

Case study: Louisiana Gulf Coast

Customer reduced operating costs through Baker Hughes account transition best practices

Transitioning business from one chemical services vendor to another is always a concern for customers. There are many things that can occur that can increase operating cost, eliminate anticipated chemical savings, reduce system performance and increase safety risk.

Examples are:

- Running out of incumbent products before new chemistries are ready to be pumped, creating vulnerabilities in system performance
- Inadequate training of operators, resulting in performance issues and HS&E concerns
- Insufficient supplier manpower, causing transition slowdowns and increased operating costs
- Poor communication from the supplier to many operational levels, creating needless inefficiencies, confusion and frustration

Baker Hughes was determined to avoid these kinds of issues when it was awarded a large refiner's boiler, cooling, wastewater, process, and finished fuels treatment on the Louisiana Gulf Coast. Not only was the simultaneous transition of chemical programs on "both sides of the exchanger" to occur within three months, but the customer was also consolidating from three suppliers to one – Baker Hughes. In order to meet the customer's ambitious objectives while minimizing disruption to normal

plant operations, Baker Hughes realized this would require the application of its best-practices account transition plan.

The establishment and orchestration of a transition planning matrix was paramount to Baker Hughes' success in this endeavor.

The first thing Baker Hughes did was assign a specific individual to the role of 'transition manager' to oversee plan development and implementation from start to finish. Continuing with this proactive approach, the process and water aspects were divided into two specialty teams, with the transition manager overseeing both. Baker Hughes then held meetings with multiple functional levels, such as Operations and HS&E, to systematically engage the customer to build and confirm transition procedures.

Topics discussed in the matrix included:

- Safety training
- Task assignments and timelines
- Transition staffing
- Start-up dates
- Customized plan modifications pertinent to this location
- Inventory
- Service programs
- Key performance indicators (KPIs)
- Lab and office space assignments

Challenges

- Transitioning business from one chemical services vendor to another is always a concern for customers
- Managing operating costs

Results

- Established a transition planning matrix
- Assigned a specific individual to the role of 'transition manager' to oversee plan development and implementation
- Divided process and water aspects into two specialty teams, with the transition manager overseeing both

One example of how Baker Hughes planning matrix was used to specifically avoid HS&E issues was to engage early on with the HS&E Manager to ensure all environmental requirements were met prior to chemical replacement. While this may seem an obvious step, in poor transition activity, this can be overlooked, and a chemical can be ready to be introduced into a system only to be blocked because the appropriate paperwork was not completed upfront.

Through defined job requirements and thorough communication and interaction with the customer at all times, the transition progressed smoothly and at the end of 90 days was complete.

The Operations Manager from the refinery contacted Baker Hughes and asked for a meeting. At the meeting, the Operations Manager said that when they had made the decision to change vendors they allocated an amount of

money to cover transition costs. Upon review at the end of the transition, they realized they had spent significantly less than had been budgeted. This welcomed surprise exceeded their expectations.

The refiner decided that since this was a partnership with Baker Hughes, it was appropriate to share some of the savings. The refinery then awarded Baker Hughes approximately \$50,000 USD as a bonus for a seamless transition. At the refinery's request, half of the bonus was divided among the Baker Hughes employees' involved in the transition.

Baker Hughes continues to implement its account transition best practices at all its accounts.

This case history is presented for illustration purposes only as results may vary between applications.

