

# MANAGEMENT SYSTEMS & VPP

# Agenda

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- What is a management system?
- Why is a management system needed?
- What are the benefits of having a management system?
- Where do you start?

# Management Systems 101

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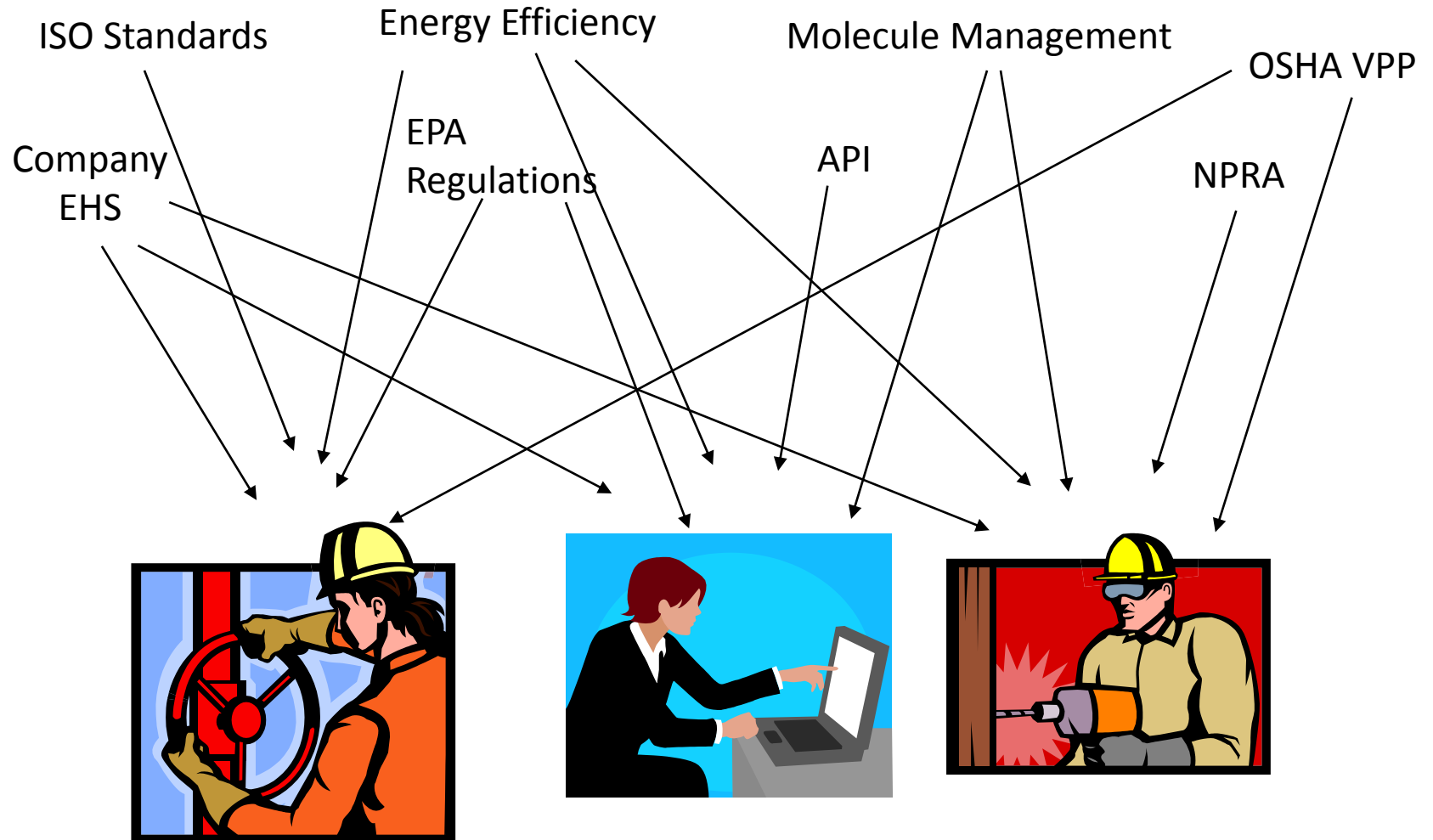
- What is a Management System?
  - A formally established and documented set of programs, procedures and practices designed to produce:
    - Specific results
    - In a consistent manner
    - On a sustainable basis

