Why Settle for "Good" Performance?

Why Settle for "Good"
when you can make it "great"? That was the situation for a team at Petrolo Oil Company. Already an industry leader, Petrolo was performing well—production and revenue were up and everyone was busy. But, unwilling to settle for "good enough," one Petrolo team launched an improvement effort based on a proven way to achieve optimal performance while simultaneously building a winning work environment.

The team's improvement focused on the following business imperatives:

1. Keeping people safe
2. Protecting the environment
3. Producing more reliably and efficiently

Its solution was to use CLG's **Performance Catalyst®**, which provided team leaders with a clear path to executing strategy by connecting behavior to results and accelerating performance across a range of indicators. Performance Catalyst® is a proprietary approach that helps organizations experience significant improvements on the things that really matter and assists companies already experiencing success by taking results to the next level.

The team's improvement effort married the following three components:

- Strategy—Clear direction supported by team competence and opportunity to pursue improvement
- Process—Clear processes mapped for improvement
- Behavior—Clear team leadership support for **High-Impact Behaviors℠** and the capacity to use the powerful shaping practices of Applied Behavioral Science (ABS)

Results Achieved by focusing on High-Impact Behaviors℠ were record improvements— far faster than anyone could have possibly imagined. As early as 10 months into the improvement effort, Petrolo executives were able to celebrate significant gains by this team—steady, upward improvement on all key performance dimensions, including:

- Mechanical equipment downtime lower than in the previous two years
- Ten straight months of zero bad actor failures
- Twenty straight weeks of 100% equipment surveillance
- Below-budget spend rate
- Overall year-to-date spill volume 88% below that achieved the previous year
- Zero incidents and eight months of 100% on preventive safety behaviors

SETTLE FOR NOTHING LESS THAN GREAT PERFORMANCE!

"Performance Catalyst® is a powerful leadership system for driving high-impact work behaviors to rapidly reach targeted results."

WHEN PERFORMING "GOOD" ISN'T ENOUGH

Today, meeting worldwide energy demands has become increasingly complex and competitive. For energy companies, performing at a "good" level isn't enough. Producing to fulfill demand efficiently without jeopardizing workers' health and safety, all while ensuring the process has minimal impact on the environment, is a huge challenge. Some are better than others at finding the right solutions. This team at Petrolo Oil found them.

The team was faced with trying to get 100% of the people to do things right 100% of the time. This seemed impossible, but by increasing employee engagement with High-Impact Behaviors[SM], it was able to meet, and in many cases exceed, its targeted results in a relatively short period of time. The following details how the team took its performance from good to great.

HIGH EXPECTATIONS—MANY CHALLENGES

Petrolo Oil Company was in good shape. Production was high, revenue was up, and workers were all very busy. But, despite the current good performance, teams faced major challenges every day. For example:

- Money was tight—with budgets cut almost 50%, competition for funding was intense
- As always, necessary production technology was expensive
- Most operations had been busy reacting to a personnel flux, with many new employees requiring catch-up training
- Despite rigorous surveillance requirements and worst actor programs, equipment reliability was not improving
- Despite a target level of 80% on schedule compliance, most teams averaged well below this number
- Despite their efforts, small spills were still occurring
- Leadership strongly believed that safety observations were the key to keeping incident rates down; however, average compliance with safety observations was less than satisfactory

So, it wasn't surprising that even a well-run, high-performing team had room for improvement.

OPTIMIZED PERFORMANCE WITH PERFORMANCE CATALYST®

One Petrolo team decided to utilize the business performance improvement solution called Performance Catalyst®. Performance Catalyst® is a powerful leadership system for driving high-impact work behaviors to rapidly reach targeted results. Performance Catalyst's intent is to optimize performance by ensuring everyone is clear on strategic goals and to bring focus to the behaviors that drive key metrics.

Through the Performance Catalyst® methodology, the team rolled out Performance Catalyst's tools in ways geared to yield the greatest change in the least possible time, with the highest possible level of employee engagement, and to optimize **Discretionary Performance**[SM] in support of the handful of High-Impact Behaviors[SM] that make the difference for the team. The results are compelling—steady upward improvement on key performance dimensions. The story from the front line is even more compelling—by adopting the Performance Catalyst® approach, team members experienced a different world at work—and began to look at their work differently.

