

January/February 2000

Vol.10/No.1

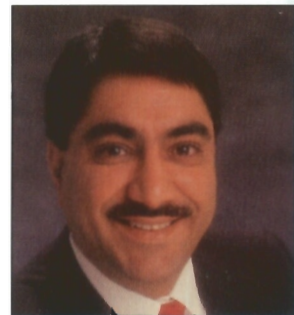
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World Refining

Analysis & Technologies for the 21st Century



World-Class Shutdowns and Turnarounds



The process industry is losing over half a billion dollars of profits due to poor turnaround results and missed opportunities, according to Bobby Singh of Project Assurance. In an exclusive interview with World Refining, Bobby Singh shared with us the emerging industry trends, turnaround benchmarking results and the challenges faced by plant executives to consistently achieve pacesetter results on plant shutdowns and turnarounds.

Bobby Singh is founder and president of Project Assurance, a Houston-based international consulting and training company dedicated to the advancement of turnaround management skills. Mr. Singh, a frequent public speaker, is also the author of the book, "World Class Turnaround Management—Business Driven and Reliability Focused."

Mr. Singh asserts that turnaround performance can be dramatically improved if companies focus on key issues such as strategic planning, selection of qualified contractors, synergistic and innovative organizations, and tactical initiative to improve field productivity.

The following Q&A conveys some of the most salient aspects from this meeting.

World Refining: Why is there so much corporate interest in plant shutdowns and turnarounds?

Singh: First of all, there are significant dollars at stake. Secondly, turnaround results have a long-term effect on the facility's operational reliability. Combined, it dictates a plant's operational efficiency and business survival in the competitive global market.

WR: What is your assessment of the industry's turnaround performance?

Singh: In our assessment, the biggest factor is the growing gap between higher turnaround performance expectations and rapidly shrinking qualified resources to manage the turnarounds. As a result, the planning effort not only starts late, but it is also ineffective, and typically does not contribute in the turnaround success.

WR: What is Project Assurance's definition of world-class turnarounds?

Singh: When the turnaround results exceed the established industry benchmarks and those of the pacesetter companies. Equally important, the turnarounds must meet the company's business goals and operating values related to safety, environment, mechanical integrity, reliability, etc.

WR: Can you share some of the results from Project Assurance's Turnaround Benchmarking Study?

Singh: Most significantly, the study showed that the majority of turnarounds lacked strategic focus and front-end planning. In addition, turnaround teams lacked leadership and were understaffed. Surprisingly, in all but one of the twenty benchmarked categories, the overall industry scored less than 50%. The only exception was the safety function.

WR: What is the biggest plant management's challenge as it relates to turnarounds?

Singh: First, plant management must fairly balance the business, marketing and financial goals with the plant needs for mechanical integrity and operational reliability. Second, companies must bridge the gap between higher turnaround performance expectations and a constantly shrinking pool of qualified staff to plan and execute turnarounds. You can't have it both ways.

WR: What areas should plant executives focus on to achieve highest turnaround results?

Singh: Creating a knowledge-based organization where the team understands the purpose of the turnaround, and are innovative to achieve exponential results. To achieve this, the companies must have systematic turnaround management processes and procedures that incorporate the best turnaround practices, planning techniques and execution strategies.

WR: Which areas do you see that have the highest opportunity to improve turnaround performance?

Singh: Strategic turnaround planning should help to focus on risk areas, early work scope definition, high-performance initiatives and in the assignment of qualified staff. Good contracting strategy to select qualified contractors and improve field productivity. The real secret is to ensure that turnaround teams have the leadership and expertise from in-house or outside sources to focus all participants' energies in facilitating world-class turnarounds.

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