# Management Systems 101

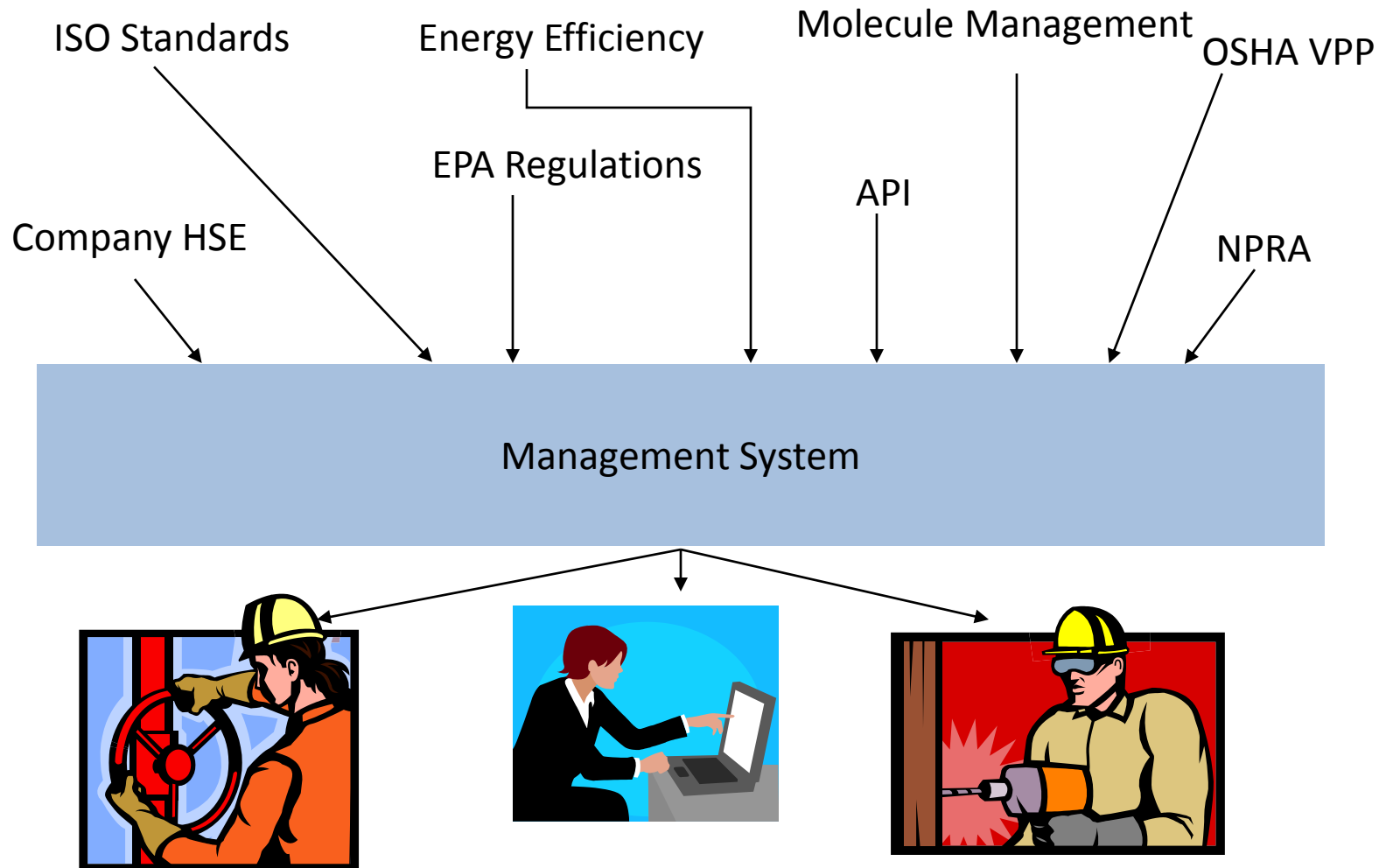
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- Why do we need a Management System?
  - A Management System recognizes that people “don’t know what they don’t know”, so it:
    - Outlines clear expectations and what needs to be managed
    - Establishes consistent “Standards” of operation across the company
    - Helps remove risk and identify opportunities
    - Delivers competent, capable, consistent and safe operations
    - Provides a basis for knowledge capture and improvement

# Summary on Systems - Not This



# Summary on Systems - But This



# Benchmarking

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- Management systems are a mature technology
  - Originally focused on quality programs
    - Iso 9000; Total Quality Management
  - In the 1990's companies began applying it to HSE programs
- External stakeholders now expect a higher degree of systemization in industry
- State of the art application is to build a singular business management system that frames the entire company
  - Avoids piecemealed systems; improves integration

# Benefits

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- Clarity of expectations
- Creation of a common language and framework
- Quicker dissemination and implementation of practices
- Improved competitiveness
- Sustainability of workforce
- Improved consistency and predictability

# Where Do You Start?

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- Define management system elements and expectations; For example:
  1. Leadership Accountability
  2. Protecting People & Environment
  3. People & Skills Development
  4. Operations Reliability & Mechanical Integrity
  5. Technical Knowledge
  6. Change Management
  7. Assurance and Review

# Where Do You Start?

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- Define roles and responsibilities
  - Attempt to define who is accountable for each expectation
  - Accountability should match resource authority
  - Check and balance design
    - Oversight from immediate supervisor
    - Coordination of effort with other departments
  - Integration of the R&R's into HR systems (EPRs, job descriptions, etc)

# Where Do You Start?

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- Develop gap assessment tool
  - Use two scoring dimensions:
    - Design: Do you have a formal process in place?
    - Effectiveness: Does your process produce the desired results?
  - Addresses programs that need to be “written down” versus those that need to focus more on execution

# Where Do You Start?

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- Perform gap assessment
  - Expect these to be unique to each site
  - Clearly prioritizes closure priorities and resource needs
  - Forms basis for an annual refinery improvement plan
    - Sets goals and objectives
    - Resource balanced
    - Communicated to employees
    - Alignment with corporate expectations and programs
- Develop gap closure plans
- Implement gap closure plans

# Where Do You Start?

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- Management System implementation is always a multi-year process
  - Framework and starting documents need to be developed
  - Roll-out and Implementation schedule needs to be developed
  - Gap closure and continuous improvement process (evergreen)
- A lot may already be defined and “operationalized”
  - Inventory of existing standards, programs and processes at the corporate and refinery levels
  - Networks/task force groups can then be tasked with filling in the blanks and developing the corporate standards where needed