



Santos, Australia

Structural Review and Improvement Project

Santos has been an Australian energy pioneer since 1954, it is one of the country's leading gas producers, supplying Australian and Asian customers. Santos has been providing Australia with oil and natural gas from the remote outback for more than 40 years. The company today is the largest producer of natural gas to the Australian domestic market, supplying 18% of the nation's gas

Key Results

Successful on time implementation of a major organisation restructure

Clear, guided and seamless transition

Hearts and minds of EABU captured by the time of 'Go Live' launch

All system updates managed with minimal issues

An organisation that addresses critical weaknesses of the previous structure

An organisation that forms a sound platform to meet future challenges

Management ownership of the new organisational culture

ANALYSIS

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PROJECT APPROACH

The new VP of EABU requested Renoir to review the various organisation structure options that the business had been reviewing, and if necessary propose a different organisation structure that would best address the current weaknesses and support delivery of the EABU Strategy.

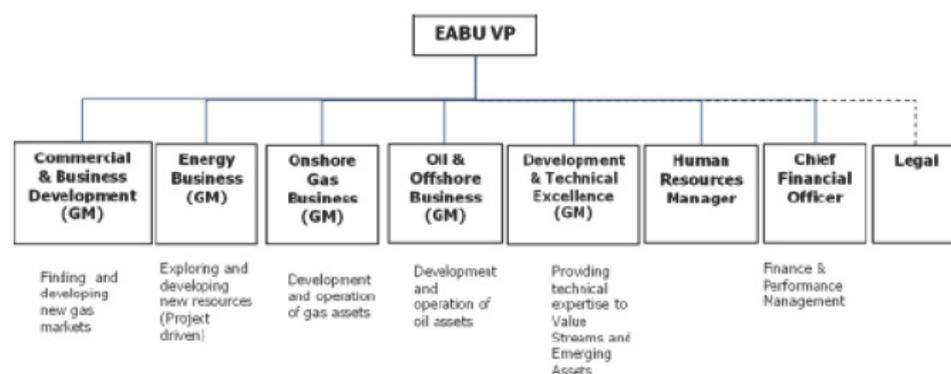
The review was undertaken over a three week period in October/ November 2010. Weaknesses with the current structure related to: Non-alignment with EABU Strategy;

Lack of Single Point Accountability; 'Silo' mentality in some areas; Poor Clarity of Roles & Responsibilities; Low Profit & Loss awareness; and Low Span of Control in some areas

The current and potential future models were assessed against key criteria; with Renoir recommending that EABU move to a Value Stream model with a functional Technical Excellence group.

Before the commencement of the Project in February 2011, EABU gained GM agreement for a variant on the Renoir proposed structure.

The Project Team consisted of a Renoir Project Manager and Senior Consultant, with two Santos Task Force members. A single Management Action Team was utilised, chaired by the Project Sponsor, and made up of the Project Team together with an experienced Manager from each 'As Is' Department. The Steering Committee (VP, GMs and Renoir) met monthly.



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From the outset, the Renoir 'Project on a Page' was taken up by the Steering Committee and communicated throughout the EABU, showing both the old and new Business Units linked with a summary of the benefits to be gained from the move to the 'To Be' Organisation.

PROJECT RESULTS

The Renoir Key Deliverables and MAT Charter were signed off and the MAT team commenced building the bridge from the 'As Is' to a successful and sustainable 'To Be' organisation.

The Renoir Focus Process provided a disciplined and structured process for EABU to follow, ensuring all the necessary preparation work was completed. This proved the critical factor, removing the temptation to repeat previous unsuccessful organisation

changes through quickly putting names in the boxes and getting on with business by an earlier 'Go Live' target date. Senior management acknowledged that in previous restructures, despite a commitment to do the necessary Management of Change tasks after going live, the work never got done.

The Implementation Phase was managed via three work streams: Process; Structure and Management of Change; addressing each of the goals of the new organisation.

The Steering Committee provided the necessary sponsorship. The Management Action Team and Project Team worked well together to typically achieve Green Lights on the weekly Traffic Light Project Status slides.

The MAT successfully delivered a critical milestone, the Steering Committee workshop to gain agreement on the 'To Be' Manager Level, by working with the players in the weeks before, to turn a potential major reorganisation 'pinch point' into a speedy consensus on the day.

The EABU organisation was launched on the target date. A reorganisation 'hotline' was set up, receiving only a small number of calls on minor issues in the weeks afterwards.

The Project Team managed the corporate anxiety through effective communication at all levels of Santos. The update of the complex IT Systems was well planned and coordinated, with minimal post launch issues.

The Renoir approach pre-empted major barriers to Project progress, and the experienced team facilitated resolution of any problem arising.

All Key Deliverables of the Renoir Focus Process™ were achieved. The Implementation Phase involved workshops on new Meetings and Reports, plus utilising Position Descriptions and ARCI Matrix to ensure quality Scorecards. Audits were carried out to ensure the changes were imbedded and the sustainability of the organisation.

Although intended as a fun exercise as part of the 'Go Live' launch, the 18 entries to the EABU Reorganisation Lego® Challenge formed a symbolic bridge to the new organisation and collaborative culture by representing all facets of the EABU process.

EABU is now organised for efficiency and productivity improvements which will lead to effective growth, allowing the business to take full advantage of the upcoming increased demand window for Gas and Oil.

THE RENOIR GROUP

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