



5th Annual Symposium, Mary Kay O'Connor Process Safety Center
"Beyond Regulatory Compliance: Making Safety Second Nature"
Reed Arena, Texas A&M University, College Station, Texas
October 29-30, 2002

**Lesson Learned From Implementation Of Safety Management Systems
in a Multinational Company**

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In the 1990's, we all began to hear more about ISO 9000, ISO 14000 and other buzz words like "management systems". Maybe you were on-board right away but I wasn't. Many people appeared to be on board but I quickly found out, no one could easily explain a management system to this Aggie. And I believe if it can't be easily explained it must be more complicated than I can use. However, once I did understand the basic concept, it made perfect sense. Yet, if it made so much sense, how come we weren't inherently doing it already? That nagging question and some other projects we were involved in at the time made many of us realize that we did things in the petroleum industry on an "ad hoc" basis. You know, fly by the seat of your pants, reactive rather than proactive, etc. I mean after all, where did the term "wildcat" come from anyway? So we woke up one day and finally realized that we should be doing things according to a plan or a system. Well there is almost no end to the different management systems and management system look-alikes that are available. At the time I could not take any of these models to our businesses and expect much of an enthusiastic reception. They were complex, heavy in process, and appeared to be "extra work" for an already overworked business. Our businesses wanted to know, "what's in it for me?"

It wasn't all that hard to reflect internally and see that accomplishing tasks in accordance to a plan made good business sense. In fact, it didn't take long when we were talking about HSE management systems for people to begin to ask why not make it a business management system? The challenge was to find a system that was simple, straightforward, made sense and added value. At the time, ISO 14000 was beginning to be implemented in many European countries. In the U.S. (at least in our company), we were aware what was happening, we even verbalized that it was a good thing, but we certainly didn't jump on it and begin implementation right away. Once again, our culture was to be cautious and to be ready to fight any government requirements this might produce.

So, at the same time some parts of our company were implementing ISO 14000, and we thought it was a good thing, in the U.S. we couldn't bring ourselves to really embrace it.... why? In our case, we didn't yet see the true value of a systematic approach to our work (we were too busy scrambling around doing reactive work). And, we were of the mind set, if it came from somewhere else it must not be as good as something we can come up with on our own (not invented here syndrome). In my case, in trying to understand this thing called a management system, the ones I looked at were just too complicated! I was a strong proponent of a systems approach (we had too much history of fixing the same problems more than once) but I couldn't find a systems model that I could take to a business and convince them it was going to save them time, money and resources. At about that time a self-evaluation tool literally fell in our laps (the value of sharing and benchmarking) and even though it wasn't a management system as such, it was simple, it looked like a management system and to implement it, it required planning. We used this tool to begin educating the businesses on the value of working according to a plan (a system). The tool required the business to self-evaluate itself in 14 S&OH elements. Then for the elements that scored low the business had to create an improvement plan that would ensure improvement in those areas. This is the part that began convincing the businesses that through the use of a plan (or systematic approach) they could achieve desired goals with the resources they had and they could expect the new level of performance to be sustainable (because they would know how they had achieved it). This also was the beginning of a whole new buzz phrase and concept called "sustainability". The two would compliment each other very well.

So now we have the U.S. businesses (primarily) building performance improvement plans based on a self-evaluation process and beginning to understand the value of planning and process. At the same time parts of the rest of the world are trying to fit their existing business processes into the ISO format and struggling to find the value in this exercise.

Next, enter corporate auditing. In 1993, formal corporate auditing came to the forefront in our company. The businesses asked a very simple question. "To what standard are you going to audit?" The answer was "HUH?" Don't we have standards? Don't we all do things the same way? Don't we have the same standards within our own company? The answer caught many people by surprise. So the auditing group was charged to come up with a common framework against which to audit. They began looking at "management systems". As I've already stated, there were many models available. However, no single model seemed to serve our needs. So we created one of our own. Often this is not the most efficient approach, but depending on your culture it can be the most effective approach. It was for us. A cross-functional, cross business team put together a management system standard and framework that drove corporate-wide implementation of a fairly standard approach to HSE management systems. In our case the standard stated that every business MUST implement an HSE management system. The system can be based on anything the business wants to use as long as it covered 14 specified elements. If a business felt an element did not apply to them, they simply had to document their evaluation of that element and the reason it didn't apply to them. The auditors would then decide if they agreed or not.

