

Business Process Reengineering in Asset Management



Improve the end-to-end asset performance process through learning loops across the company

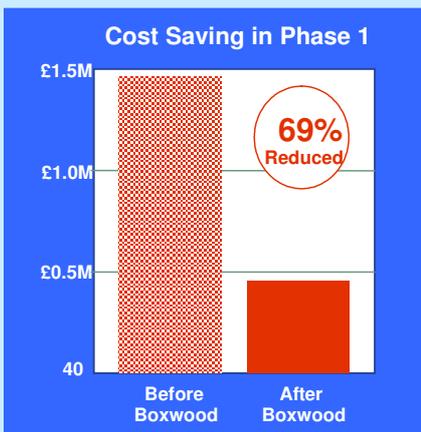
Summary

The organisation needed to change from an integrated to a divisional structure due to acquisitions and organic growth.

Following the new structure the asset management function had to be able to focus on adding value to the divisions.

The processes and relationships within the business were analysed in order to establish how to improve core performance and to focus the department around front end deliverables.

By focusing on improving core processes a saving of £1m was generated during the first phase of the project.



What we found

There was a clear lack of communication between the Plant Yard and the divisions, meaning that focus on costs rather than benefits was common place.

The value chain from investment through maintenance to disposal of assets was not clearly defined.

The mindset of those in the organisation focused on a reactive response to problems rather than a proactive one.

The asset management was not integrated following acquisitions of new companies.

What we did

A programme was rolled out in two phases.

Phase 1

- Assets and employees were transferred and process aligned in a new integrated asset management function.
- Maintenance of the assets was optimised by changing from a reactive to a preventative maintenance regime.
- KPIs were put in place to measure improvements.
- Training was carried out in problem resolution techniques at all levels.

“Boxwood came at the right time with the right attitude – we therefore succeeded to change from a reactive to a proactive approach to problem solving”

Plant Director

Phase 2 began with a strategy workshop among the directors, focussing on life cycle performance of assets. Following the workshops three implementation projects were initiated. These were:

- Investment in new assets –focusing on creating the right capabilities and capacity for the pipeline.
- Internal charging mechanism – creating visibility into the cost/benefit of individual assets and divisions.
- Create information flow - enabling process improvements throughout the business.

What we achieved

In Phase 1 breakdowns were reduced from 8% to 2% generating a cost saving of £1.03m.

Repair times for breakdowns within the stretch target increased from 69% to 94%.

The implementation of phase 2 will be finalised within a year after Boxwood has left. The objective is a step change improvement, which will release cross organisational cost savings by changing the administrative practices in the company.