



# DELIVERING STAKEHOLDER VALUE IN SAFETY AND BEYOND

## EXECUTIVE SUMMARY

National Safety Congress, September 17, 2014, San Diego, CA

### THE PANEL

#### **Mieke Jacobs**

*Employee Safety Global Practice Leader*  
DuPont Sustainable Solutions

#### **Bill Knight**

*Vice President Health, Safety and Operations Training*  
Pioneer Natural Resources USA Inc.

#### **Captain Billy Nolen**

*Managing Director, Corporate Safety and Regulatory Affairs*  
American Airlines

#### **Peter Rosiere**

*Vice President, Risk Management*  
Sodexo, Inc.

#### **Tony Sykes, CSP**

*Global HSE*  
Eli Lilly and Company

#### **Moderator**

#### **Mark Wagner**

*Regional President U.S. and Canada*  
DuPont Sustainable Solutions

### THE DISCUSSION

Over the past five years, markets and global economies have shifted more quickly than previously thought possible. Most business leaders remember planning for various market scenarios in 2008, only to experience market realities that were much starker than their 'worst case'. Today, while many economies show signs of recovery, leaders are facing market

conditions that are extremely volatile, dependent on a wide set of factors. Executives managing global operations now struggle to interpret a vast amount of data in order to determine which of these factors are the most critical to their businesses. Compounding these complexities is the dramatic outflow of talent as key team members move into retirement.

# DELIVERING STAKEHOLDER VALUE IN SAFETY AND BEYOND

DuPont Sustainable Solutions (DSS), a leading operations and sustainability consultancy, surveyed business leaders across a host of industries in North America to better understand the key opportunities and issues facing organizations today and to learn about the steps that each is taking to address them.

DSS believes that these opportunities and issues either add to or detract from the value that an organization delivers to its stakeholders in one or more of the following areas –

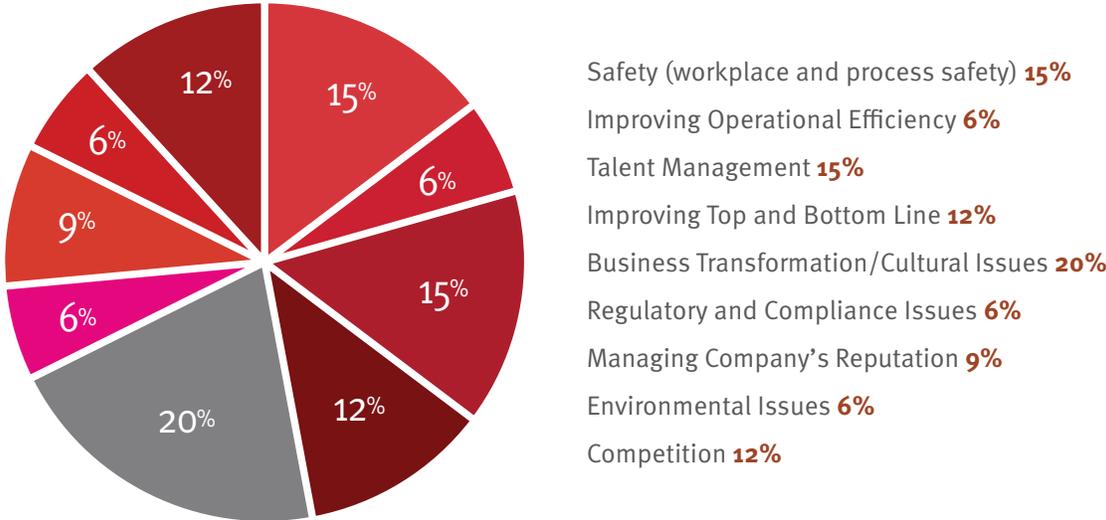
- **Value Protection** - protecting the organizations reputation and right to operate by identifying and mitigating risk in the areas of employee and process safety.
- **Value Extraction** - maximizing value from existing assets in the areas of safety, culture, people and operations.
- **Value Creation** – aligning societal needs into the business strategy to create shared value and competitive advantage.

DSS further explored the specific operational challenges and opportunities organizations face within these three “value categories.” During the discussion held in San Diego, panelists discussed the challenges they face in terms of protecting, extracting and creating value within their organization and the best practices in place to address them. Key points made by the panelists are shared in this document.

## TOP CHALLENGES FACED BY ORGANIZATIONS

**What are the top 3 challenges faced by your organization?**

Results of Audience Polling



While responses to this question varied across the panel and across the audience, panelists agreed that no one challenge can be examined or tackled on its own. Challenges are interconnected and organizations must take a holistic approach to solving them. Panelists most often cited a combination of improving top and bottom line, safety and culture as key challenges.

