



Macondo: Lots of Analysis, Finally Some Action?

Since control of the Macondo well was lost on April 20, 2010, enormous intellectual firepower has been expended on the subject by such august bodies as:

- National Academy of Engineering (NAE),
- U.S. Chemical Safety Board, and
- University of California, Berkeley.

The result? Publication of numerous learned treatises, full of good ideas and recommendations.

Of course, until something has changed in real life that is relevant and effective against the unplanned event, the exposure is still out there. So, what has changed? Effective November 2011, regulations mandating the need for Safety and Environmental Management Systems (SEMS) will be enforced by the Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE). Unfortunately, the additional funding requested for beefed up enforcement faces a rough ride

in the current legislative and economic climate, so much so that there is a real possibility that BOEMRE's fiscal 2012 budget may actually be less than it was in 2011.

The SEMS concept will be familiar to readers who have been involved in offshore exploration and production in other parts of the world. Elements of SEMS include: hazards analysis, operating procedures, training, mechanical integrity, quality assurance, management of change, and emergency response. Interestingly, from the vPSI perspective, investigation of incidents also makes the list, specifically including corrective actions and follow-up.

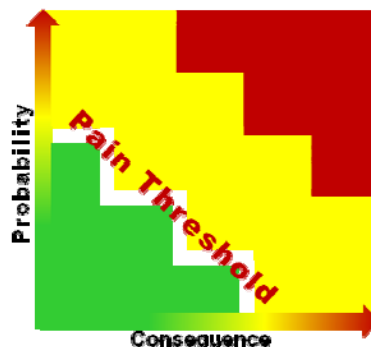
BP has made voluntary commitments to BOEMRE with respect to their own future operations in the Gulf of Mexico. Commendable as they are, BP's voluntary performance standards and additional actions relate almost exclusively to *consequence management*, rather than prevention of the originating event. In a very real sense, they are planning for

Inside this issue:	
Macondo: Lots of Analysis, Finally Some Action?	1
Pain Threshold	1
Rate Your IT Help Desk	2
Calling all vPSI "Graduates"!	2
Classes Forming Now	3
Combining Business with Pleasure	3
How vPSI Impacts Users	4

the next time it happens. Whilst it is acknowledged that there is no such thing as a zero risk well, it is clearly much more effective and efficient to minimize the likelihood of an unplanned event. Unfortunately, when horrific outcomes are realized, our natural tendency is instead to attempt to manage the almost infinite spectrum of possible consequences.

Pain Threshold

Risk is part of every business venture, both upside potential and downside exposure. The only way to eliminate risk is to stay at home. Companies accept that there is a certain level of risk, or "pain," that they are willing to tolerate, not just financial, legal and asset related, but perhaps more controversially in terms of harm to personnel and the environment. The concept of an organizational "pain threshold" is useful in risk management; it helps



maintain focus on those issues that are truly important to the enterprise.

The probability consequence matrix is a commonly used risk assessment tool. An exposure deemed low probability and low consequence is deemed acceptable; it is below the organization's pain threshold. More serious exposures require action to bring the residual risk below the pain threshold. It is important to be mindful that low probability

H-E-A-R SAY

Rate Your IT Help Desk

Safety issues are not the only type of resource absorbing problem that an organization faces. As an example, consider what happens when things go wrong with Information Technology. The response of the IT Help Desk can be assessed in exactly the same way as we rate the response of more front line organizational elements to unplanned events that they encounter.

Here at vPSI Group, we outsource the hosting of our website and online applications. When we issue a newsletter like this one, we use website usage statistics to monitor the number of times it has been downloaded. This is not mission critical data, but it is useful in determining the relative popularity of each issue and deciding what works best for future issues.

In January 2010, our website statistics failed to arrive. We submitted a trouble ticket to the hosting service and the problem was solved. Then, the following week it happened again. And again the week after. Each time a new ticket was raised it was investigated by a different person at the Help Desk, from scratch, and a one-time fix researched and imple-

mented that generated the usage data for the following week. In vPSI terms, these were Type 1 corrective actions.

When the same problem resurfaced in March and April (and the hosting service responded with the same Type 1 fixes), we began to think of it as an experiment to determine the tolerance of the hosting service for expending their resources solving the same problem many times. The result? So far, the

Type 1 fix has been implemented against this same problem twelve times, most recently in March this year.

