



Operations excellence Management System

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Operational Excellence OEMS

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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



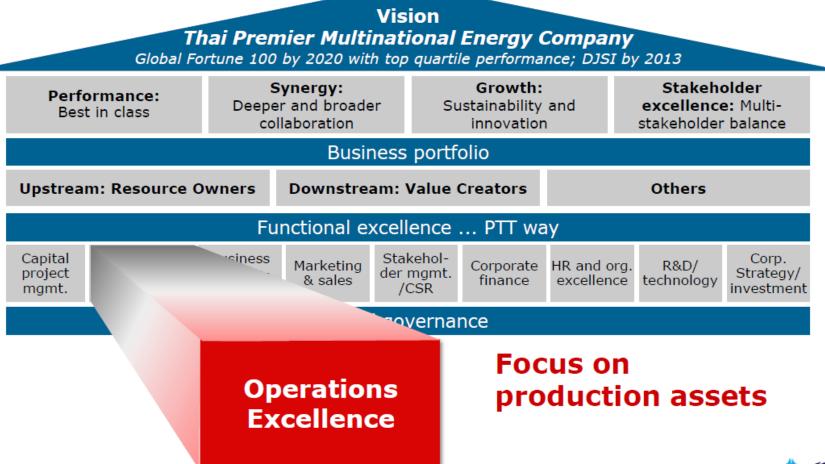
Source: PTT STS

Note: Technology Advanced and Green National Oil Company



Source: PTT CEO's vision, 2011

Operations excellence is one of the key components of "PTT Way"

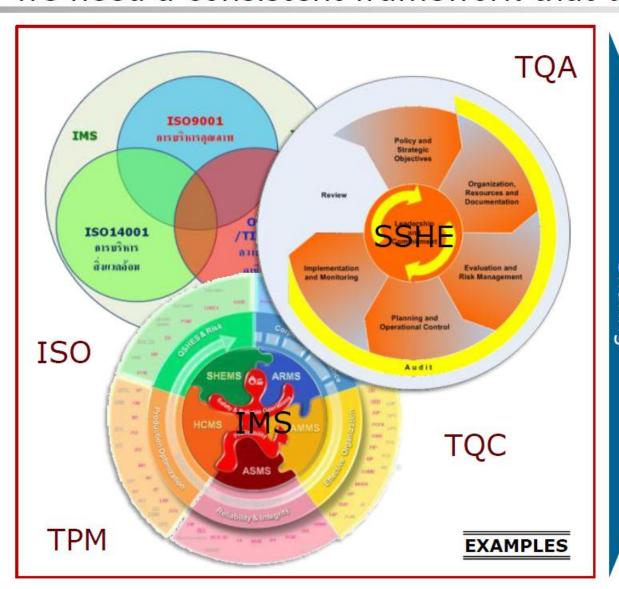


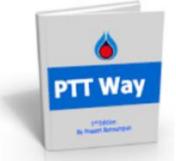
What does it mean to have Operational Excellence?

 Top quartile performance on KPIs and ROIC Top- Standardized, Quartile across all assets consistent OpEx assets system Best in adopted across Envied **Immaculate** class reputation Group reputation in processes & systems the industry ptt for best-inclass Best in class operations Operational Excellence results on SSHE metrics Distinctive World-class capabilities SSHE and superior SSHE culture Highly talented High and skilled performanc workforce and e culture OpEx culture across all management assets and functions

Source: Team analysis

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



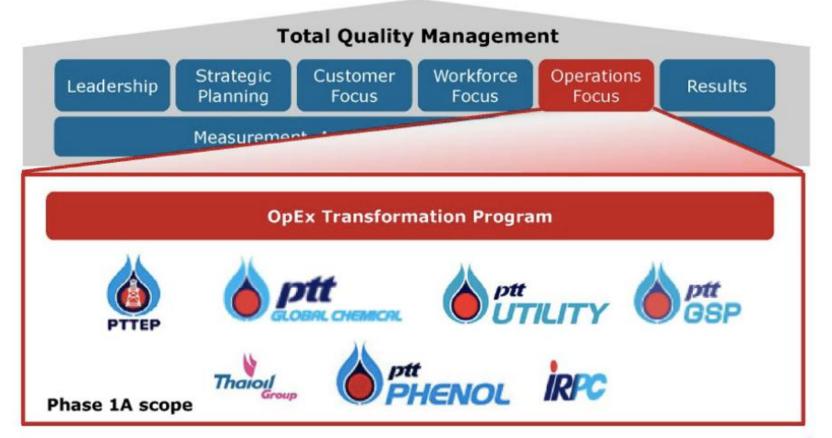


Standardize, Benchmarking, Sharing PTT Group Operational Excellence Management System

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



FOR DISCUSSION



PTT OpEx transformation program to generate multiple benefits beyond financial value







We need an integrated OpEx system to share our best practices within the group

People: "OpEx PTT Way"



People within the group need to have consistent OpEx "PTT Way" culture

Risks: Mitigation



OpEx mitigates operational risks that have financial and reputation implications

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

Corporate OpEx team

OEMS

Design

 Design and development of the OEMS manual supported by group companies

Peer review

 Expert representatives across companies to assess gaps, and support on gap closing