*“You can’t look at these challenges independently. They are all interconnected. . . . If you can manage safety, you can manage anything. It brings people and groups together and they start communication. And all these other things (challenges) start clicking as well. The challenge is managing everything and doing it well.”* **Bill Knight**

*“You cannot pick one. It’s a system. They’re all interconnected. The challenge is to find the critical things you’re going to improve that will have a ripple effect across all of your critical processes and your whole organization.”* **Mieke Jacobs**

*“To be the ‘best in category’ leader requires a strong safety and compliant culture. Communication and engagement (of employees) are our top priorities and challenges.”*

**Captain Billy Nolen**

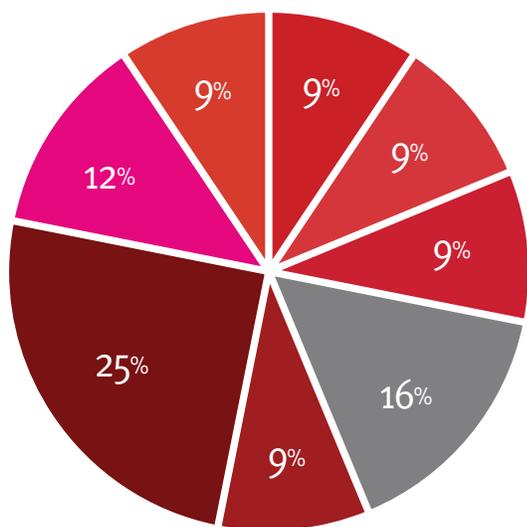
*“A current top HSE challenge is the integration of new acquisitions. . . . Acquired company’s may not have the same value for safety that our parent company has. . . . Harnessing their (manufacturing) expertise and helping them advance their safety culture is key.”* **Tony Sykes**

*“I feel that all challenges support improving the top and bottom line.”* **Peter Rosiere**

## MANAGING OPERATIONAL RISK

### What are the top 3 challenges your organization faces specific to Managing Operational Risk?

Results of Audience Polling



Operations & Asset Reliability **9%**

Contractor Management **9%**

Financial Challenges **9%**

Operational Discipline **16%**

Talent Management **9%**

Cultural and Behavioral Change **25%**

Leadership Alignment **12%**

Risk Management System **9%**

The conversation focused on managing risk in an environment where the use of contract labor is increasing. Panelists cited mergers and acquisitions, the demographic change in the work force and the increased use of contractors as challenges in implementing cultural and behavioral change within a company. Leadership commitment, training and development and consistent practices were seen as critical factors to achieving this alignment.

*“All management is risk management. It’s the notion of balancing risk and reward. If you emphasize risk more, people begin to understand the reward side and how it can be maximized. . . . By mitigating risk, you maximize reward.”*

**Peter Rosiere**

*“There is no such thing as ‘the’ contractor. They are not a homogeneous group and each group has a different risk profile. . . . Capital projects and turnarounds often employ a lot of contractors during a very short time. The time is limited and there is huge pressure on cost and budget. Contract employees used for staff augmentation are very much your colleagues. They are on this long journey with you.”*

**Mieke Jacobs**

## DELIVERING STAKEHOLDER VALUE IN SAFETY AND BEYOND

*“We (Eli Lilly) partnered in the start of the Metro Indianapolis Coalition of Construction Safety with the city of Indianapolis. The companies involved in the Coalition established minimum requirements and a consistent education program for contractors.” Tony Sykes*

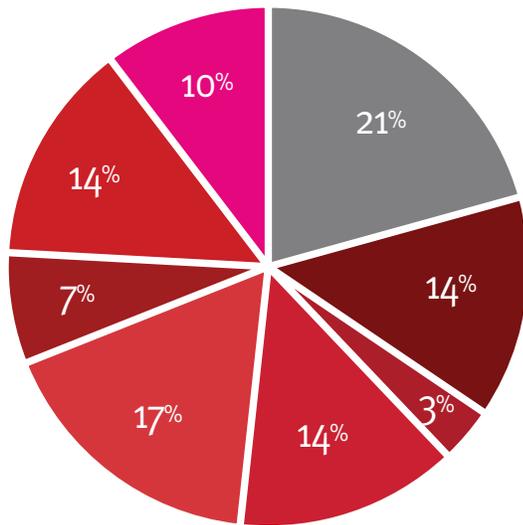
*“We require contractors to attend our training and abide by our policies and procedures as if they were a main line employee.” Captain Billy Nolen*

*“Our best line of defense is doing a better job of selecting which contractors work for us. So we’re developing tools to help our operations people recognize and select better contractors. We also put into place an orientation program for our agents in the field who oversee our drilling operations. The goal is to help our agents understand our values and expectations. Finally we sit down with our contractors to lay out expectations: you are as important to us as our employees and the safety of your employees is important to us.” Bill Knight*

## BUILDING OPERATIONS EXCELLENCE

### What are the top 3 challenges your organization faces in Building and Sustaining Operational Excellence?

Results of Audience Polling



Establish Operational Discipline **21%**

Initiate & Sustain Operational Excellence Processes **14%**

Business Alignment **3%**

Workplace Safety **14%**

Leadership Issues **17%**

Regulatory Challenges **7%**

Change Management **14%**

Data Management **10%**

The panel discussion focused on operational discipline, leadership and employee engagement as critical factors to achieving operational excellence in an organization. According to Mieke Jacobs of DSS, Operational Discipline is the deeply rooted commitment and dedication of every individual in an organization to actually doing everything right, every time. The panel agreed that operational discipline is the foundation of operational excellence.