The many reasons a business should adopt a management system approach were proved out in our case. We discovered that we had systems in many cases but they were often "documented" only in an individual's head. We had systems that were successful, but in isolation. They were

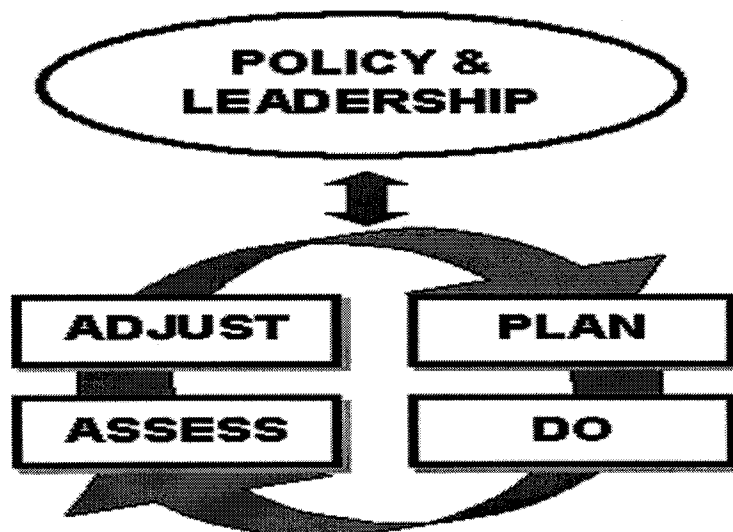
not linked together within a total systems approach that could enhance the value many times over. The end result was that we were fragmented. We were creating many customized wheels that accomplished the same things. A common, company-wide global management system helped us to overcome that.

Our final approach to a global management system contained the following key elements:

1. **A common framework** that provided a common understanding from which to build.
2. **Simplicity**. The businesses were able to intuitively see how it would help them manage their business.
3. **Flexibility**. The ability to fit what we were already doing into the system. A large percentage of what we already had in place fit right into one or more of the elements. This helped people understand that a management system is not useless extra work, it simply took the reactive work and with a little extra effort, made that work pay off in the future as well as the present. Solutions were documented, linked to the system overall, and reactive tasks became routine, freeing up time for strategic thinking and additional planning.
4. **Auditing** became more meaningful as it helped validate progress within the plan.
5. **Measurable progress against plans**. Progress, that can be validated through auditing, became “our story” when communicating with stakeholders. Independent auditors could validate our progress more easily and more credibly.

Once systems are implemented you begin to think of them like the copy machine.....how did we ever get along without them? “Why just implement an HSE system, and not a complete business system?” becomes an even more valid question. Running a business without a business management system is extremely risky and uncompetitive. I believe the biggest contribution from a systems approach is organization. Before systems, we all new what was meant when someone said, “all I do all day long is fight fires”. With good systems in place, the only one’s fighting fires should be your Emergency Response Teams - and even they should be doing less of that.

The essence of our system is the PLAN - DO – ASSESS – ADJUST cycle.



We plan what we want to accomplish, we execute that plan, at some point we review what we accomplished and we adjust based on what the review revealed. Think how powerful a tool that becomes, especially for a global company. At any given time the businesses should be working on the right things with the right amount of resources according to their plan. If something unexpected surfaces, as it usually does, you should be able to find within your system the mechanism and resources to adjust to the change and deal with it. How that affects your plan can be easily identified and adjustments made when and where they are needed. A sense of control and organization soon begins to replace reactive decision-making and chaos. As new things come up and you start down the old path of how to handle it, you quickly remember that it should fit into your management system. The management system already spells out how to handle new issues. It eliminates the reactive decisions that seem to surround every new thing that comes up. Who's going to own this issue? What are we going to do? Do we need to do anything? etc. With a management system approach, these questions are already answered. The new issue fits into one of the elements, someone owns that element and can steer the issue to the right place or person, and it either fits into your plan or it doesn't. If it doesn't, but needs to, then it gets handled like the other issues in that part of the plan. If it doesn't fit your plan and it's not a compliance issue, you have the framework to make a decision that it doesn't fit the plan and we don't need to do it right now or at all. When was the last time you felt good making that kind of decision?

In summary, planning is a very basic and time proven management tool. However, somewhere along the way we lost an ability or awareness of how to do planning or what role planning should fulfill. Once planning and organization come back into the way you manage your business you will wonder how you ever survived so long without it. And very simply, the larger you are the more you need it.