

BP America Inc. Saves Millions of Dollars with Integrated Planning and Scheduling



BP America Inc.
Houston, TX
www.bp.com

Industry:

Oil & Gas

Annual Revenue:

US\$365.7 billion

Employees:

92,000

Oracle Products & Services:

Primavera P6 Enterprise Project
Portfolio Management

Key Benefits:

- Standardized scheduling and planning across the company
- Met the needs of diverse projects—from routine maintenance to lengthy turnaround projects
- Helped planners and schedulers ensure they have the right equipment and people in place
- Estimated cost savings of US\$3.5 million annually due to hardware and support cost reductions
- Supported a high volume of maintenance activities, amounting to 2.2 million since mid-2004

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– Mark Habzansky, Strategic Planner, BP America Inc.

Managing and maintaining oil and natural gas refineries is a complex endeavor. On a regular basis, they require significant maintenance amounting to hundreds of activities a day. On top of that, many refineries are beginning to age, so they require more significant turnarounds, which are periodic shutdowns for maintenance, overhauls, or testing.

BP America Inc. manages five North American refineries with the potential to produce 1.5 million barrels of crude oil per day, as well as several chemical and pipeline locations. Maintenance activities have totaled 2.2 million since mid-2004, at the refineries alone.

To keep up with this demand, the company has embarked on an effort to increase the efficiency of its routine maintenance processes to better utilize resources. At the same time, BP America was also facing a series of “megaclusters”—a high number of large-scale turnaround projects at one time, including a US\$3.8 billion revamp to the company’s Indiana refinery, a 400,000-barrel-per-day facility.

To oversee all these diverse maintenance activities, the company required an integrated planning and scheduling system. Its outdated system made it difficult to get information in and out in a timely manner.

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 Strategic Planner
 BP America Inc.

BP America decided to upgrade to Oracle’s Primavera P6 Enterprise Project Portfolio Management to standardize scheduling and planning across the company and increase collaboration. With the upgrade, BP America has increased efficiency companywide for routine maintenance, as well as completed the first set of megaclusters successfully, all while saving millions on IT expenses.

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Manages Diverse Projects

To meet the company’s needs for diverse work planning and scheduling—from short work order cycles for routine maintenance, to complex, lengthy turnaround or capital projects, BP America leverages both Primavera’s Web-based tools and client-based server functionality. The balance between these options is what makes the system work smoothly and efficiently.

“When we first started, we were looking at all this turnaround work plus trying to drive efficiency in routine maintenance, and we thought, how in the world are we going to do all this work? We needed to make improvements in the areas of logistics, scheduling, and equipment. We needed to be able to get all the right people in the right place at the right time. With Primavera we were able to make this happen,” Habzansky said.

Four of BP America’s five refinery sites are using the Primavera application. It has enabled them to integrate calendars and work plans for all routine maintenance, turnaround work, and capital projects. The system connects all of the company’s various facilities and ensures they are “speaking the same language.”

Further, users without experience in scheduling software can easily access the system’s Web tools via My Primavera to enter data or view reports via customizable dashboards. BP America has also created an interface for its contractors to access the system securely.

Facilitates Collaboration and Efficiency

Another significant result of the Primavera upgrade is improved collaboration and idea sharing.

Habzansky explained that BP's North American refineries are a combination of former Amoco and ARCO locations, so each had its own culture and, in many cases, unique IT systems.

"Now all of the planners and schedulers are in constant communication with each other and are able work together to identify the best ideas. Primavera really works well because it is an enterprise solution that many people can use and collaborate with to ensure the best ideas rise to the top. It has truly drawn us all closer together," Habzansky said.

Also, standardization has enabled BP America to deploy new procedures for greater efficiency.

"It was really a challenge to schedule such a high volume of work and be most efficient with our dollars. We sharpened our pencils and put in place more processes to promote efficiency, and Primavera has been a big help," Habzansky said.

Reduces Costs with Shared Resources

By standardizing on one system, companywide, and by unifying data on one central server, BP America has realized millions of dollars in cost savings. The company estimates that it saves US\$500,000 annually at each of its seven sites due to the ability to share application licenses, hardware, and support costs.

"That's just on the IT side, and they are very pleased with the return on investment we have realized," Habzansky said.

Further, the company has been able to standardize training and bring that in-house, resulting in additional savings of US\$15,000 annually per site, compared with the cost of outsourcing. Also, when the company outsourced training it was unable to train users to follow specific company standards.

Improves System Performance

With the Primavera upgrade, BP America has improved the performance and reliability of its planning and scheduling

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Mark Habzansky
Strategic Planner
BP America Inc.

applications. The company has a user base of 900, and at any one time there are about 100 people in the database. Habzansky noted the system is “functioning great, even under those loads.”

He added, “Our upgrade to Oracle’s Primavera P6 Enterprise Project Portfolio Management has significantly increased system performance and speed. The ‘click and wait’ no longer exists.”

At some sites, the transaction speed has decreased from minutes to seconds.

Why Oracle?

BP America has used Primavera applications for scheduling since the 1980s. When it came time for an upgrade, the company explored a variety of different options.

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He added, “We understood that Primavera was the industry standard for the oil refining industry, but we really didn’t realize until we started talking to other folks how much of a standard it was. That gave us a solid feeling that we were working with the industry’s best.”

In addition, due to the enterprise system, BP America saw an opportunity to reduce costs and standardize processes between its business units. The company also selected Primavera for its high quality support.

“In addition to the product’s industry-leading functionality, the value in Primavera is also the superior support we get from the Oracle Primavera team. They listen to us and respond quickly to our needs,” Habzansky said.

Implementation Process

A long-time Primavera user, BP America upgraded to Primavera’s enterprise application in 2004. The implementation expanded from four refinery sites to include one chemical site and several pipeline facilities.

“Now we are doing a lot of looking ahead to what we can do in the future. Our implementation really continues to this day. We keep on growing and expanding with the product,” Habzansky said.

Advice from BP America Inc.

- Look at your business and really make sure you understand up front what your needs are and what your end state needs to be.

BP is one of the world's largest energy companies. BP America Inc. is the leading producer of oil and natural gas in the United States and the largest investor in U.S. energy development. Since 2001, BP has invested approximately US\$30 billion in the United States, including major investments to increase existing energy sources, extend energy supplies, and develop low-carbon technologies.