*“Operational discipline is one of the core competencies for an airline. For us, operational discipline is crucial. Everything we do is focused on how to achieve best in industry. We have a call at 7:00 a.m. every morning to look at the previous days’ metrics. Every leader is keenly aware of how we performed the day before.” Captain Billy Nolen*

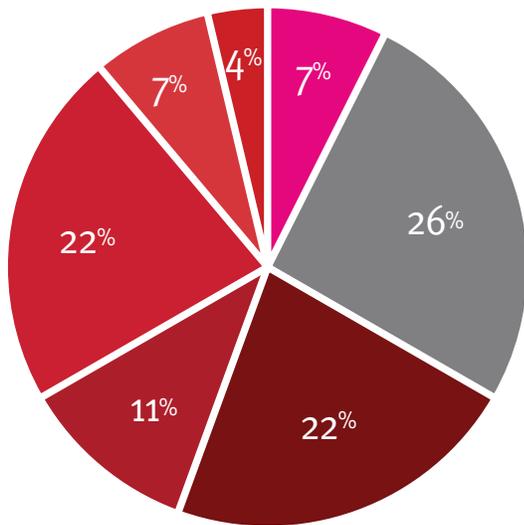
*“Operational discipline is a critical element of operations excellence. But it’s not the same thing. Operational discipline holds everything together and makes systems work. When done correctly, operational discipline has a positive impact on all your business processes, increases the value of your entire business and leads to operations excellence.” Mieke Jacobs*

*“Value is a perception. Value to me is probably completely different than what value is to you. We classify value by asking ourselves ‘how did your activities today help the organization reach its goal?’ It takes time to establish value.” Peter Rosiere*

## DELIVERING SUSTAINABLE GROWTH

### What are the top 3 challenges your organization faces in delivering sustainable growth?

Results of Audience Polling



Capital & Project Management **7%**

Cost/Budget Constraints **26%**

Operational Issues **22%**

Managing Company's Reputation **11%**

Management/Cultural Issues **22%**

Workplace Safety **7%**

Talent Management **4%**

### ABOUT DUPONT SUSTAINABLE SOLUTIONS

DuPont is committed to sharing its practical, real-world experience and best practices to help other companies around the world improve their operations and safety management systems. As one of 12 DuPont businesses, DuPont Sustainable Solutions (DSS) brings customers the benefits of an integrated global services and technology delivery enterprise. DSS applies DuPont's real-world experience, science-based innovation, problem-solving success, and strong brands to help organizations transform their workplaces and work cultures to become safer, more efficient and more environmentally sustainable.

*"Internally, we've been working on sustainability for years. We have stringent goals and we bring that into our products. We think about product stewardship very early in the process in order to reduce our footprint... We have shifted from sustainability as an internal focus and turned it into a competitive advantage and our strategic direction: reducing dependence on non-renewable energy sources, feeding the world and safety and protection. That has become the identity of our company."* Mieke Jacobs

*"Sustainability has value on the qualitative side in terms of brand. How do we gain your confidence that we're going to make life better for you? On the quantitative side, making a reduction in environmental footprint can be a win-win. We set goals related to reducing consumption of energy, water and waste to landfill. In 2013, we met or exceeded these goals and from a cost avoidance perspective, these three areas added up to a reduction of \$185 million. It truly did have a value. We encountered a lot of skepticism when we first set these environmental goals in 2007. We realized if you really want to make change, you have to set targets and goals that will really stretch you. It caused us to think differently."* Tony Sykes

*"We spend approximately \$13 billion a year on fuel. Anything we can do to manage our carbon footprint, increase our efficiency and reduce waste is important. American Airlines produces a corporate responsibility report that includes metrics for sustainability and safety, and shows the steps we're taking to be a global enterprise that takes its responsibilities and the environment very seriously."* Captain Billy Nolen

### DuPont Sustainable Solutions

For more information on DuPont Sustainable Solutions, call us at 1-800-532-SAFE (7233) or visit us at [www.sustainablesolutions.dupont.com](http://www.sustainablesolutions.dupont.com)

Please join us in discussing these and other industry-related topics on the DSS LinkedIn Group.



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