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Capital Value Process for Turnarounds

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Abstract

“BP Exploration & Production (E&P) turnarounds (TARs) are business events that individually have the potential to significantly affect business unit results. To support our long term Mechanical Integrity & Reliability goals, we accept that we have to take some of our assets offline for inspection, modifications and maintenance. Taken collectively, turnaround performance in all its aspects exerts a huge leverage on E&P business performance. We must therefore manage these events in a way that maximises both overall E&P business performance and individual business unit performance while minimising the total risk across the segment” writes Bill Straker – BP Exploration & Production Maintenance Strategy Advisor.

Introduction:

CVP for TAR is part of the company-wide initiative that is fundamentally changing the way BP makes decisions to use resources in executing turnarounds. It is the specific application of the capital value process to a site-based operation, aimed towards having turnaround results fully supporting BP’s overall business objectives.

In CVP-TAR, a turnaround is defined as any maintenance activity that has a direct impact on production throughput. There are several activity types that fall within this definition, namely: Full Facility Outage, Planned Shutdown, Unit Shutdown, Slowdown (reduced throughput), Partial Shutdown, and Unit Overhaul.

The capital value process for turnarounds (CVP for TAR), derived from the capital value process for projects (CVP) is based on a generic work process that was developed internally in the mid nineties. Back then BP realized that if they simply treated their turnarounds as projects (and applied some structure to their ‘front end loading phase’), then they had a much higher chance of success.

Overview:

The basic principles of CVP:

- Is strategically driven.
- Applies to all projects, large and small.
- Appropriately evaluates risk.
- Empowers teams within boundaries.
- Is a business process.
- Provides accountability for business objectives.
- Offers shared learning.
- Promotes continuous improvement.