



12 ELEMENTS

Best-in-class

Operations Excellence Management System



Agenda



ความเป็นมาของ PTT Group
Operational Excellence OEMS



คณะทำงาน และ OEMS Manual



แผนงานงานโครงการ

Agenda

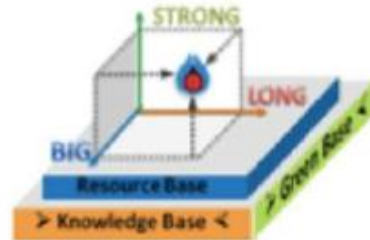
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PTT to maintain "Big-Long-Strong" strategy & create TAGNOC as the 3rd big bang

PTT Group Vision:
Thai premier
multinational energy
company



Big-Long-Strong

TAGNOC 



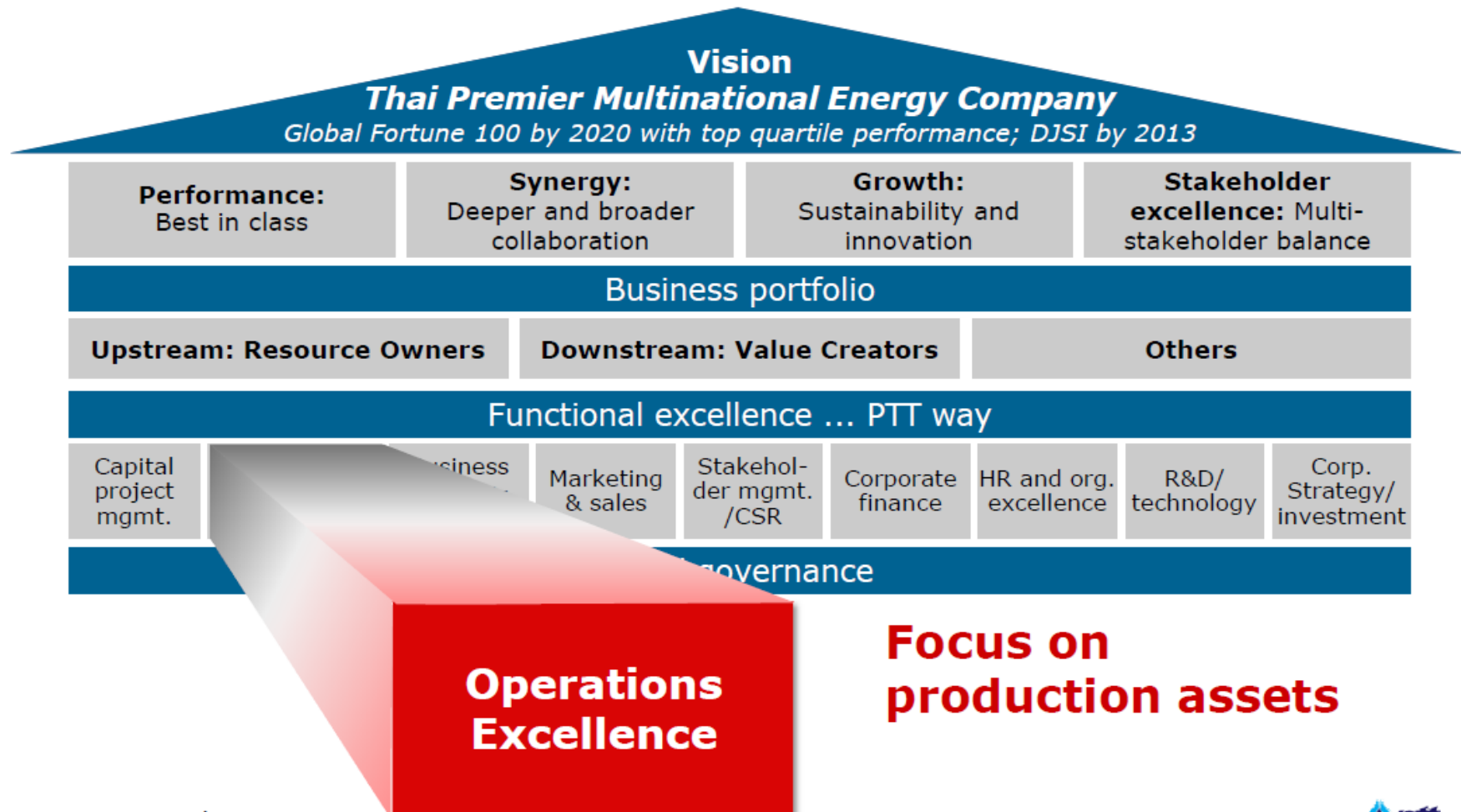
**Compliance
Governance
Service mind**



**Care, Share,
Respect**

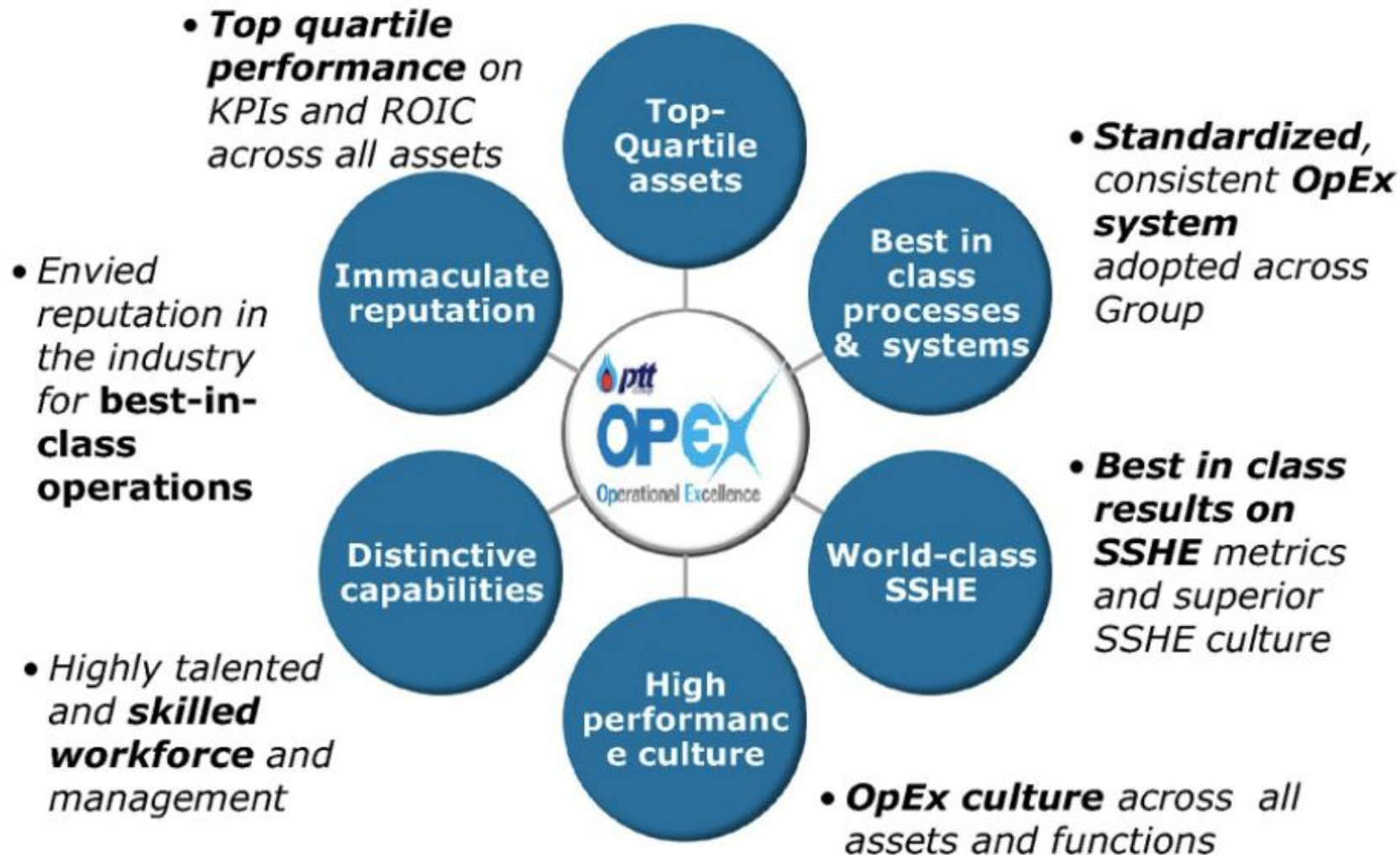
Source: PTT STS
Note: Technology Advanced and Green National Oil Company

Operations excellence is one of the key components of “PTT Way”