Improving Schedule Compliance

As the team started thinking through its High-Impact Behaviors SM, it became evident to its leadership that work order completion was an area of opportunity—work orders were an ongoing source of frustration and a key issue at weekly planning meetings. Even though the maintenance task might have been completed, team members weren't entering work orders online, so it was impossible to get a true picture of compliance.

Entering work orders was not a popular task, but failure to do so made schedule compliance unnecessarily low. Today, you can walk into the team's workspace on any morning to find people arriving before the 7:00 a.m. team meeting to complete work orders from the day before. The chart below illustrates the schedule compliance improvements as demonstrated by the team. The average 47% compliance rate quickly shot upward, and the team achieved nine consecutive months at or above the 80% goal. Not only had schedule compliance almost doubled, but the team was writing 25% more work orders and still getting them done on time. Team members actually enjoyed the challenge of improving performance.
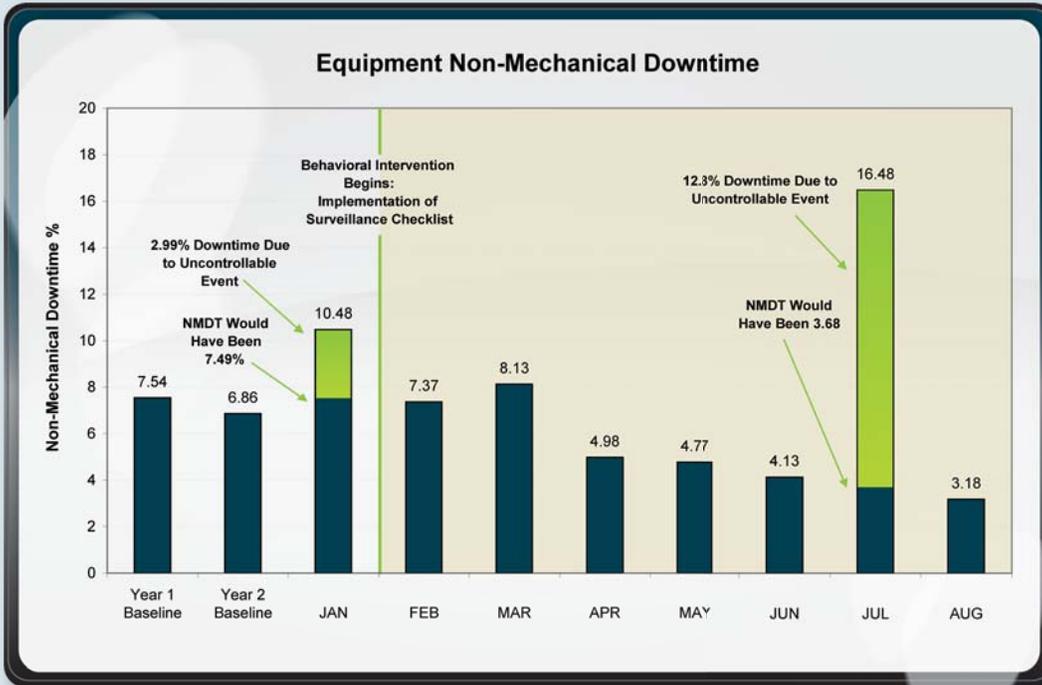
> *"When you see the results, you like it. We got better right away with schedule compliance. Once you see the results on the charts, it's going to be good. When we hit 100%, it showed us this is really working."*

