Lean Risk Management: Are we Identifying Risks Accurately?
Step Back and Realize Opportunities to Improve the Management of Your Risks

Ben Poblete, Jill Rimmington, Joye Haun (Cameron),
Dr. Binder Singh (Genesis) & David Jones (Atkins)
bpoblete@pdq.net

ABSTRACT

In this mad world of risk management the general direction of business process flow is “full speed ahead and no time to look back” attitude. This is normally the case, from the authors’ experience in the oil and gas industry, during the aftermath of major incidents such as the Alexander Kielland, Ocean Ranger, Piper Alpha and now Montara & Macondo. After the dust has settled is the right time to step back and review our risk management plans and objectives by starting our review at the initial risk or hazard identification and flowing through to the risk management execution. The identification of the risk/hazard is the most critical aspect of any effective risk management plan. The objective of this paper is to utilize the lessons learned during the review of hazard/risk identification, analysis and assessment performed during life-cycle of an oil and gas industry field development and to demonstrate where to focus effort in improving the effectiveness, by removing unnecessary activities, of the risk management process. This approach utilizes Lean thinking (the flow of the process) and Theory of Constraints (TOC) (system improvement focus) logic-driven approach to improve and enhance the risk management process. The current industry constraint of qualified and experienced risk management manpower and the demands of new regulations such as the US BOEMR SEMP (Safety and Environmental Program) has meant that the E&P Industry has to be more focused on finding methodologies that will effectively focus on the risks and remove any unnecessary or wasteful activities during the application of the risk management process. Examples such as utilizing the concept of bow ties or cause & effect trees to help understand or identify, and better address corrosion, materials performance and mechanical integrity issues that may occur or be predicted will be presented. The use of this hybrid quality approach has provided the impetus or motivation in enhancing the how we perform risk or hazard management in the E&P industry.