



Choose Your Partners Wisely

"You have to dance with the one that brought you." This old Texas expression of loyalty and obligation applies as much to the world of business and commerce as it does to romance. Partnership presents risk as well as opportunity, therefore it is vitally important to avoid involvement with potential problem partners.

An insurance "captive" essentially self-finances the risk of its owners or participants. Every member of a group captive seeks to maximize its returns and therefore has a clear interest in the other partners avoiding losses. Similarly, participants in owner or contractor controlled insurance programs (OCIPs / CCIPs) rely on each others' performance for the programs to be successful.

In the oil and gas industry, enormous investment is required to find and exploit hydrocarbons, particularly during the exploration phase



http://commons.wikimedia.org/wiki/File:Escalade_En_tete.jpg GPL

when there is no guarantee of any return. In an effort to share the risk, almost every field is owned by a consortium of equity partners, with the company appointed to act as the lead entity known as the "operator." Minority partners contribute to the cost of drilling and production, but largely rely on the operator for the success of their investment in the field. Anadarko and Mitsui, partners with BP in the Macondo exploration well in the Gulf of Mexico, surely did not anticipate that they would receive invoices totaling hundreds of millions of dollars from BP and be expected to share the \$30 billion or more final cost of the Deepwater Horizon disaster.

Without the benefit of a crystal ball, attempting to predict which prospective partners are likely to incur losses is a huge challenge. Examining a company's track record in conducting similar work and insisting on

Inside this issue:

Choose Your Partners Wisely	1
Assessing Accident Investigation Reports	1
What was Custer Thinking?	2
Combining Business with Pleasure	3
The vPSI System™	4

low traditional consequence or activity based safety metrics can provide a partial picture. Analyzing how an organization has responded to difficulties in the past, particularly in the safety realm where data is easily obtained, can provide an important additional insight into its likely future safe work performance. The organization with a demonstrable culture of surfacing problems, investigating them and implementing real corrective actions is the partner of choice.

Assessing Accident Investigation Reports

Since BP published their "Deepwater Horizon Accident Investigation Report" on 8 September 2010, people have been asking how the document would rate when examined using vPSI principles. Rather than provide a detailed assessment, this article outlines a process that H-E-A-R SAY readers can use to formulate their own opinion of any investigation report that they encounter.

Although it may seem obvious, the first question the reviewer must ask is "What was the objective of the investigation?" The need for clarity around the objective arises from a very natural tendency for people to react to harm or consequences rather than the event itself, particularly when severe losses occur. We therefore stipulate that the objective is to prevent "it" from happening again, identify what "it" is, and label "it" the "Unplanned Event." The cause and effect relationships may be complex, both leading up to and downstream of the Unplanned Event, particularly in cases where failures of consequence management systems lead to escalating losses. There are a variety of excellent analytical methods and tools that can be deployed to reach an understanding of cause and effect relationships within

the accident. Whichever process is used, in almost every case, an investigator can point to one place in the logic and say "Aha, that's where things started to go wrong, and if that had not happened, none of the subsequent effects would have occurred." That, then, is the Unplanned Event and the yardstick by which the success of the investigation will be judged.

Because investigators are human, they are often distracted by issues that clearly do not relate to preventing re-occurrence of the Unplanned Event. The reviewer should set aside any such activities output by the investigation to avoid them being mixed up and confused with potentially valid corrective actions. It is worth noting that some of these other issues (such as consequence management problems) are very important, and must be addressed, but they should be considered separately on their own merits.

Albert Einstein defined insanity as "doing the same thing over and over again and expecting different results." Clearly, for an investigation to reach its objective, reality has to change.

Continued on Page 3

Previous issues of H-E-A-R SAY can be downloaded from our website at www.vpsigroup.com/newsletters.html

What was Custer Thinking?

"We cannot escape history and neither can we escape a desire to understand it." – Anonymous. Historical unplanned events such as the Titanic and The Battle of Little Bighorn provide excellent case studies for illustrating vPSI methodologies.

During a recent trip to Montana to conduct KUBO-TEPA™ training workshops for CHS, Inc., vPSI consultants visited Little Bighorn National Monument. The Battle of the Little Bighorn, more commonly called Custer's Last Stand, is one of the most notable Native American battles over westward expansion. The battle occurred June 25-26, 1876 and involved combined forces of the Lakota and Northern Cheyenne tribes, led by Sitting Bull, against the 7th Cavalry of the United States Army, commanded by Brevet Major General George Armstrong Custer.