Team Monthly Schedule Compliance
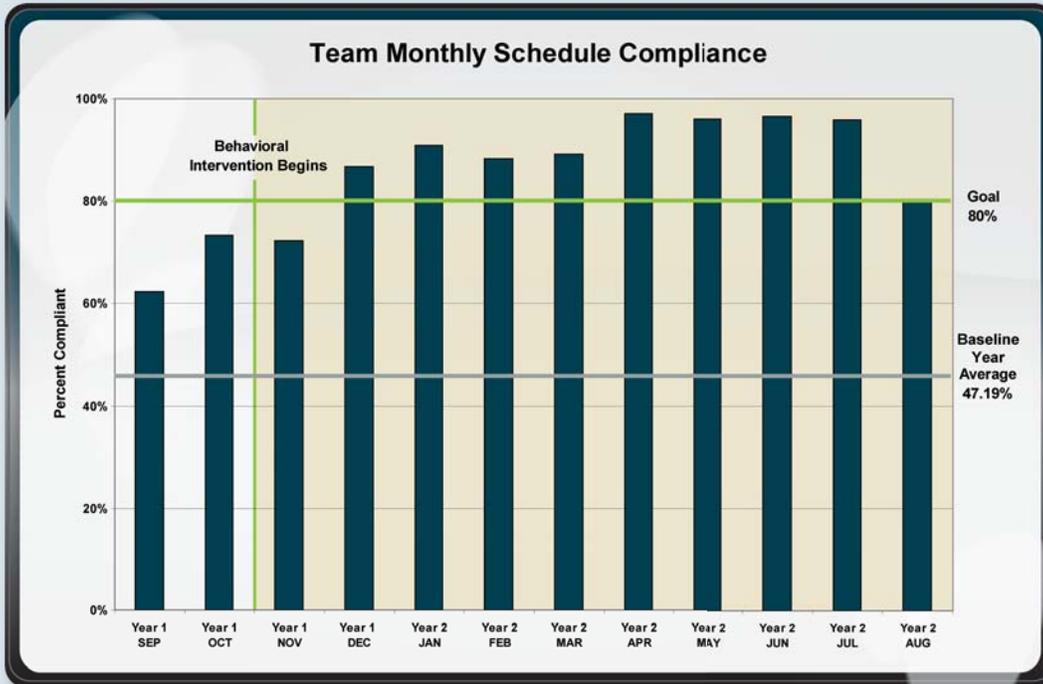
> *"When you see things trending up, you want to see it get to the top. And when you see downtrends, you want to fix it."*

Improving Equipment Reliability

The High-Impact Behavior℠ of accurate, systematic surveillance was addressed to enhance performance of critical production equipment. This enhanced surveillance reduced callouts and non-essential alarms, and had a measurable impact on non-mechanical equipment downtime. Non-mechanical equipment downtime was lower than it had been in more than two years (see chart below). It also boosted equipment runtime despite two major shut-ins.

Equipment Non-Mechanical Downtime

Y-axis: Non-Mechanical Downtime %

- Behavioral Intervention Begins: Implementation of Surveillance Checklist
- 2.99% Downtime Due to Uncontrollable Event
- NMDT Would Have Been 7.49%
- 12.3% Downtime Due to Uncontrollable Event
- NMDT Would Have Been 3.68

Values: Year 1 Baseline 7.54; Year 2 Baseline 6.86; JAN 10.48; FEB 7.37; MAR 8.13; APR 4.98; MAY 4.77; JUN 4.13; JUL 16.48; AUG 3.18

Today there is a chart on the door of the team members' workspace that logs daily surveillance activity of "the 8 tasks"—critical checks of equipment that help ensure optimal performance. Better information about the performance of the team's equipment is also helping them stay on top of trends. As this team's leader saw it:

"We needed to simplify and develop meaningful metrics that drove improvement and that could be impacted by the team's behavior. The main thing was that a lot of people didn't understand the metrics. You'd put something up and say we're doing good (or not) and they didn't really know what it meant and how they were expected to help support the metric. Now they know more about what to look for, what they need to go after to keep their equipment running right."

The chart below shows 21 straight weeks of 100% completion of equipment surveillance tasks.

