CASE STUDY

Multisite Petrochemical Enterprise Realizes $9.2M in Cost Savings

Solomon identifies specific areas for greater alignment and efficiency via its Performance Excellence Process™

CHALLENGE
An enterprise acquired multiple petrochemical sites with disparate processes that required better integration.

SOLUTION
Solomon was engaged to apply its Performance Excellence Process to the situation.
Solomon made a series of recommendations on reliability and maintenance initiatives, as well as on how to manage these initiatives.

RESULTS
The enterprise has since realized cost savings totaling $9.2M across its various sites.

A single strategy
An enterprise acquired multiple manufacturing sites that lacked strong integration due to disparate processes and cultures. To more strongly align the sites, which employed widely varying business, production, and other processes, the enterprise needed a plan to unify strategic direction across all sites.

Finding commonalities
Solomon was engaged by enterprise management to perform the first two phases of its Performance Excellence Process™ — assessment and recommendation. Its Phase 1 assessment was conducted separately across the various sites and involved working with site leadership and reliability and maintenance (RAM) teams to gather information that would help inform the Phase 2 recommendations.

Solomon discovered several common themes across the individual RAM functions. It determined that the enterprise would benefit greatly from a centralized “champion” to lead standardized solutions across all sites. As such, it recommended the formation of enterprise-level implementation teams composed of site representatives for each RAM initiative, to be led by the champion. Recommendations for this champion team included:

- Overcoming known past dereliction of maintenance by defining and planning “make-up” work
- Investigating incidents and eliminating causal factors, thereby reducing the adverse effects of unscheduled outages
- Reducing inventory holding costs to mitigate inventory management risks
- Reducing damage through the use of maintenance strategies, thereby reducing actual material costs
- Using work planning and contract management to reduce labor costs
- Reducing turnaround outage losses through better turnaround strategies and standardization of scope
- Reducing turnaround scope and cost with more accurate planning
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Setting priorities, seeing results

Because the enterprise lacked internal resources with the experience to execute a project of this size, it engaged Solomon to facilitate appointing an enterprise-level internal resource to lead the project. Solomon provided detailed training and helped this resource prioritize efforts to have site-level team members develop and implement the recommendations locally. Specifically, Solomon offered:

- Training for CMT teams on change process and management
- Prioritization of Phase 2 recommendations
- Detailed action plans with resources and schedule
- Estimated costs of implementation

As a result of this multiphase Performance Excellence Process and subsequent training, the enterprise realized $3.9M in reduced outages, $1.6M in reduced inventory carrying charges, and $3.7M in reduced turnaround outage losses, resulting in $9.2M in cost savings.