

# Atlantic LNG

“99+2” – Organizational Transformation takes a company from “good” to “great”

Atlantic LNG was formed in by shareholders BP, BG, Repsol, Cabot and the National Gas Company of Trinidad and Tobago to perform the strategic role of converting Trinidad and Tobago’s natural gas into Liquefied Natural Gas (LNG) – thereby providing a route by which the gas can be monetized.

When Evolve began with Atlantic the business was already a success – it had successfully commissioned three plants or trains, and a fourth train was already under construction. Atlantic had experienced rapid growth and represented over \$3 billion in assets and 1.6 bcf (billion cubic feet per day) of gas processing capacity. However, its leadership team recognized that what they had achieved so far was only the beginning of the journey.

Using its proprietary framework, Evolve helped Atlantic achieve a significant improvement in operational performance in a way that also created new management and leadership capability across the business.

## The Challenge

Atlantic had proven itself to be a good plant builder, but to continue its success it would have to become a great plant operator as well. This drive towards operational excellence – critical for its key stakeholders for whom liquefied natural gas is a key part of their growth strategy – had been a focus for internal project teams nearly 12 months. The program, “99+2,” was focused on 99% plant reliability and 2% increase in throughput capacity, year-on-year, achieved through better operation and innovation.



Atlantic needed to achieve this while also meeting its commitment to build local skills, in an industry that was completely new to Trinidad and in a business that had already lived through massive change over the previous three years – growing by a factor of three or four in terms of production but by many times more in terms of commercial and operational complexity.

## Building alignment around what needed to be done

First Evolve used its Architecture for Change™ methodology to assess why the recent improvement efforts had run out of steam, using this data to engage the leadership team to build an image of what would have to be done differently. Evolve helped Atlantic see how being operationally excellent required improving leadership and management skills at all levels of the business, and how creating a change program to deliver on such an ambitious performance goal was the best route to develop these skills.

## Defining the route map

Next Evolve helped the leadership team engage the broader organization around why change was needed, what it would look like, and what it would take to get there.

## Enabling the change

The Architecture for Change analysis highlighted gaps in Atlantic’s change strategy. Most significantly, a ten-person team was recruited and trained by Evolve to work as internal change agents, engaging their colleagues and leading the detailed program, definition and implementation work. This approach ensured that the ownership of the program remained within the business. It also meant that ten potential future business leaders were trained and coached by Evolve in change leadership tools and technology.



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Organizational Space™

## 99+2 Themes & Areas of Focus

Reliability	Reducing of unplanned downtime through systemic defect elimination
Major Equipment Availability	Pioneering modular maintenance approach to minimize planned downtime
Process Optimization	Increasing daily production of existing kit through innovation and optimization
Interface Management	Increasing reliability and capacity with business partners from upstream production to shipping
Performance Processes	Ensuring that every individual is aligned to Atlantic's objectives with rigorous performance management
Management & Leadership	Intervening differently through enhanced management & leadership skills and behaviors

“At the beginning of the program I was excited at being selected for the program team but a bit uncertain – it sounded much like previous projects we had done with other consultants.

But what became clear almost immediately was a different level of focus on results...we were going to change a lot of processes and we were going to learn a lot – but we weren’t going to do anything unless its was going to help us get the results we had targeted.

Evolve trained us in the tools we would have to use to make the change happen in our business. The “technical” tools such as Outcome Planning and Process Flow Analysis were very useful and I have definitely become an “action advocate,” but what I have really valued is what we have learned about how to engage and overcome inertia in management and line colleagues. Evolve really helped us understand which levers to pull and how to overcome resistance – and it was when the resistance to change came that the Program Team really came into its own.

This has been a tough year, but given some of the events that have happened I don’t think we would have recovered as quickly without Evolve’s help.

But it has also been a rewarding year where I have learned a lot. I’ve learned that you don’t have to be the most imposing figure to influence people to do things differently, I’ve built my confidence and I’m certain that I’ve raised my profile and improved my career options.”

**Radix Andrews,**  
Program Team Lead – Reliability

### Building the business case

The program team worked with the line teams to build a detailed understanding of the processes that would have to change in order to move to operational excellence. Supported by Evolve, they analyzed all aspects of the business using Evolve’s Organizational Space™ model – leading gap analysis, and root cause and impact assessment to build stretching but achievable targets, and detailed plans of how they would be achieved – and then presented their recommendations for change to their leadership team.

### Defining required behaviors

Developing the performance culture that could sustain operational excellence would require new leadership skills across the business. These skills would be developed through practice, as leaders and managers delivered their part of the program. To begin, Evolve took more than 140 of Atlantic’s managers through a four-day leadership training course – “Leading for Results.” This developed a common understanding of the leaders’ role in a changing organization, equipped them with key tools they could use in the leading the change and framed a common language to discuss and, where necessary, challenge the leadership behaviors required for the business to achieve its excellence goals. This experience provided a strong frame of reference for managers as Evolve coached them in applying these new tools to real situations during the program.

### Delivering process performance improvement

The program teams translated Atlantic’s overall program goal of “99+2” into six program streams and a program management structure that ensured that the effort remained on-track, as the business continued to deliver against its commitments, 24 hours a day, 365 days a year.

Throughout the 18-month implementation phase, the 10-person team was supported by 2-3 full-time Evolve consultants. They continued to train, coach, challenge and support the team through all the necessary interventions, and provide them with content support using the Evolve Framework and from Evolve’s experience of implementing major improvements in similar environments.

Evolve also worked with the senior leadership team to coach them around the interventions they needed to make to support the program team. In particular Evolve helped the most senior leaders build and communicate a credible vision of change that everyone in the business could personally connect with.