Equipment Surveillance

A process improvement project uncovered a key issue causing equipment downtime for a type of equipment that was one of the team's worst actors. Solving this problem involved technical solutions as well as behavioral changes, including a new preventive maintenance task assisted by the High-Impact Behavior℠ of enhanced surveillance. Together, these changes have achieved 10 straight months of no failures on one of the team's worst actors, depicted in the chart below as "Bad Actor."
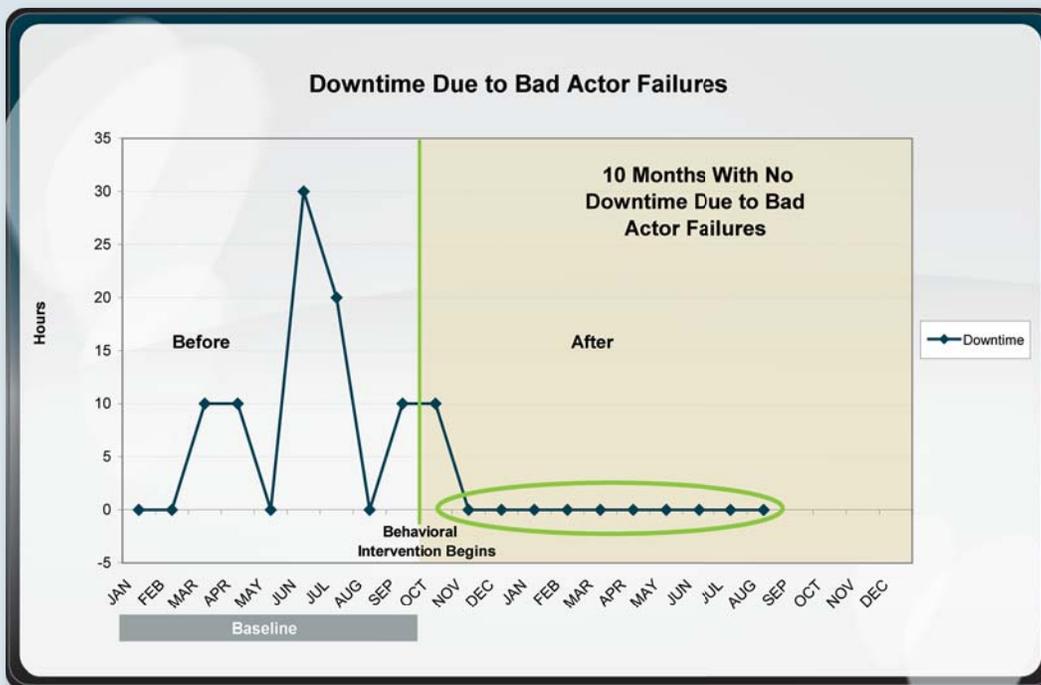
"We've moved from just complaining that the 'equipment was broken' to getting to the root cause analyses of problems."

Downtime Due to Bad Actor Failures

Preventing Spills

Environmental concerns ranked high on the team's list of business imperatives, second only to safety. It had experienced a spill in the year prior to its intervention, although it was relatively small and left little long-term damage. However, it served as a warning because it could have easily been prevented by putting more emphasis on the High-Impact Behavior℠ of monitoring the conditions that often lead to spills. Increased awareness of potential spill hazards was supported by a weekly systematic review. The greater vigilance, in turn, generated new work orders—and more scheduled repairs made to prevent spills. As one team member put it:

> *"Our spill surveillance was kind of limited before. We'd walk by and hope we'd spot something. We were more reactive than proactive. Now we have a clear list of things to look for, and we're catching things sooner. I don't know if we would have seen these things without our checklist."*

The team achieved four straight months of zero spills and an overall year-to-date spill volume 88% below the previous year.

KEEPING SAFETY FIRST

A year after the rollout, the team experienced eight straight months of 100% compliance with safety observations as illustrated in the graph below. With that kind of success behind it, the team is now asking people to submit at least one of their two monthly safety observations by mid-month. This increases a focus on true safety vigilance—not just meeting a quota for observations.

And, what's more, you can hear stories shared about behavioral safety observations and job safety reviews at the morning meeting. The more team members talk about safety, the more they pay attention to safety. They know their High-Impact Behaviors℠. It's that simple.