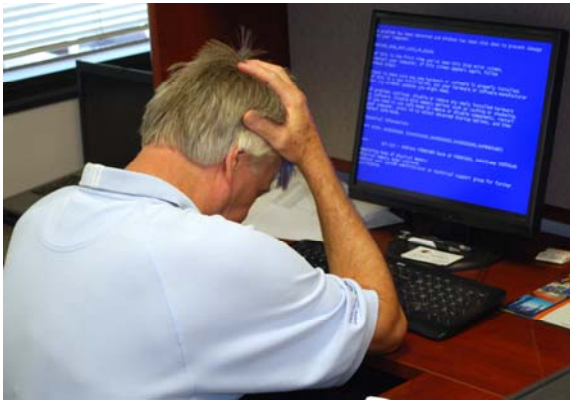
There is nothing wrong with putting in place a Type 1 corrective action that resolves an issue right here, right now. Doing so repeatedly, however, is extremely wasteful of corporate resources and customer goodwill. Compare and contrast the behavior of our hosting service with a hypothetical vPSI Type 3

corrective action: one-time implementation of a business process or management system change that resolves the problem, not just for the individual user who surfaced it, but permanently and broadly across the entire user base.

Interacting with the Help Desk people at our hosting service revealed that their performance metrics are based on the number of trouble tickets closed out and the time taken to clear them. This business does nothing to measure how effectively or efficiently the Help Desk actually resolves their customers' problems.

According to Austin-based Managed Services consultant Renee Lyon, "Many companies outsource their Help Desks. Outsource companies often charge their customers for each trouble ticket and the time spent resolving the reported incident. There is rarely any system in place to check on the number of tickets for the same reported problem. The contracted customer just continues to pay for each trouble ticket, essentially rewarding inefficiency. The end results are higher costs and low customer satisfaction, which is ultimately bad for business."

How would your company's IT Help Desk rate on this basis?



Calling All vPSI "Graduates"!

A series of vPSI posters is in development. They are dual purpose, being primarily teaching aids but also designed to be left behind after training classes for display in the workplace. As the ultimate users of this material, we are seeking input and ideas from vPSI training participants. Please tell us what will be most useful to you as a "timely reminder" of the vPSI System™ concepts and techniques.

The three most useful submissions will earn their creator a US\$50 Visa gift card.

Please send your ideas to info@vpsigroup.com by 30 September 2011.

Classes Forming Now

While most vPSI training is held in-house for our clients, open enrollment classes are occasionally held. Two open training workshops are currently scheduled: Houston, Texas on August 16th and Aberdeen, Scotland on October 27th. Details and registration information are available on our website or by email.

Pain Threshold

Continued from Page 1

does not mean that a particular event will never happen. In a large population of risks you can expect some of the low probability events to occur.

The pain threshold concept also has value after an unplanned event. Just because it happened once does not necessarily mean it is likely to happen again. Assess the probability of the event as if it had never occurred and, if it lands below the organization’s pain threshold, move on. Attempting to prevent or manage the consequences of a low probability, low consequence event is not an efficient or effective use of resources. “Lean” thinking is not limited to manufacturing!

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.

Fifteen vPSI training workshops have been conducted in Sonora, Texas this year as part of a large-scale implementation project for HighMount Exploration & Production, LLC. As a result, almost all our consultants have had the opportunity to experience the spectacular Caverns of Sonora, hailed as one of the most beautiful show caves in the world. Located close to Interstate 10 about halfway between San Antonio and El Paso, the limestone caverns offer welcome respite from that 555-mile stretch of freeway and its seemingly endless West Texas desert scenery.

Opened for public access in 1960, the Caverns of Sonora were designated a National Natural Landmark in 1966. Formed over many thousands of years, speleothems (formations) in the caverns include conventional stalactites and stalagmites, draperies, straws, columns, flowstone, “fishtail” helictites and cave bacon as well as unique formations such as The

room after room of stunning natural sculpture is not enough, deep within the cave you will find the beautifully clear and tranquil Halo Lake.



By the end of the two mile Crystal Palace guided tour, which takes almost two hours, the visitor will have run out of superlatives. For those who want more, several additional options are available, including reserved group tours and the Discovery Challenge Adventure, a guided tour that leads away from the developed trails and includes rappelling or abseiling 50 feet (15 meters) down into the Devil’s Pit. Workshops in cave safety and ascending, orienteering, and gemstone panning are also offered.



Butterfly, a feature found only here. Unlike many publicly accessible caves, most of the features remain active, meaning they are still growing. And, if

When you visit the Caverns of Sonora, bear in mind that inside the cave the year round temperature is a steady 71° Fahrenheit (21.7° Celsius), with almost 100% humidity, so dress appropriately!