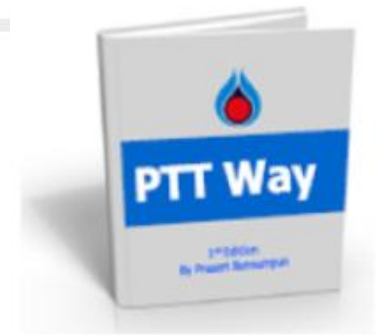
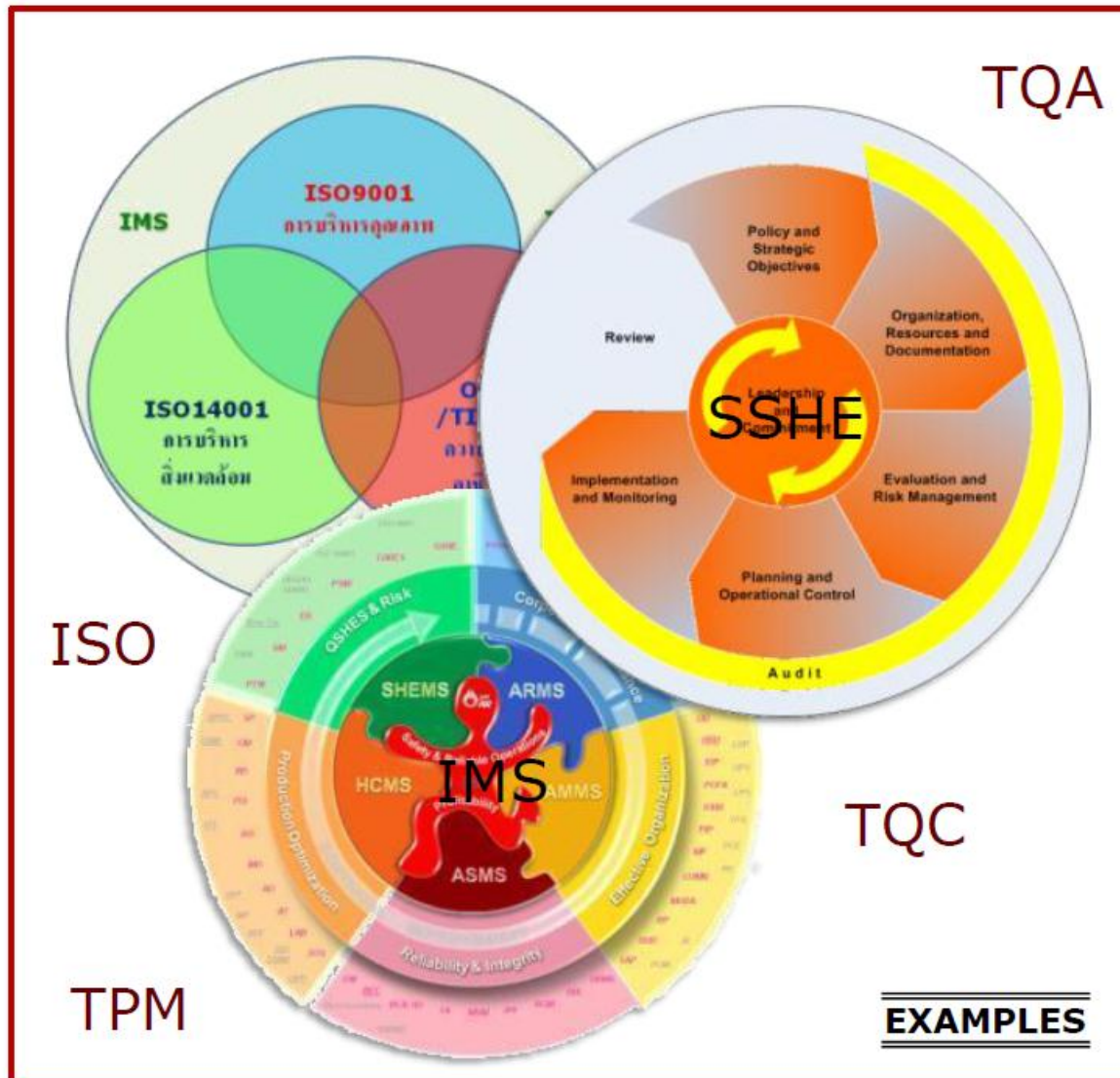


Source: PTT CEO's vision, 2011

What does it mean to have **Operational Excellence**?



There are many existing OpEx systems in our group...
we need a consistent framework that defines the PTT Way



Standardize,
Benchmarking,
Sharing

**PTT Group
Operational
Excellence
Management
System**

OpEx is a core operations enabler for PTT Thai Quality Award (TQA)