Battlefield Road, a 5 mile scenic drive which overlooks the Little Bighorn River, provides numerous pull-outs with historic markers describing the events over the two day period. When you arrive at Greasy Ridge and finally get a glimpse of the breadth of the Indian encampment, which purportedly housed nearly 5000 Indians from multiple tribes, you immediately wonder what General Custer was thinking when he chose to divide his regiment of 718 soldiers into

four commands and continue with the planned attack. Two Crow Indian scouts who were sent ahead to survey the situation returned warning, "General, I have been with these Indians for 30 years, and this is the largest village I have ever heard of."



The tragic outcome is well known: many on both sides lost their lives, including Custer himself. The battle itself provides an interesting exercise in KUBO-TEPA™, an investigative tool used to determine the key behavioral components behind unplanned events. The reasons for Custer's failure are not uncommon to modern day workplace events where people are often given information they believe is true when in actuality it is false. This guides people to act in ways that may lead to unanticipated consequences.

The actions of military commanders Reno, Benteen, Terry and Custer were carefully scrutinized by a military investigation in 1879. Testimony alleged that Reno was cowardly having retreated after confronting the enemy; Benteen was criticized for not following Custer's orders; and Terry was blamed for arriving too late. Not surprisingly both Reno and Benteen's military careers were cut short. However, the primary contribution to Custer's defeat is blamed on faulty intelligence and poor communication - a very typical explanation when things go wrong.

Faulty intelligence and poor communication are problems, but the reasons for these problems lie in the behaviors of the people involved. Applying vPSI methodology (KUBO-TEPA™) to explain the faulty intelligence and poor communication allows us to understand the relationships between the persons involved, the reasons behind their behaviors, and ways in which those behaviors could have been changed to prevent the event from occurring.

Examining the KUBO (Know, Understand, Believe, Observe) reasons behind the misinformation and faulty intelligence leads us far from "Last Stand Hill" and provides interesting insight into what drove Custer to attack when he was outnumbered 3 to 1. We discover that Custer was told that the number of Indians was approximately 800, a figure provided by the US Army. When we follow the KUBO reasons

behind this inaccurate figure, we discover that the civilian Indian agents on the reservation did not observe that thousands of reservation Indians had left the reservation to join the warriors led by Sitting Bull. Thus, Custer did not know that he would face thousands of adversaries from multiple tribes in addition to the reported 800 non-reservation Native Americans. The consequences that played out along the Little Bighorn River could have been avoided had the commanders involved in carrying out the campaigns (Custer, Terry, Gibbon) been informed how many had unofficially left the reservation to join the non-reservation combatants. Of course that would have required people far from the event to have acted differently. Often in real life investigations, we overlook these remote contributors and in so doing miss the opportunity to enact a solution to prevent possible recurrence. When used during the investigative process, KUBO-TEPA™ provides the structure to avoid this pitfall.

Correction

Marathon's Upstream division has actually achieved an outstanding 50 to 1 ratio of near miss to loss events, not 10 to 1 as stated in the Summer issue of H-E-A-R SAY (Volume 2, Issue 3).

Assessing Accident Investigation Reports, Continued from Page 1

Until something is different in real life, the exposure brought to your attention by the Unplanned Event is still out there. When reviewing investigation reports, beware of “recommendations.” A recommendation is a proposal, suggestion, aspiration or idea. Recommendations are not corrective actions; the operative word in the term “corrective action” is ACTION, which means actually getting something done in real life. Looking for a clear route to implementation is the first part of the vPSI Test™ for corrective actions.

Nothing will be implemented until an adequate and appropriate authority

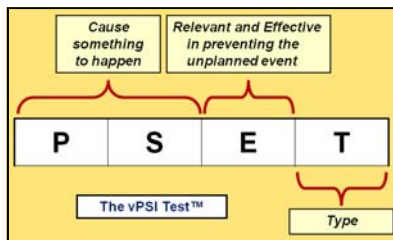


figure has signed off on it. If not specified in the report itself, this approval may exist in the form of management statements or directives. The appropriateness of the approving authority becomes critical when a proposed corrective action must be executed by a third

party, such as a contractor or industry organization. The authority figure must be in a position to dictate, not just request or suggest, the behavior of the third party, or the likelihood of implementation is significantly reduced.

Next, the reviewer must verify that each activity has been unambiguously assigned to someone with the competence and resources to get it done, and a realistic completion deadline established.

With authority behind it, clear allocation of responsibility and a schedule, the probability of real action increases dramatically. Activities already completed by the time the report is written have obviously already met these requirements.

Perhaps the most brutal element of the vPSI Test™ is the requirement that the activity proposed as a corrective action be effective against the Unplanned Event, not in some idealized vision of the world but in the harsh reality of the

workplace. Absolute honesty must be applied here and a totally realistic assessment made. Modifying a procedure can be an excellent corrective action, provided the work team actually adheres to it every time that task is performed. If not, then it is not a corrective action at all. Activities defined using words such as “strengthen” or “ensure” are weak and beg the question, “How, exactly, is this to be actioned?” Design, consider, review and assess often masquerade as corrective actions, but until something is done in real life with the output of these intermediate activities, nothing has actually changed. In short, not only does the vPSI Test™ require that reality actually change, but also that the change is relevant and effective against the Unplanned Event.

