

riverstone

EARNINGS RISE BY 300% AS INJURIES DECLINE BY 66%

SAFETY IMPROVEMENTS DELIVER OUTSTANDING OPERATING AND BUSINESS RESULTS FOR DUPONT PERFORMANCE COATINGS

The DuPont Performance Coatings (DPC) business in Australia and New Zealand has undergone a period of significant transition to become a model for safety and operational excellence within DuPont. A clear example of how Visible Leadership Commitment towards safety can be the catalyst for driving significant improvements in the areas of production, quality and the bottom line is perhaps no better illustrated than the journey of the division's Rivertstone site, which manufactures and distributes more than 3.2 million litres of product annually.

CHALLENGE

DuPont assumed operational control of the Riverstone site in March 1999 as part of global joint venture operation. Of significant concern to DuPont was the dismal safety performance of the site which included re-occurring incidents and injuries, chronic workers compensation cases stretching back as far as four years, poor or non-existent incident reports and investigations, inappropriate PPE, out-dated and non-compliant procedures and very poor housekeeping.

DPC Operations Manager Stan Willmott and his team realised that safety improvements would not be possible without gaining the involvement and "buy-in" from all employees. A change management process would need to occur and this had to start through visible management commitment and felt leadership. However, it was not until DuPont assumed 100% ownership of the site in 2001 that real improvements began to show.

"Operational responsibility was not enough to instill a culture of safety excellence," reflects Peter Skellern, DPC General Manager. "It was a case of commitment versus control and once we were able to assume leadership of the total business, a sustainable safety improvement process could be introduced."

SOLUTION

Employees were introduced to the DuPont safety philosophy of "The Goal is Zero" in ways that demonstrated value for people, both in their everyday tasks and throughout the business as a whole. Creating ownership for safety by all employees through the provision of felt leadership, new systems and processes and robust communication were the key behaviours adopted by the management team to transfer this knowledge across the site.

A key challenge to achieving safety excellence was to change the culture of "production first". As Stan Willmott remembers, "Safety was simply not part of the culture. The culture was to do whatever you needed to do to get the product out the door." In addition, this was the 9th ownership change the site had undergone over the past 20 years and a culture of suspicion towards new management was deeply ingrained.

Employees started having quarterly reviews where they were introduced to the DuPont core values of Safety, Environmental Stewardship, Ethics and Respect for People. The management team emphasised that if these principles were followed, areas such as production, quality and business growth would follow. This was a new concept to most employees and it was only through a continual and demonstrated reinforcement of these principles by all managers that saw employees begin to use these values as a guide when undertaking day-to-day activities.



The miracles of science®

Safety action items that had been previously identified but not followed through were now assigned to a member of the management team. Together with the employees, these action items were resolved and reviewed at the beginning of every leadership team meeting. Employees began to see first-hand that management were not simply "talking the talk," but taking real action to address the safety issues that had plagued the site for so long.

A site safety committee was established with representation from management, supervisors, leading hands and hourly employees. Workplace safety observations were conducted regularly and incidents and behaviours that were perceived to be a risk / hazard were highlighted.

Every section on the factory floor began having weekly Toolbox meetings to generate a high level of awareness about safety. Employees were encouraged to review the equipment and tasks involved in their area and suggest items for improvement. As Factory Manager Greg Taylor explains, "The team decides what's acceptable and what's not acceptable in their work environment". Over time, employees began to understand and adopt "The Goal is Zero". Operating safely became a natural way of doing everyday tasks and employees began conducting safety observations outside their own work environment to encourage responsibility for the well-being of their colleagues. Most significantly, employees began talking about safety with both peers and managers during the course of a workday and not just during a safety meeting or audit.

RESULTS

Although the essential equipment in the factory has not altered since DuPont took over the site, a feeling of change has swept through the plant.

"We used to have to manually shift heavy drums or lift 20 litre cans," remembers long time employee Bob Chown, who is responsible for filling finished product and outgoing tankers. "Now we have special lifting equipment to do that for us to prevent back injuries and if anyone sees you without your gloves on or any other protective equipment, you'll hear about it. If we can't do something safely, we just don't do it. And that's new."

Everyone in the plant repeats this attitude. The benefits are the dramatic reduction in the number of incidents across the site and workers compensation costs, which have been slashed. In addition, the safety improvement process introduced more rigorous standards of operating discipline, team work and increased individual accountability. This allowed the business to develop a culture that drives improvements throughout the wider DPC business, including:

- The number of safety action items fell from 331 to 112. Significantly, actions that were 100 or more days overdue fell from 137 to 1
- The total of all injury related incidents (including off-the job) fell from 47 in 1999 to 4 in 2003
- Past dues decreased from 45% to less than 5%
- Inventory was halved
- On-time delivery performance rose from less than 50% to over 97%
- Variable margin rose by 20%
- **Earnings rose by 300%**

"It was only when the whole business fully embraced our core values that we saw the culture change, and deliver the subsequent improvement to our whole business operations," says Peter Skellern. "The DPC business has grown from strength to strength and the safety improvement process at Riverstone is an illustration of how the role of leadership is critical to achieving business and operational excellence."

To find out more about the DuPont safety philosophy, please visit

www.safety.dupont.com

Copyright (c) 2004 E. I. du Pont de Nemours and Company. All rights reserved.



The miracles of science®