FOR DISCUSSION

Total Quality Management

Leadership

Strategic
Planning

Customer
Focus

Workforce
Focus

Operations
Focus

Results

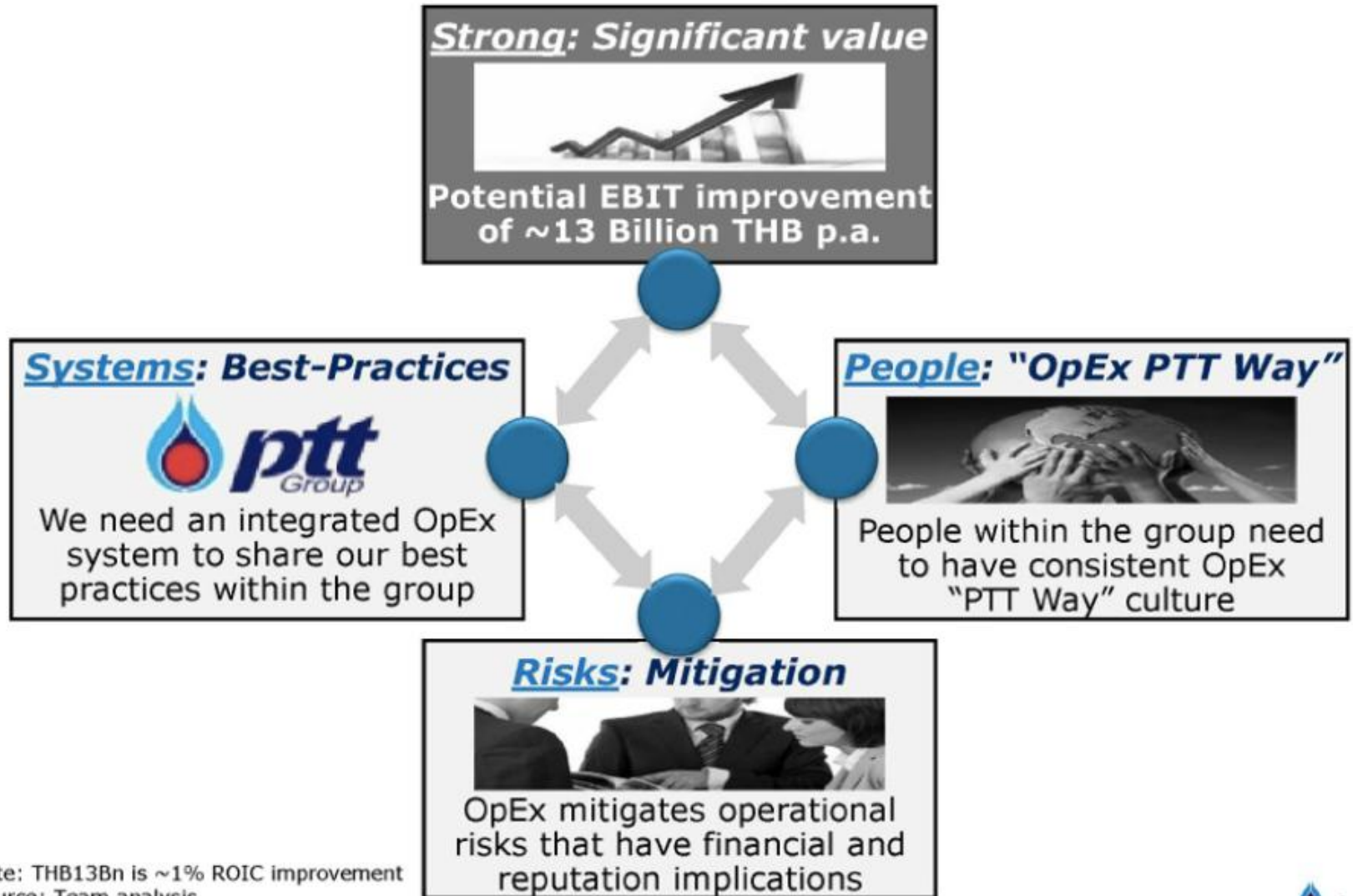
Measurement

OpEx Transformation Program



Phase 1A scope

PTT OpEx transformation program to generate multiple benefits beyond financial value



Note: THB13Bn is ~1% ROIC improvement
Source: Team analysis

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PTT OpEx transformation program has **three core components**



Operations Excellence Management System (OEMS)

A holistic and integrated framework and set of principles applied to operations



Results Delivery (RD)