RD

Sponsors management

 Mgmt of the sponsorship spine to ensure support

Communication

 Company-wide comms to increase awareness

Training

 Training to facilitate career path in tech. and innovation

Risk management

 Continuous monitoring of risks and coordination

Other initiative task forces

CPI

OEMS gap assessment and benefits

 Assessment through OEMS maturity model and quantification of benefits

Pilot

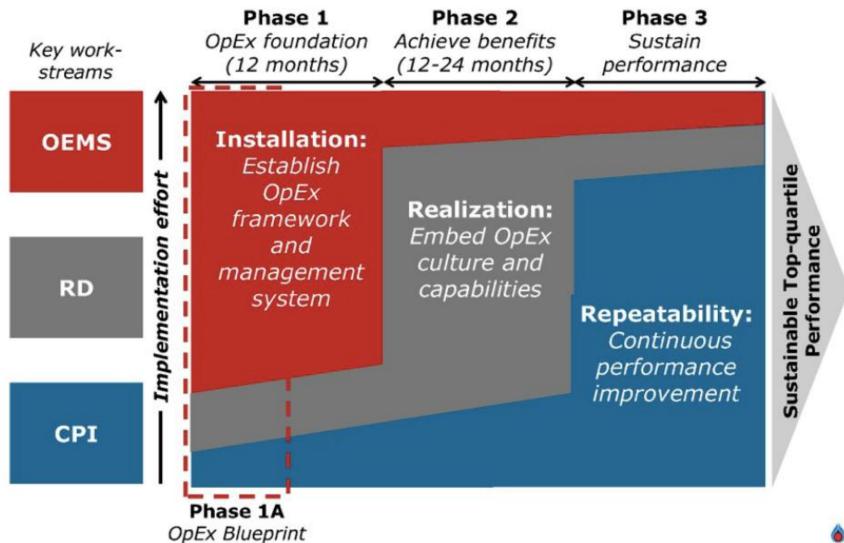
 Selected pilots to quickly improve the prioritized gap areas in group companies

Monitoring and tracking

 Overall monitoring and tracking of the CPI progress implementation

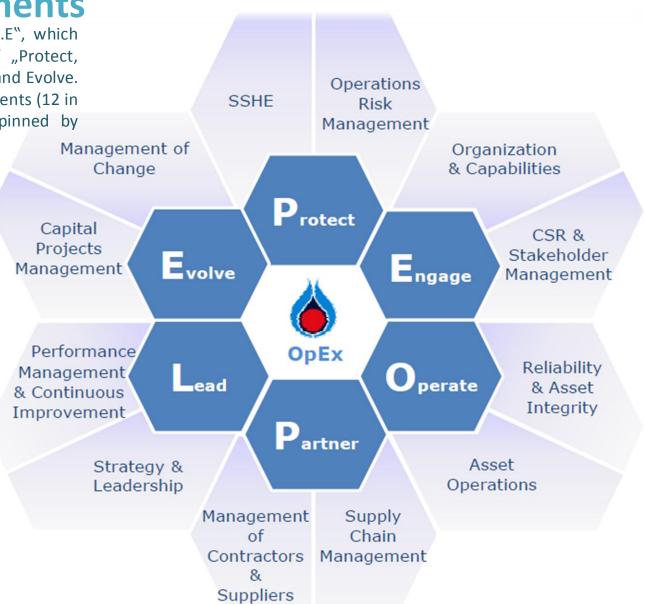
Similar functions at company level. Review processes and link with corp. functions to define KPIs and ensure implementation

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

OEMS DETAIL LEVEL

Phase 1A

Corporate drives



Level 1: Corporate

Level 1 policy for PTT Group



Level 2: Business units

2 manuals: Upstream & Downstream

Phase 1B

Companies drive with corporate support

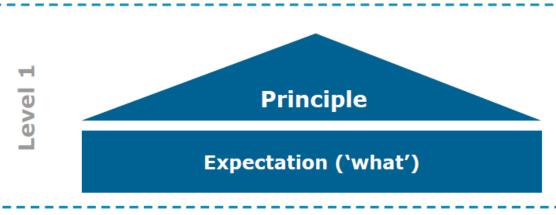


Level 3: Asset

Level 4: Processes

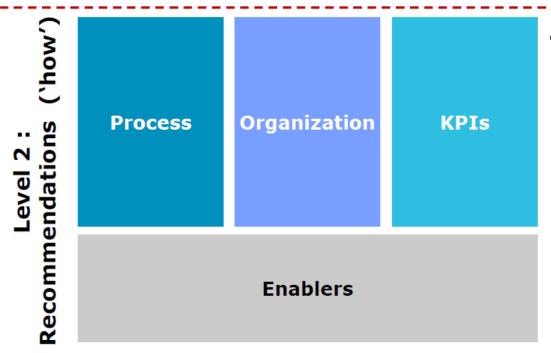
Cascade the OEMS down to the front-line and embed the systems

Level 5: Work 22116 instructions



Description

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



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



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1000	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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Communication to different audiences are sequenced to ensure cascaded enrollment from the top **PRELIMINARY**

