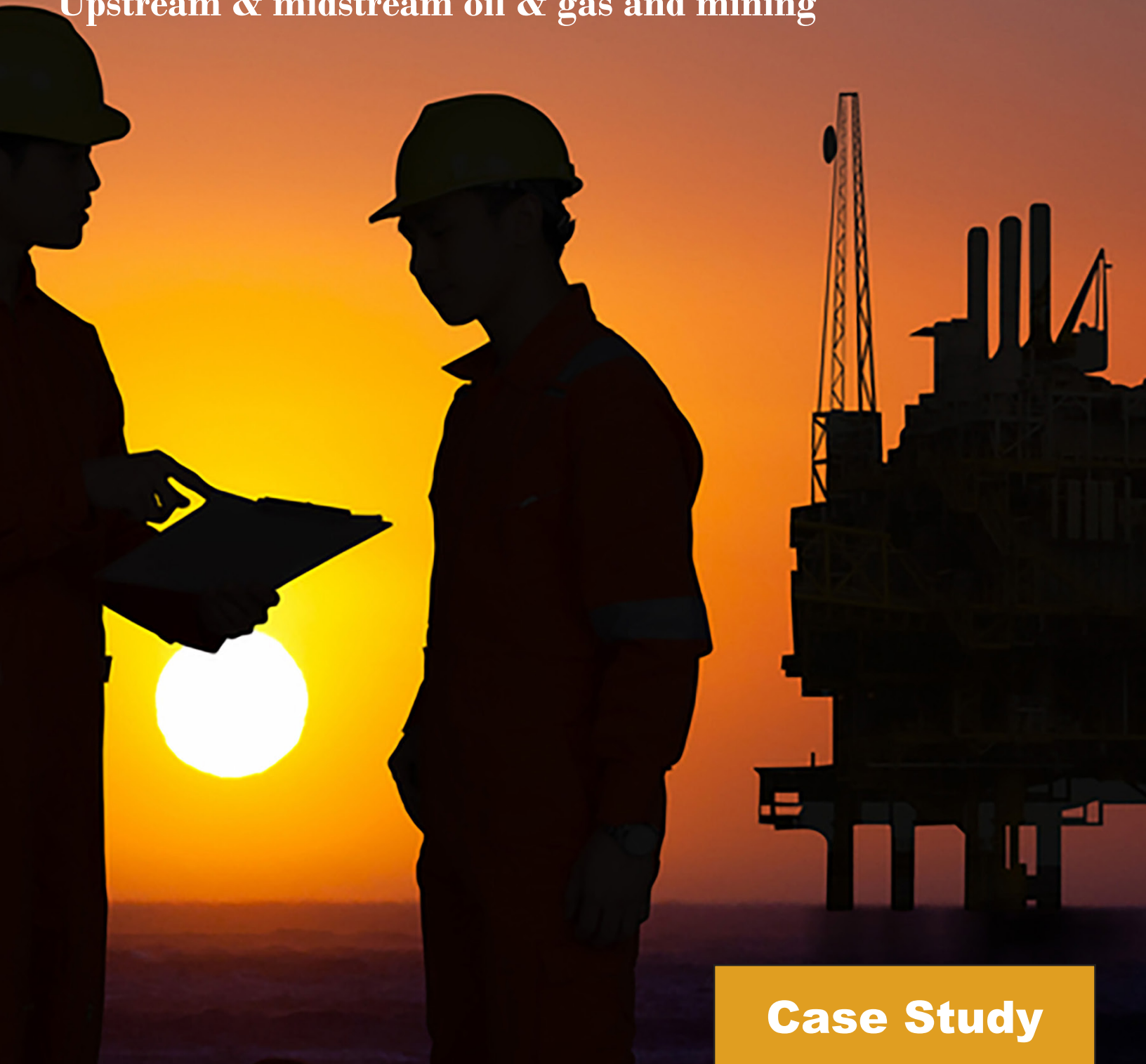# AMA
A s s e t Management Advocates

Continuous Improvement

Upstream & midstream oil & gas and mining

Case Study

Continuous Improvement

Upstream, midstream O&G and mining

Issue

Once an organization has completed their ERP Implementation, which includes standardizing business processes, continuous improvement programs should be initiated to realize the benefit of their investment. Although there is now more data available through the new system, it's not necessarily better information. There is a need for a process to drive cost savings, eliminate inefficiencies in the end-to-end proceses, increase site adoption of the new business processes and technology, which will result in increases productivity and improved user friendliness.

There are 4 major components to ensure that program and project resource requirements are met, project priorities are confirmed, project scopes are approved and there is guidance for each project.

1. **Project Management:** Organizing and managing resources to complete projects within defined scope, quality, time and cost constraints
2. **Change Management:** Providing the communications framework to engage stakeholders impacted by projects and/or process changes
3. **Business Advisory Committee:** Comprised of Senior Executives to ensure program and project resource requirements are met, confirms project priorities, approves scope and provides guidance for each project as well as communicating corporate support
4. **Continuous Improvement Methodology** and toolkit used to help ensure that improvements are data-driven, measurable, and repeatable. The improvement cycle is an effective technique for structured change management.

Types of Continuous Improvement Initiatives

Plan-to-Pay: Includes review and improve end-to-end processes by supplier/work type for the service suppliers; determine effective ways to plan and procure materials & services including detailed business processes for handling service procurement; create/modify procurement documents to support planning, receiving or service entry and invoice processing; define Supplier requirements in regard to information required on both the Timesheet /LEM and the invoice to enable a smooth plan-to-pay process; review the process for employee time confirmations to work orders to ensure they are being updated in a timely fashion

Labor, Equipment and Materials: Includes the process of capturing labor, equipment and materials for operations and project controls to determine the actual man-hours and costs against Work Orders and Project for each discipline. These initiatives offer the ability to significantly reduce the time taken to collect this information and provides data at a level of detail that is much more meaningful to operations and project managers.

Asset Master Data Governance: Includes establishing equipment class standards, health check report showing the relative health of equipment master records, business process and procedure for maintaining the asset master data and transformation rules for data cleansing

Accounts Payable Optimization: Improve the cost effectiveness of the AP function moving the group from a bottom performer based on industry KPI's and increasing productivity of the function. This included supplier on-boarding & education, e-invoicing, and managing discounts and invoice tolerances.

Plant Maintenance Education & Data Improvements: Improves Maintenance Master Data, refresher training on pain points in the process focusing on second line supervisors and improving the work order backlog

Warehouse Management Improvements: Includes improving the security and issuing of materials after hours by installing cameras to review recordings to ensure parts are signed out properly, and the installation of RFID Exciters to track movement. Developed a dedicated material tracking and handling procedure and schedule, establishing staging areas/drop zones, Urgent material request procedures, material logistics schedule, improved labelling and tagging

Materials Picking & Kitting: Defines kitting and drop zones for the maintenance shops, adds drop zones in the ERP application for use in the work order, receipt labels and pick tickets

Capital Management: Includes the alignment of the capital management processes and ERP system with a focus on streamlining project execution and improving usability. This includes improvements to portfolio management, accounting Integration with project structures, capital forecasting, work breakdown structures and improve to management for each portfolio of projects.