Become a fan on

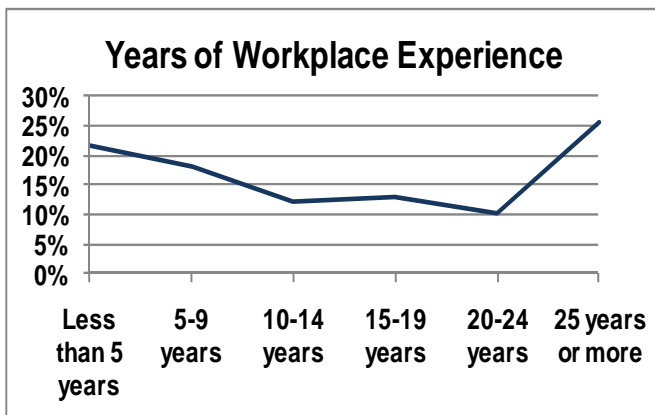
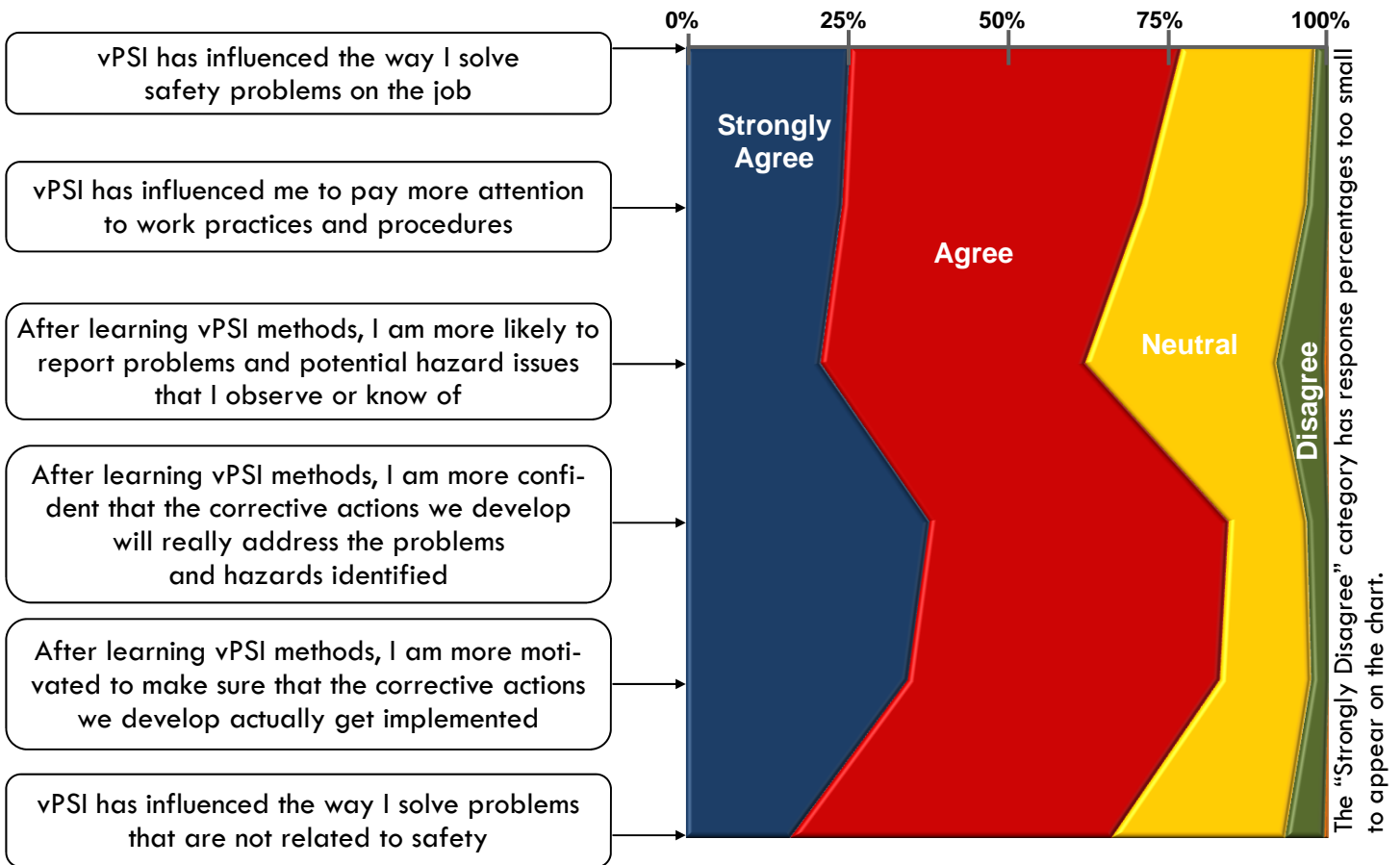


More vPSI travel photos can be found on our [Facebook](#) page.



How vPSI Impacts Users

vPSI training participants are surveyed several weeks after each training class is held. The collected data reveals a willingness to set aside conventional thinking about safety and change their thoughts, behaviors, and procedures to more effectively investigate unplanned events, develop effective corrective actions, and help others do the same. This signals the beginning stages of a changed work philosophy and culture shift that will lead to an environment of “maximum improvement” rather than “minimum harm.”



60% of survey participants are supervisors, most of whom have many years of experience. They have been exposed to numerous programs during their careers. As a result, they are the employees most likely to suffer from “initiative fatigue” and to resist new concepts, such as those presented by vPSI System™ training. The high percentage of “Strongly Agree” and “Agree” responses indicates the positive impact of vPSI even in this hard to reach segment of the workplace demographic.