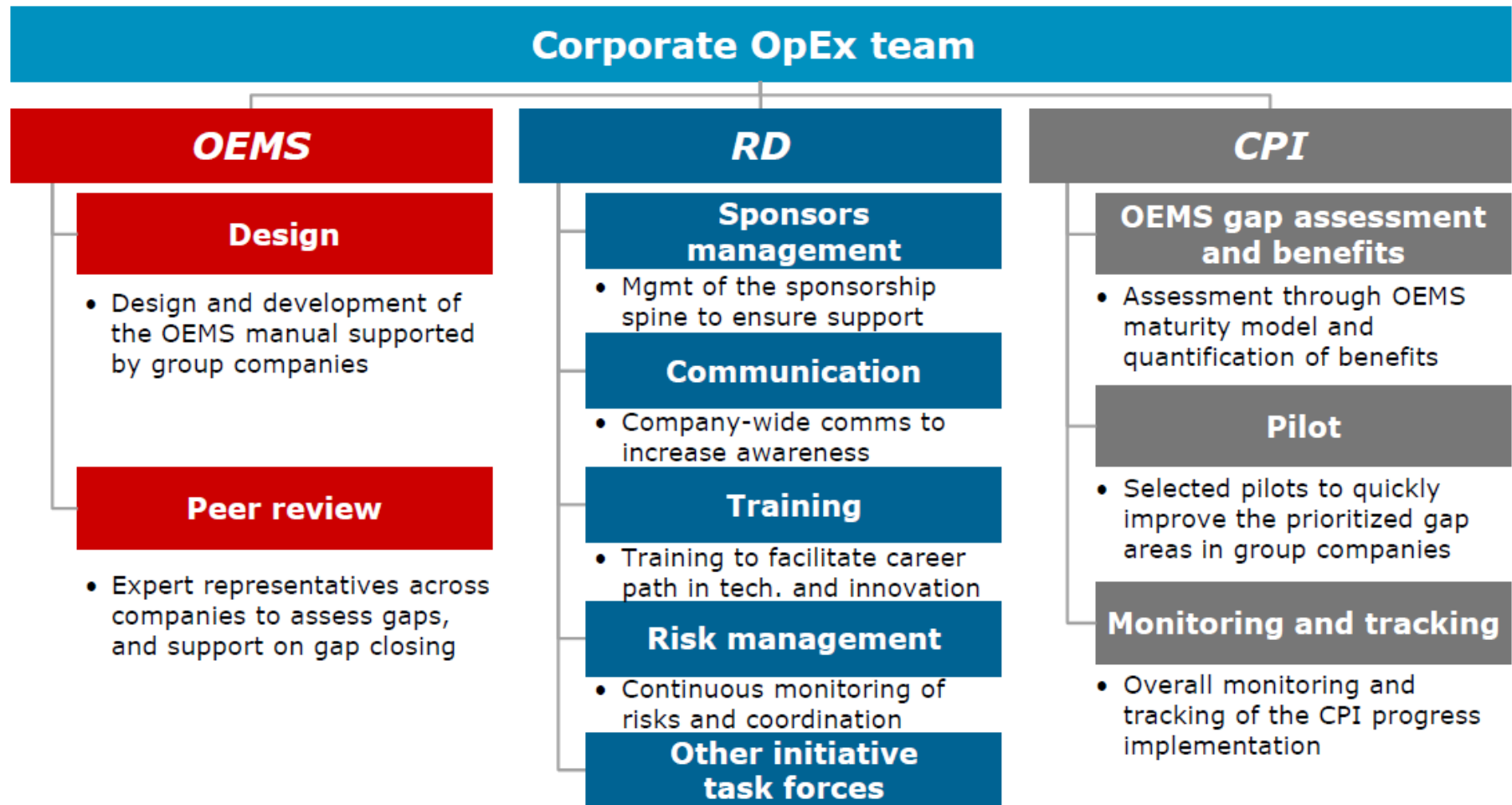
Embedding a change management and operations excellence culture



Continuous Performance Improvement (CPI)

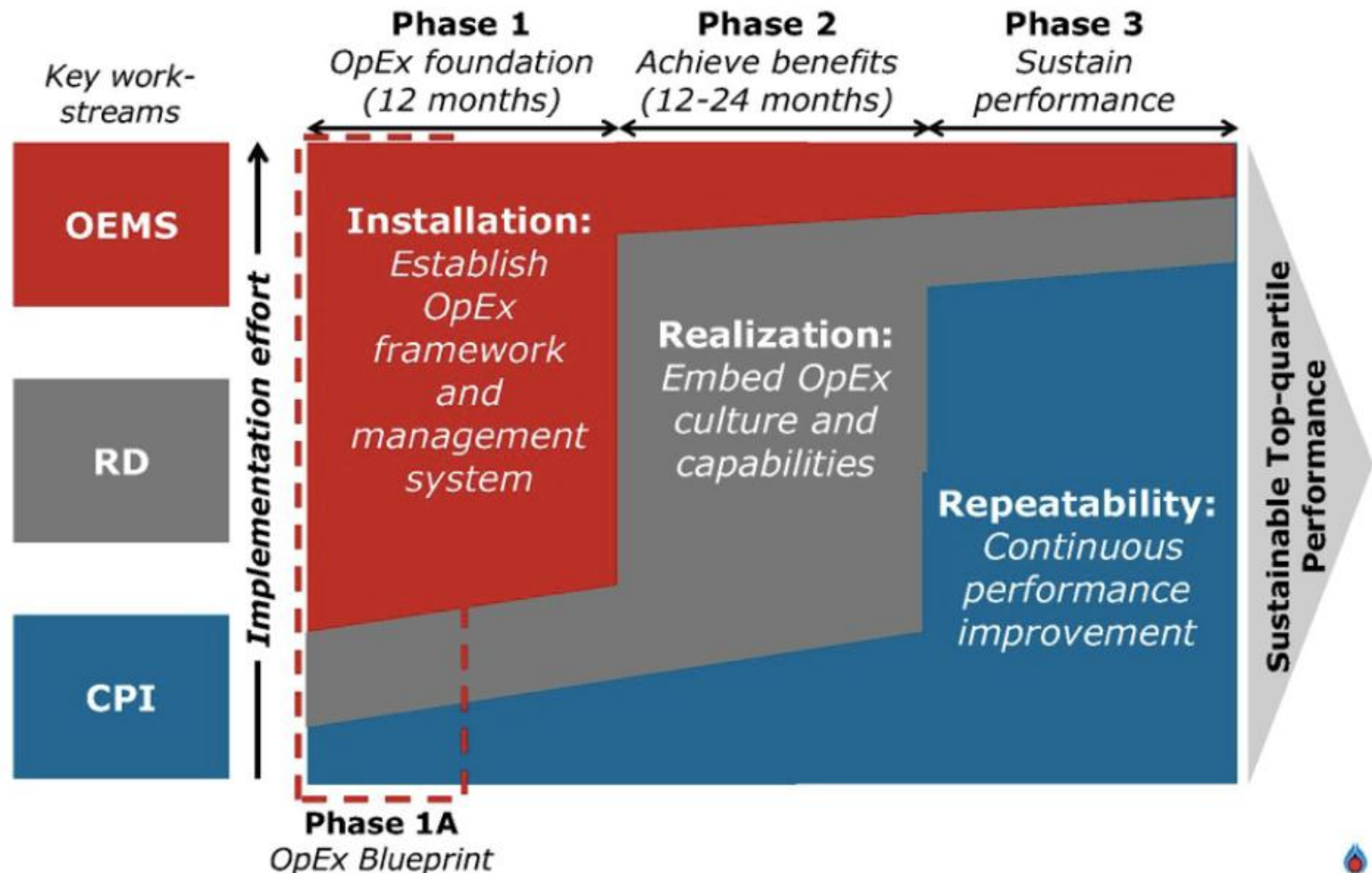
Perpetually driving assets to higher levels of performance