Atlantic doing the implementation work for itself, but supported by Evolve, helped ensure optimum engagement of all sections of the workforce, and enabled managers to achieve great results by putting into practice new tools and making different interventions – building their confidence and their capabilities to motivate their people to achieve more.

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## Evolve possesses unique insight into why implementation is difficult

### The Five Keys to Implementation™



#### 1. Intervening in the Drift

The creation of deep commitment to goals that are beyond current performance, to generate the recognition of the need for new learning.

#### 2. Creating Unity and Ritual

Using the power of common models, management systems, processes and consistent ritual to align and change behavior.

#### 3. Enabling Practice

The creation and maintenance of the environment that encourages the practicing of new ways of doing things for long enough for new skills to be developed.

#### 4. Overcoming Fear

Creating and managing experiences through which people overcome the fear of not being good enough that is fundamental to all humans and which will otherwise block moving to a higher level of performance.

#### 5. Changing Underlying Beliefs

Using the opportunity provided by a program to create Supplative Learning that in turn changes underlying beliefs about change, conflict and performance that makes significant sustainable improvement possible.

### Aligning internal systems and structures

Change will not be sustainable unless all the “signposts” that direct behaviors are aligned to the behaviors you are trying to promote. Evolve worked with Atlantic’s HR professionals to first ensure that the company’s financial and operational targets were translated into meaningful targets for individuals and teams throughout the business, and that reward and promotions processes were then revised so that people in the business could clearly see how helping the business to achieve its objectives would advance their own careers.

Then Evolve helped the HR team to use the examples from the program to build competency models for key roles in the business – helping embed the new high-performance behaviors by providing the pattern to which future recruitment and development would be targeted.

Evolve also helped Atlantic start on a journey of transforming its HR organization to be a strategic service organization supporting business improvement. This included improvements in basic HR service delivery in such areas as pay and benefits and recruitment and development of capacity and capability for talent management and leadership development.

### Developing leaders and a performance culture

While processes were being improved, and new processes and systems were introduced, a clear change in the mood of the business was becoming visible. At the beginning of the “99+2” initiative, the challenge was to get people to understand the need for change when the business was already performing well. By the end of the first year, the business had made significant strides in key areas but was still hungry for more.

The senior leadership team recognized this change below them and that this meant that they could now raise their focus beyond the day-to-day to the focus more on future of the business. They also recognized that this would require raising their own leadership capability. Evolve’s senior leadership development specialists worked with Atlantic’s top team to analyze their personal motivations and team dynamics, to identify how the team could best use their combined talents, and put in place personal development plans.

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## Being flexible to ensure success

Finally and critically, Evolve helped Atlantic understand that being successful in any major change journey required aligning the business around a motivating goal and building the capability to flexibly navigate the way there. Atlantic’s leadership team built on the original plans, introduced new themes and changed priorities as circumstances changed and new data emerged, resulting in further in-depth work around maintenance, HR and Purchase-to Pay to ensure and maximize the value of the program.

This new attitude was most clear in its mid-level leaders – the people who would have to “step-up” to run the rapidly growing business. The “99+2” program did not always run smoothly. It was hit by several unforeseen events, including a hurricane which halted its gas supplies, the overflow of industrial action from a neighboring plant that prevented tankers from picking up LNG cargos for several days, and some major equipment failures.

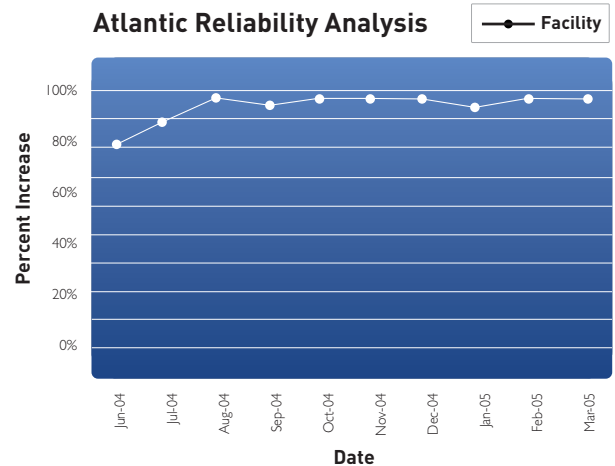
Any one of these incidents seriously jeopardized the achievement of the “99+2” result, and might have led the managers to seek to “renegotiate” their commitment to deliver it. Instead, Atlantic’s managers agreed that these events just meant they would have to find more improvements to get them back on track to achieve their goal.



“Evolve’s coaching has helped my people to address real business issues in a way that has added value while building their capability and confidence. I appreciate Evolve’s ability to coach me and my senior team as well as employees at the shop-floor level—and link those interventions to drive business improvement.”

**Rick Cape,**  
President, Atlantic LNG

## Atlantic Reliability Analysis



## Results

Through “99+2” Atlantic has achieved significant improvements in critical areas of its business: driving systematic improvements in plant reliability; defining, sharing and building on best practices around production process optimization; gaining key partner agreement on ground-breaking new ways of maintaining its major equipment; finding better ways of optimizing its whole supply chain, and wrapping all this in a clear and consistent people development and reward strategy.

This program enabled Atlantic to increase its operational reliability from a base of 95.3% to a running rate of 97.3% a year later and achieve a further 2% annual production capacity growth with minimal capital investment – worth more than US\$100 million to Atlantic and its shareholders.

Equally important, there is a clear shift in the appetite of the business to keep improving –with new ideas and new projects emerging across the business, and in the capabilities of managers at all to make this happen.

The managers have defined a second program to build on their achievements, designed to embed the improvements they’ve made and to use the experience of their program team to take the “99+2” approach to new areas of their business. Atlantic has again engaged Evolve to support this latest effort and to bring different expertise to sustain these new focus areas.

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