Safety Observations

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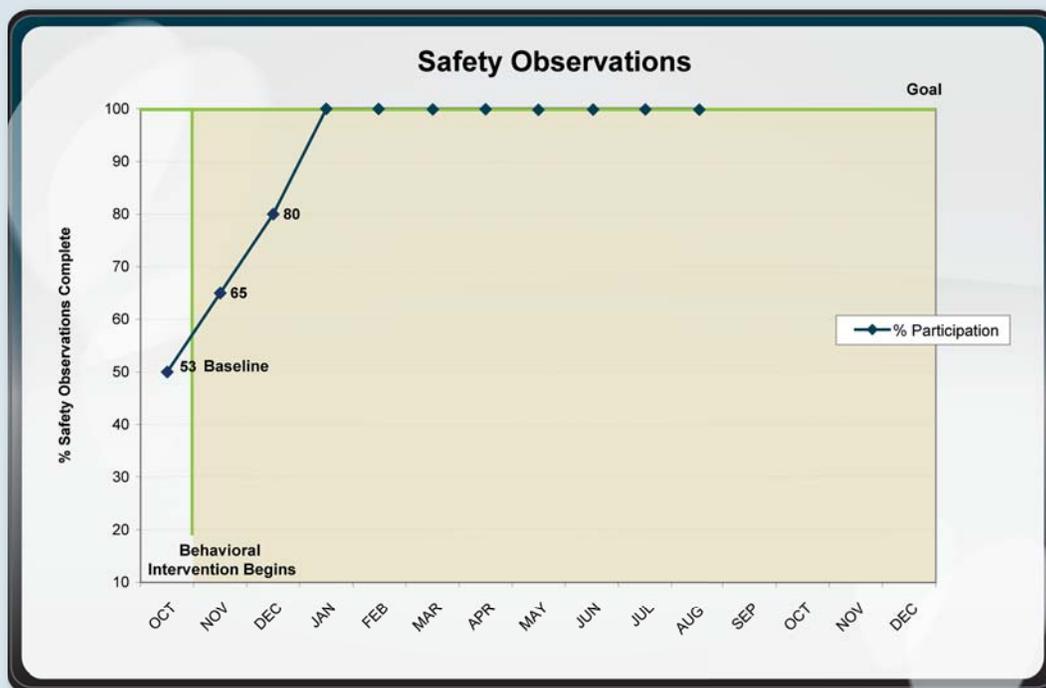
PERFORMANCE CATALYST® MADE THE DIFFERENCE

This case study details a Petrolo team that used Performance Catalyst® to focus on the critical behaviors that would drive the metrics it determined were most important to improvement. The Performance Catalyst® intervention included the following:

1. Driving discussions with a scorecard

The team created a scorecard aligned with its metrics. It paired lagging metrics with leading metrics that were within the influence and control of the team. Once these leading metrics were clearly identified, they could identify the High-Impact Behaviors℠ that would drive improvements.

For example, take the problem with schedule compliance. The team identified the behavior of completing work orders online as a leading indicator of schedule compliance and tracked it with weekly participation charts and updates on the scorecard. This spotlighted a simple action each person could perform that would immediately make a difference.

The scorecard helped put an immediate focus on a simple, specific behavior that made a big impact on the bottom line:

- The team realized that surveillance and work order completion behaviors were important enough to track
- Team members learned how large an impact any one behavior within their control had on the larger business picture
- They were reminded about the behavior through weekly discussions at the maintenance planning meetings—the weekly tracking chart clearly showed who was completing online work orders and (in red ink) who wasn't; when people saw their names in red, it had an impact, getting them to change their behavior and complete their work orders on time
- Together, they tracked progress monthly at scorecard review meetings, where they could celebrate the cumulative impact of their individual efforts

2. Using the scorecard to create a focus on High-Impact Behaviors℠ that drive business results

The team did several things to improve the way its data were used. First, the new charts showed individual performance on such things as work orders and safety observation, as well as information on equipment for each team member. This helped team members understand exactly how their day-to-day behaviors were impacting the business.

Second, raw numbers and complicated spreadsheets were replaced by simple charts that told a complete story on a single page and included trending data that compared current performance against a baseline and a goal.

By project's end, any team member could stand up and discuss these charts. Data became more accurate during the rollout because team members began to see value in ensuring the data were correct. Finally, the availability of relevant data helped everyone make better data-driven decisions. As one engineer commented:

> *"If data were the Olympics, our team would get the gold. They've improved their accuracy enormously, and that's helping us pinpoint problem areas much more precisely."*

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The way data are being used now is a big change. As one manager reported:

> *"The whole team is more involved in the data we're gathering and helping everyone understand it and how it drives our business. It helps us change our behavior and how we do our business. Team members are reading the data, understanding it better. Before, we'd just throw out the metrics and had no clue what they were looking at or how we came up with it."*

3. Vertically and horizontally aligning the scorecard

The team's leadership supported all efforts and reinforced early successes by making many field visits. They participated actively in morning meetings and in discussions with team members at monthly scorecard discussions.

Leaders accompanied the team on spill prevention rounds and discussed work orders that needed to be written. They talked with their team members about safety and reinforced improvements being made in processes like preventive maintenance compliance. All of these efforts emphasized the leaders' interest in the team's efforts and demonstrated their role as partners.

Even in the early stages, team leadership played an important role in keeping the effort vertically and horizontally aligned. While team members worked with their scorecards, leadership worked on a scorecard and metrics for each level. They also reached out to engage business partners from other areas within the business unit. Monthly meetings were held with these partners to address gaps and explore opportunities.

