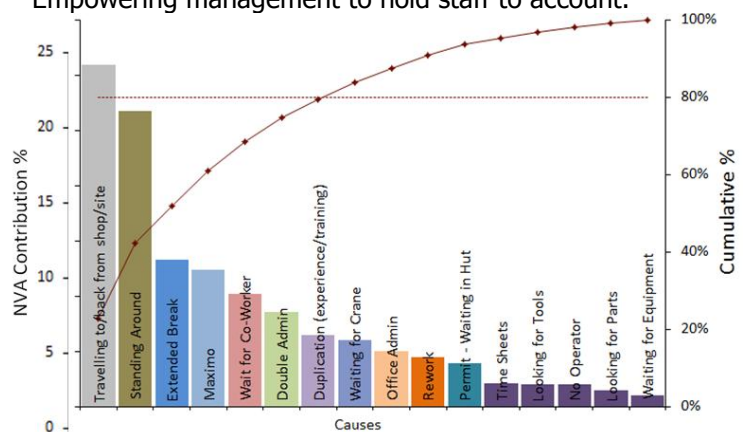


Figure 1: Pareto of causes of non value adding time

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

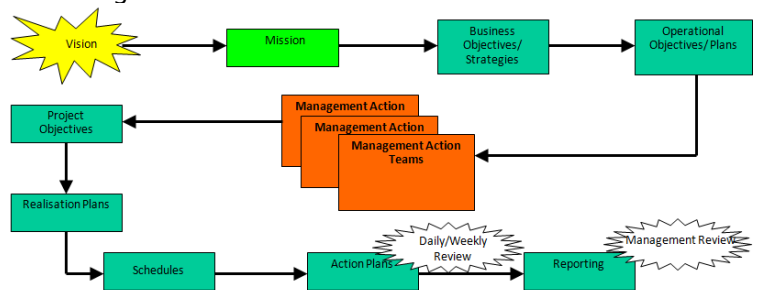


Figure 2: The Renoir Focus Process™

## THE FOCUS PROCESS™ AND IMPLEMENTATION

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.

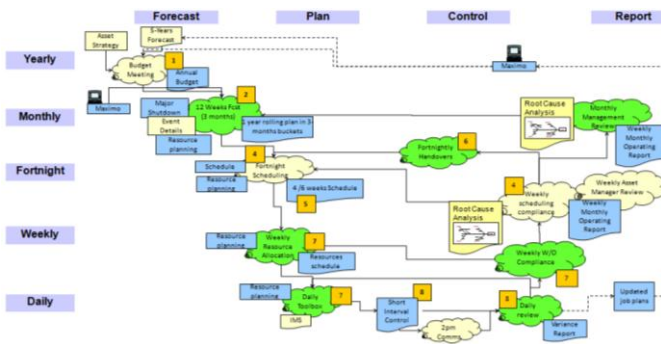


Figure 3: New Management Control System

## PROJECT RESULTS

- Annualised savings of \$5.1M
- Tool time increased by an average of 14%
- Contractor spend has been reduced by \$2.2M
- Overtime reduced by >25%

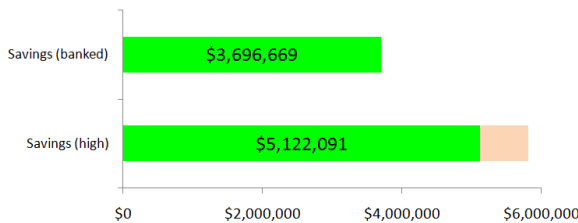


Figure 4: Annualized Savings

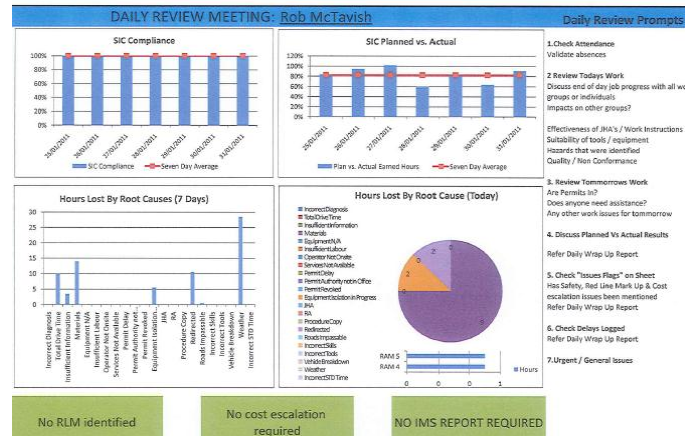


Figure 5: Supervisors' Daily Report shows plan v. actual and delays; reviewed in Daily Review Meeting

## SUSTAINABILITY

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?'
- **Trades and Management** comprise the Taskforce, embedding skills required for excellence.
- **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.

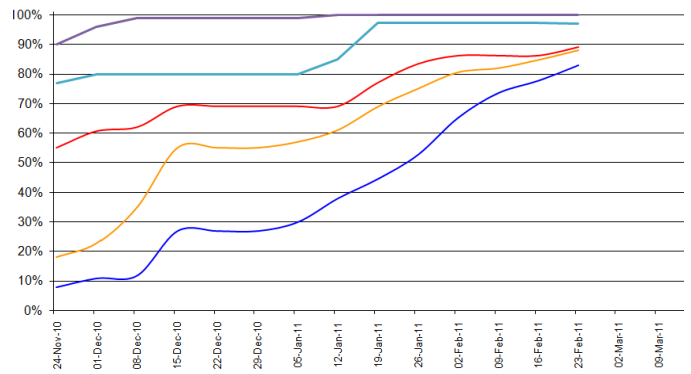


Figure 6: Audit progress (four weeks remaining)

## THE RENOIR GROUP

The Renoir Group is a world leader in implementation consulting. Founded in 1994, Renoir has offices located in the US, Brazil, UK, Europe, Middle East, South Africa, India, China, South East Asia, Australia and Russia. With over 200 fully employed and highly trained consultants, their work across a wide range of industry sectors gives them a broader perspective of the issues facing healthcare, allowing them to be sensitive to your unique challenges, culture and specific business issues. This cross-pollination ensures truly effective and sustainable solutions.

Contact Renoir at [renoir.office@renoirgroup.com](mailto:renoir.office@renoirgroup.com) or a regional office and let them help you execute your strategy.

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