

## Santos Southern Australia Fields

Increasing asset productivity



Santos has been supplying natural gas to Australia for more than 40 years, and today is one of the largest producers of gas for the domestic market. In 2011, Santos has a market capitalisation in excess of \$10 billion, with new investments in LNG across Australia and Asia.

### ANALYSIS

Renoir was invited to identify efficiency improvement opportunities in the production and maintenance operation of Santos' field assets in South Australia, including planning, scheduling, contractor management, and role of site leadership. Renoir's Analysis identified savings opportunities in a range of \$4.6-8.5M, achievable without additional capital investment by focusing on opportunities to increase tool time of Santos staff and contractors by 12-20% through:

- Removal of non value adding administration.
- Improvement of planning and material management processes.
- Standardised grading.
- Implementation of short interval controls.
- Enabling site management to hold staff accountable.

Critically, the proposal gained approval and commitment from senior Santos management, which helped ensure the success of the Project. Divided into 4 stages over 48 weeks, the Project included:

- Definition and quantification.
- Solution development.
- Installation of solutions.
- Auditing and aftercare.

### PROJECT APPROACH

During the first 17 weeks of the Project, Renoir's Project Team, consisting of both Renoir and Santos staff, carried out detailed studies and developed new systems and processes that would address the issues as part of Renoir's Focus Process®. Key findings included:

- Excessive time with non value adding activities.
- Ineffective contractor management.
- Excessive administrative activities reduced active supervision.
- Inaccurate job time estimates.
- Lack of formal operator job planning.
- Bills of Materials routinely missing or inaccurate.
- Lack of confidence in job planning improvement process.
- KPIs not driving positive behavior.
- Poor budget visibility to Supervisors/Superintendents.
- Poor co-ordination between trades.

### Key Results

Annual cost reduction of \$5.2M through efficiency increases

Increase in maintenance tradesmen tool time of 25%

Increase in production operators working time of 13%

Reduction in reliance on contractors to complete services

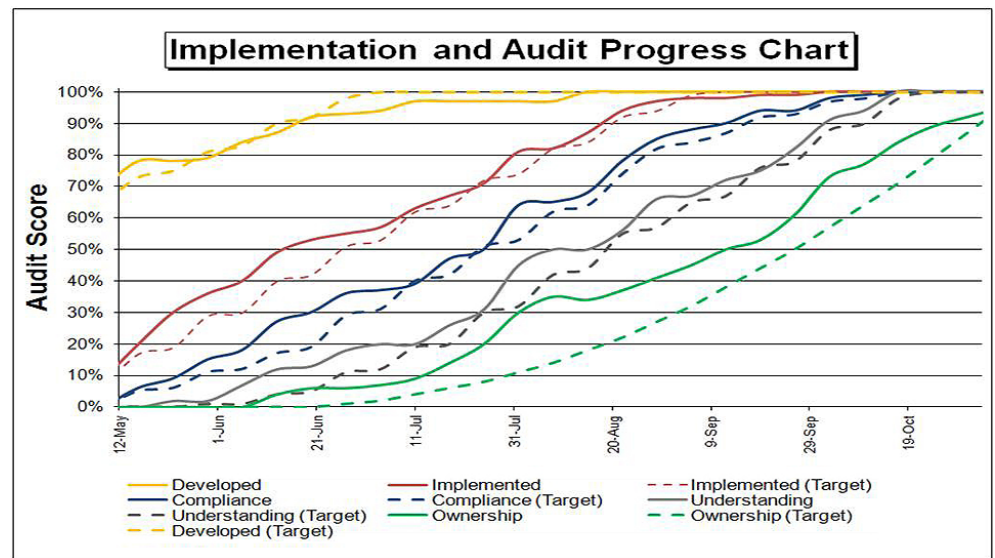
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## SUSTAINABILITY

Ownership of the project was kept with those people responsible for its benefits and continuing improvement:

- Trades and Operators were involved in solutions workshops, and asked 'what prevents you from completing your job efficiently?'
- Asset representatives and Renoir consultants ensured that the skills required for excellence and sustainability were embedded, enabling Santos to roll out the programme independently to additional geographic areas
- Management took responsibility for the project's success and sustainability
- Site management was supported in conducting a weekly compliance audit. This allowed monitoring of project progress, and by embedding the audit process in the system, any signs of regression were visible and actionable.



## THE RENOIR GROUP

Renoir Consulting is a world leader in sustainable, implemented change. Founded in 1994, Renoir has offices located in North and South America, UK, Europe, Turkey, Middle East, Southern Africa, India, Pakistan, China, South East Asia and Australasia. With over 300 fully employed and highly trained consultants, their work across a wide range of industry sectors gives them a broader perspective of the issues facing your business, allowing them to be sensitive to your unique challenges, culture and specific business issues. This cross-pollination ensures truly effective, rapid and sustainable solutions.

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