4. Providing comprehensive information about the High-Impact Behaviors[SM] that made a difference

Team leaders began to acknowledge even the smallest behavior changes to build an environment of encouragement and support. What was the result? Intermittent reminders about the need to comply with a behavior standard were replaced with a consistent bombardment of positive feedback and reinforcement every time a team member used the behavior—a much nicer (and much more effective) way to be reminded to do something!

> *"One of the big things is we're giving a lot more positive feedback. Before, if they did something, it usually went unmentioned. The only time they'd hear from us is when they did something wrong."*

In the first four months, the team successfully improved five different sets of High-Impact Behaviors[SM] that positively impacted performance. Each set of High-Impact Behaviors[SM] specifically focused on moving a leading indicator within the team's control to influence a lagging business metric.

The icing on the cake was that in addition to the focus on strategy, process, and behavior blending well for maximum effort, people began to see that the scorecard metrics, which first appeared as separate improvement projects, were actually interrelated.

Using spill prevention checklists impacted the goal to increase the number of work orders written. The goal of improving equipment availability through more systematic surveillance also increased work orders, enabling an improvement in scheduled work. When the team focused on the right High-Impact Behaviors[SM], results improved across the board.

> *"Matter of fact, a lot of times we pounce right on the data and figure out what we need to do to get it to where it's supposed to be. If we see something on a downtrend or something that needs to be changed, we get to working on it right away."*

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In addition to creating synergy, many new ideas were so successful (such as the spill prevention plan) that the team's leadership began to leverage them. This spill prevention action effectively addressed Petrolo's single largest performance challenge the year prior to the improvement effort and has since been expanded.

98% COMPLETION NOT GOOD ENOUGH

Perhaps the best way to illustrate the difference in the team's operations is to see what it looks like today . . .

During a meeting toward the end of the improvement effort, one team leader asked for an update on the month's safety observations. The safety lead told the group that there was one observation missing, which meant the team might only hit 98% for the month after eight months of 100% completion. The room went silent. People looked at each with concern. Then a team member put it into perspective—"We've come a long way when even 98% looks bad!"

People still work hard. Production is on track and still profitable, with operations efficiency currently well above target. But, there is a difference. As one team leader put it:

> *"We are all holding our heads a little higher here. I always felt that we had a very good team, but I think we have polished that with this new approach, and we're a lot more focused about what we're trying to accomplish.*
>
> *"We see people looking into stuff they weren't looking at before and asking 'How can I help fix this?' It's pulled an already good team closer together and working as one entity, instead of a bunch of individuals out there just taking care of their own little world."*

The team's leadership had learned a valuable lesson. They know that when everyone is clear about the goals and focuses on the critical behaviors that drive key metrics, they can make a difference. In fact, after realizing what a big difference they made, team members began taking on more ownership. One leader remarked that the increased accountability was the biggest benefit of the process. As this manager said:

> *"Petrolo has lots of data. But, if data are not turned into information so one can make smart decisions, it is worthless. I feel we have turned some of our data into information to change behavior. We have seen that data plus dialogue can make a difference."*

SETTLE FOR NOTHING LESS THAN GREAT PERFORMANCE!

Besides continuing to pay attention to the High-Impact Behaviors℠ reinforced by positive feedback that have generated the results in this case study, this team continues to focus on its journey to world-class safety, single-digit spill performance, and improvements in production efficiency.

The improvement effort showed everyone that there's no longer such a thing as "good enough"—unless you aren't paying attention. Using the tools of CLG's Performance Catalyst®, employees took "good" and made it "great."

"Team members now have better ownership and realize that they can directly affect our goals and metrics. And they know they have responsibility and accountability to those numbers."

About CLG

CLG is a worldwide leader of behavior-based strategy execution and performance improvement consulting that enables companies to achieve lasting results consistently, with speed, precision, and control, whether your goal is increased growth, reduced costs, better asset utilization, higher customer satisfaction, better use of technology, or overall culture.

Performance Catalyst® is a registered trademark of CLG. **High-Impact Behaviors℠** and **Discretionary Performance℠** are service marks of CLG.

This case study is based on a real Performance Catalyst® intervention. The results data are real. The names of the company and its people have been changed to protect client confidentiality.