Key functions in the Corporate OpEx team



Similar functions at company level. Review processes and link with corp. functions to define KPIs and ensure implementation

PTT OpEx transformation is a multi-year journey with 3 phases

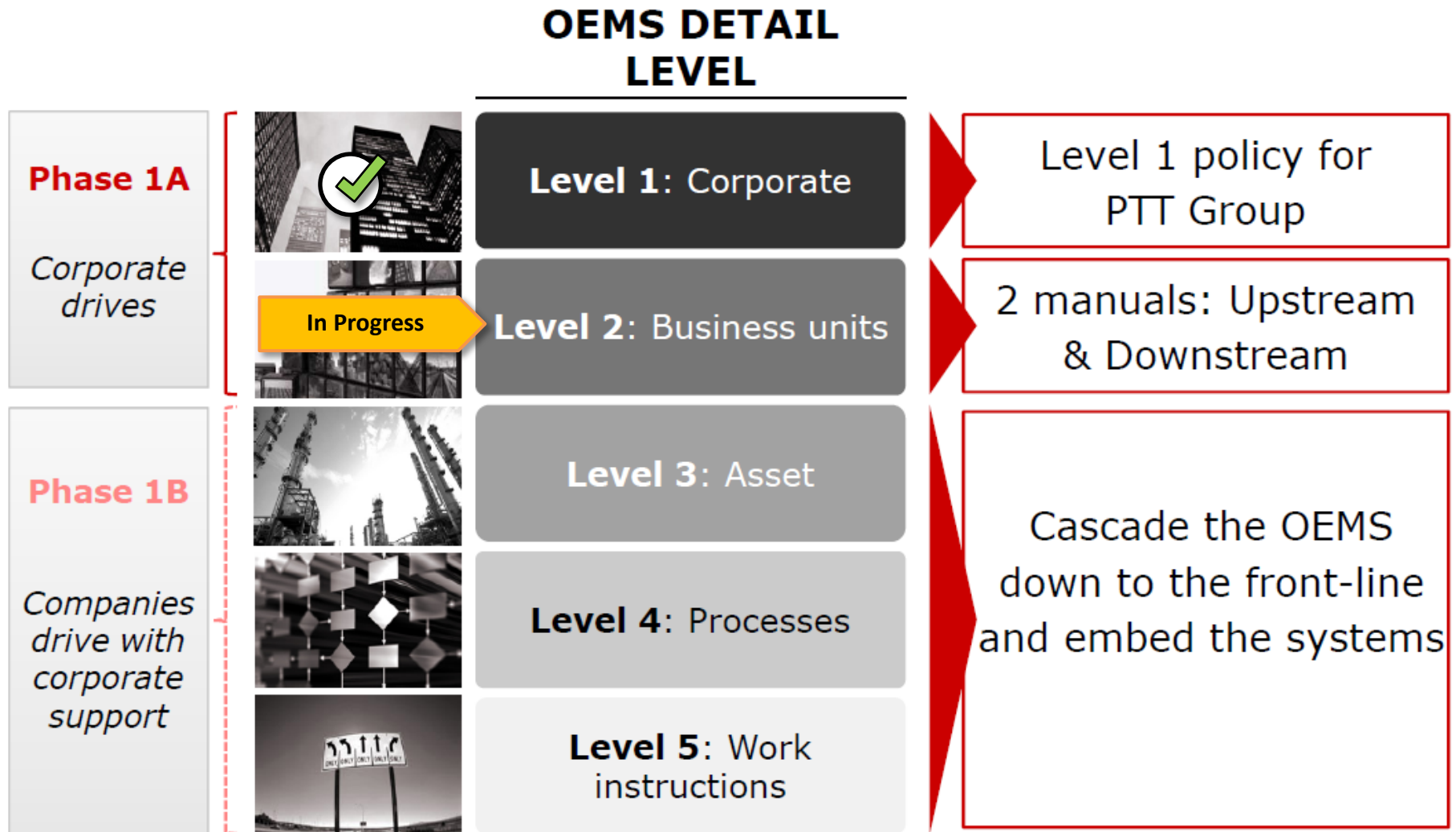


“12 OEMS Elements

OpEx is built around „P.E.O.P.L.E“, which consists of the six themes of „Protect, Engage, Operate, Partner, Lead and Evolve. Each theme comprises two Elements (12 in total). Each element is underpinned by statements of expectations.”

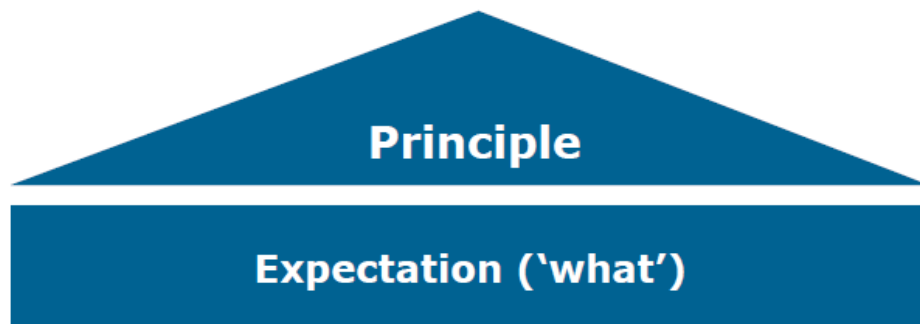


Cascading down into **5 levels from top to front-line**



(1) Commonality across the company
Source: Expert interviews; Company websites

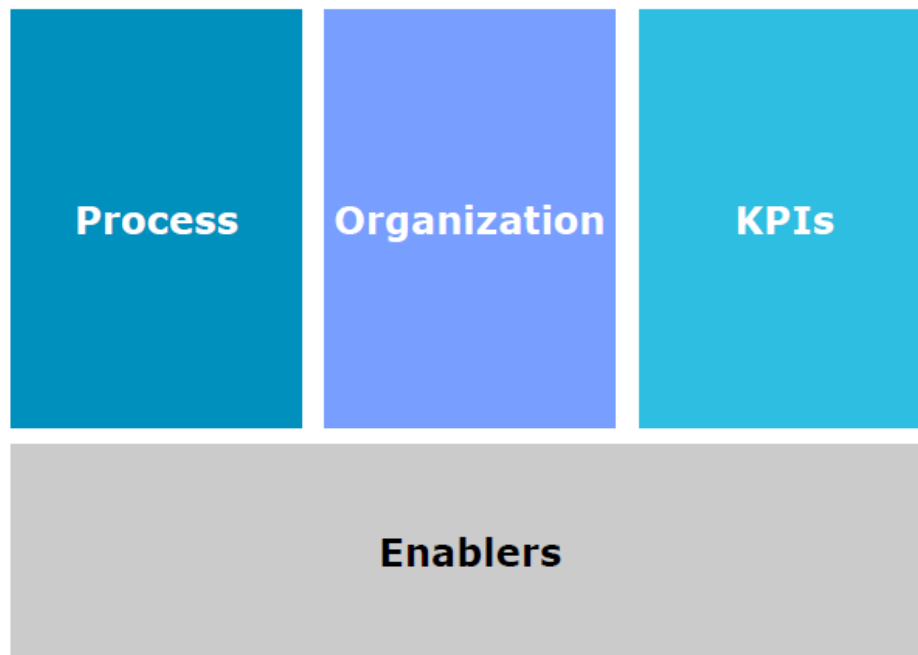
Level 1



Description

- **Principle:** Overall **goal / objective** for each element
- **Expectations:** Activities required to satisfy the principle for each element

Level 2 :
Recommendations ('how')



Description

- **Process:** Suggested actions to implement expectations
- **Organization:** Structure **to deliver** expectations
- **KPIs:** Measure of success of implementation
- **Enablers:** Best-practice tools and systems to support implementation



Level 1 OEMS is a lean document; Level 2 manuals are customized to business units



IOCs EXAMPLE

LEVEL 1 MANUAL

LEVEL 2 MANUALS

Objective

Provides high-level principles and guidelines for unconditional adoption by all business units

Provide detailed recommendations and framework and when necessary specific to business units

Audience

- CEO
- COOU, COOD, CFO
- SEVP (including CEO of subsidiaries)
- COO of subsidiaries

- CEO/COO of subsidiaries
- EVP and VP

Format

- 20-30 page manual

- 60-100+ pages manual

Typical content

- Description of elements
- Principle for each element
- High-level guidelines

- Description of sub-elements
- Principle for each sub-element
- Recommendations
- Tools, frameworks, KPIs
- Best demonstrated practices
- Links to detailed documents