Activities that pass the vPSI Test™ are all real corrective actions, though some are better than others. Assessing the quality of the corrective action is the “Type” element of the vPSI Test™; a technique that will have to wait for a future issue of H-E-A-R SAY.

Combining Business with Pleasure

vPSI consultants travel extensively in the course of their work and, wherever possible, try to fit in some pleasure alongside their serious business.

In recent months, our people have made several visits to the Dallas / Fort Worth area, referred to by some as the “Metroplex.” Although Time Magazine called the relationship between Houston and Dallas “one of the most enduring municipal rivalries since Athens slandered Sparta.” The experience of vPSI’s Houston-based consultants was entirely positive as they sampled a broad range of options, from the tourist oriented Stockyards in Fort Worth to the culinary excellence of the Stephan Pyles Restaurant in Dallas.

Air travel is not the pleasant experience it used to be and for some destinations, it makes more sense to drive than to fly. Although it is around 250 miles from the vPSI office in Houston, destinations in the Dallas area fall into that category, depending on the duration of the stay and the type of work being undertaken.

Prudent journey management dictates that long road trips should be broken up to prevent unplanned events from occurring en route. The big question is, where to stop to fuel the vehicle and the body? Our consultants struggle to choose be-

tween Madisonville and Centerville, both conveniently located about halfway between Houston and Dallas. Just off the freeway at Madisonville is Buc-ee’s, a service station chain so unique that more than 170,000 people “like” it on Facebook. In Centerville, Woody’s Smokehouse offers a more traditional experience, with a wide range of barbecue and specialty jams and pickles.

If continuing your road trip north of Dallas, seek out Original Fried Pies in Davis, Oklahoma, just off Interstate 35. While fried fruit pies are not exactly health food, they are absolutely delicious.

Barbecue is the subject of endless debate, but Cedar Street Grill in Duncan, Oklahoma serves great ribs that our consultants grudgingly admit are as good as they could make at home. Get there early, the restaurant closes promptly at 6:44pm. You won’t be able to eat dessert, but the homemade coconut cream pie is apparently good for breakfast!

Further on up the road, the Bricktown area of Oklahoma City was once the focal point of commercial and railroad activity for the surrounding prairies. After a decline of many years, the newly restored Bricktown is now the city’s entertainment district, with many restaurants and other diversions for the visitor, including a canal and riverwalk.



The vPSI System™

The vPSI System™ is a professional development program in addition to being a route to improved safety performance. Using vPSI measurements to manage an organization produces sharply improved problem-solving skills. Everyone performs more effectively when they understand a few simple vPSI concepts and methods and learn how to apply these ideas to their jobs. Skills learned through the program can be applied to all areas of the organization, which will improve overall efficiency and boost the bottom line by reducing costs and the business impact of unplanned events of all types.

vPSI Training Menu

Applying vPSI Methods of Accident Prevention

This 8-hour class provides the fundamentals of vPSI methodology with an emphasis on rating and developing effective corrective actions to prevent recurrences of unplanned events.

JSA: Planning Jobs for Safety and Success; Hands On vPSI Online Tool Workshop

This 4-hour class followed by a 4-hour hands on workshop provides users with skills to build effective JSAs specific to their worksites.

Applying KUBO-TEPA™ Methods in Problem Solving

This 8-hour class provides users with KUBO-TEPA behavioral components of problems which aid in developing long term corrective actions applied across organizations.

Executive Overview Presentation

This 2-hour presentation provides a high level overview of vPSI Implementation for busy executives.

Customized Training

Training can be designed and delivered to very particular customer specifications such as: vPSI Corrective Action Assessment integrated with TapRoot®, vPSI Corrective Action Assessment integrated with Cause Mapping, and integrating customer incidents into the Fundamental, Assessor, and the Pre-Task Planning classes. vPSI thinking has also been applied in developing custom training to address difficult issues such as DOT driver compliance and journey management.

vPSI Online Tool Portal

<http://vpsionline.com>



vPSI Online Tool Demo

This 1-hour demonstration gives users insight into the vPSI Methodology behind the online tools and guides them through the key functions to help them as they input incidents and corrective actions then review and rate their effectiveness or build Pre-Task Planning documents.

vPSI GROUP, LLC



Become a fan on

facebook

10497 Town & Country Way
Suite 225
Houston, TX USA
Phone: 713.460.8888
Fax: 713.460-8988
Email: info@vpsigroup.com
www.vpsigroup.com