

Interview with **Anders Nymann**
By Ole Brandt

Lean success regardless of market conditions

In 2010 Hess embarked on a journey with the Japanese leadership philosophy Lean. It started on their onshore operation in North Dakota, and the learning and improvements that Lean provided **led to an enhancement of Hess' offshore business in late-2013.**

"Lean is a long-term journey but the improvements we've experienced so far have strengthened Hess and helped our ability to deal with the low oil price environment. It has given us the confidence that we can be successful regardless of market conditions," says managing director Anders Nymann, Hess Denmark, and adds:

"Lean drives us to constantly look for ways to reduce waste, which in turn reduces the cost to safely and responsibly find and produce oil. We have learned that success in the Lean journey requires that we continue to stretch ourselves in the pursuit of perfection (zero injuries, zero waste)."

A car producer, Toyota, conceived Lean after the Second World War, so why Lean?

"When approached correctly, Lean drives long-term, sustainable improvements in safety, quality, delivery, and costs (SQDC). Lean is focused on transformation of the culture, system of leadership, and the way we think about work. Hess wants to be the best performing energy investment (BPEI) by 2020 and to do this requires honest reflection, continual learning, and change in the culture and systems that drive everything we do.

Lean provides a framework for this by driving alignment between our purpose and long-term vision and the work performed on a daily basis throughout the company. This helps us make sure that we're focusing on the right improvements by targeting the things that truly interfere with our ability to become the BPEI. Isolated improvement programs don't provide this level of alignment – they tend to focus on financial benefit only and ignore the numerous other issues that interfere with long-term success," says Anders Nymann.

Drives improvement
In what way would you say that Lean has enhanced rather than compromised safety performance?

"It is a common misconception by those who don't understand Lean that it compromises safety. Lean is not about making trade-offs between safety and production or safety and costs. It drives the idea that true improvements in safety lead to improvements in cost and vice versa. Cutting costs is not improvement. Anyone can blindly cut costs and it can compromise safety. Alternatively, Lean reduces waste by improving processes and actually enhances safety by eliminating wasted steps, increasing standardization and consistency, organiz-

ing work areas, and providing more and better training. This is why we say that Lean drives improvement that encompasses safety, quality, delivery, and costs. And when you get down to it, if we're not looking at improving in all areas, we are unlikely to achieve sustained improvements in any one area. The more you understand problem solving and improvement, the clearer this becomes.

Another reason we always talk about and focus on SQDC is that it provides priorities for people, should a conflict arise. One of our basic principles is Everyone, Everywhere, Every day, Home Safe. It is clear throughout the Hess organization that safety trumps everything else. If we can't do a job safely, we won't do it. It comes down to a basic respect for people and we can't see any other way to operate. Everything we do and every result we've achieved is because of our people and we must do everything within our power to protect our co-workers and keep them safe. This is a responsibility that goes far beyond the workplace. Hess has always had a focus on safety first, but Lean has provided a means for not only applying it, but helping our drive toward continually better and safer processes."



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Scientific safety leadership

Can you give a couple of concrete examples on how Lean has enhanced safety?

"We approach safety improvements in the same way we approach improvements in production and costs. We begin with understanding where we are today, defining where we want to be in the next 3-5 years to be on track with achieving our vision. We create dashboards to measure our progress, and set up an operating rhythm – or meeting cadence – to discuss on-going per-

formance. The operating rhythm is the vehicle to make sure improvement is occurring and, if not, what we need to do to make it happen. We basically become scientific about safety leadership!

As a result of this approach, we have achieved significant improvements in safety performance. For example in 2015 we have reduced dropped objects by 60%, improved our high potential incident rate by 43% and reduced our total recordable injury rate (TRIR) by 10% worldwide.

These and other results helped move Hess into the top quartile within the oil & gas industry for safety performance. However, being in the top quartile isn't the goal, it is just a start. To be the Best Performing Energy Investment, we have to be the best in safety, and even with that, we won't stop until we're perfect everyday everywhere and stay that way."

All or nothing

Would you recommend others to consider Lean as part of the safety work?

"Yes, but it has to be a part of a larger effort within the company. Lean can't be in one part of the

business and not in another. The Lean philosophy has to pervade the organization and guide the way people think and act all the time. Lean is a system and you can't choose to use part of it and reject the rest. Leaders have to become teachers and everyone in the organization need to develop problem-solving skills to continually close the gaps between actual performance and targets.

Embedding Lean and applying Lean thinking provides a scientific method for leadership – this has been a valuable learning for me. Having only just scratched the surface of Lean thinking it has become clear to me that it is a mind-set, which will drive continuous never ending individual and organisational learning and people development supporting our goal of zero incidents."

Leaders are not born

Let me finally ask you: What personal leadership principles guide you in your role as leader?

"Protecting the environment and the health and safety of everyone connected with our operations. My goal each and every day is that everyone goes home safe. Add to

this respect for people, development of self and others to allow learning and continuous improvement in safety and asset performance. Leaders are not born they are developed. Leaders have to dedicate effort to develop themselves so they can coach and develop others.

Also, safety is a value shaping the culture, not an activity. A commitment to safety should not only be a priority, but a value that shapes decision making all the time and at every level. Therefore it needs to be a value and an integral part of everything we do not something that is simply added on. Creating and maintaining a safety culture starts with leadership; leadership drives culture, which in turn drives behaviour.

Finally, using Lean processes we routinely identify, assess and manage the risks inherent in our activities. It drives us to continue to improve our systems and programs to reduce those risks and deliver continuous improvement in performance. Leaders need to go to where the work happens, coach and understand the risks so that they can provide the appropriate priority and support," says Anders Nymann.