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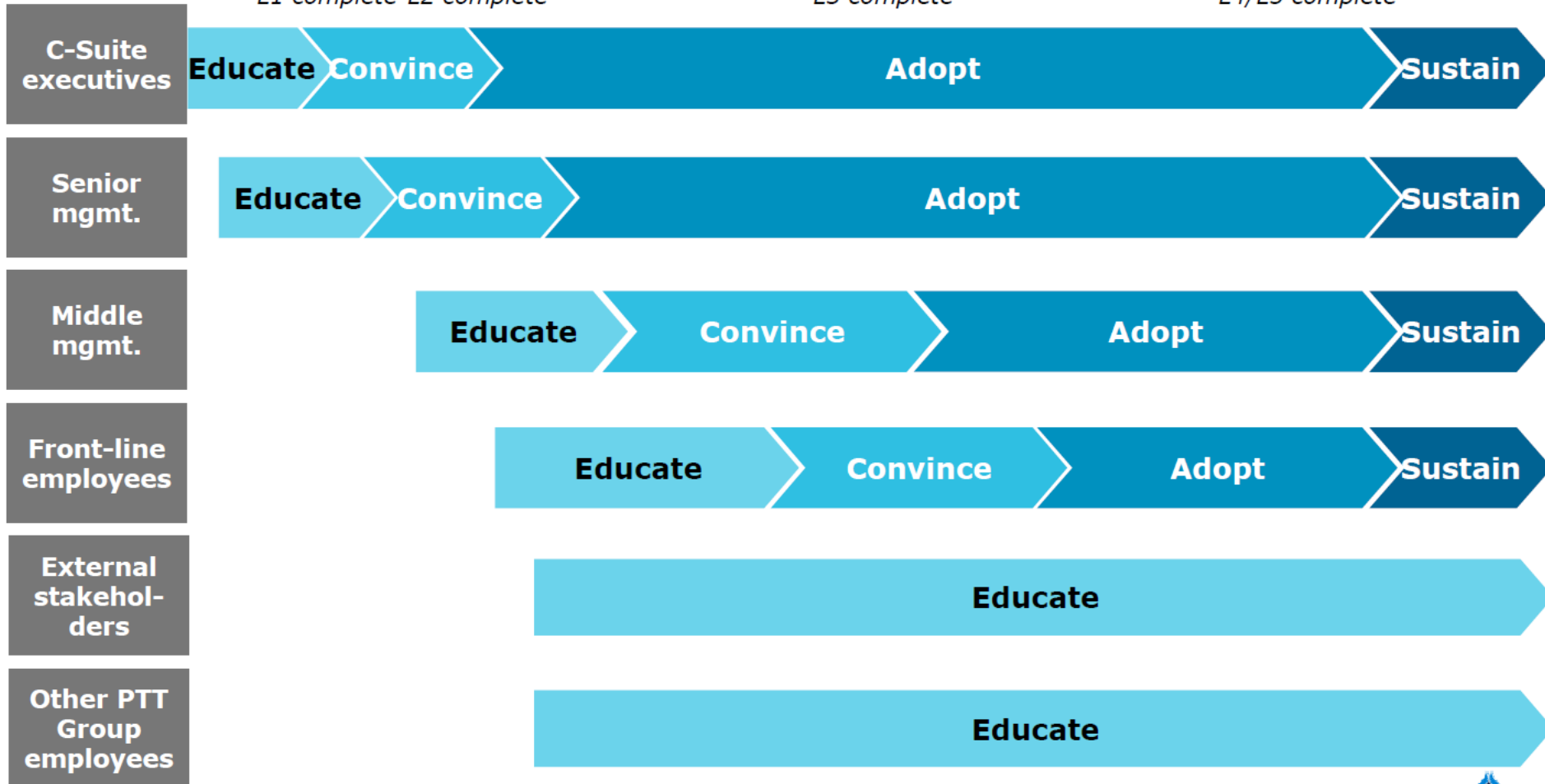
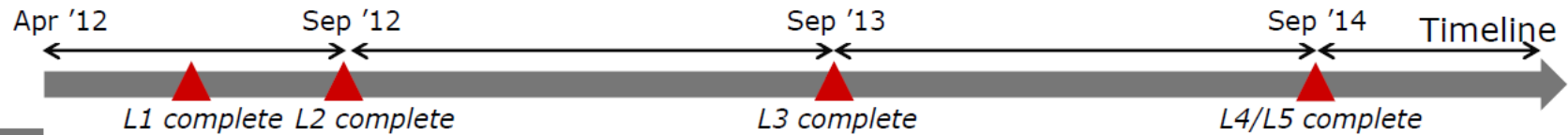
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Communication to different audiences are sequenced to ensure **cascaded enrollment from the top** PRELIMINARY



Q & A

