

Press release

Celerant Consulting responds to North Sea operator HSE report

A new UK Health and Safety Executive (HSE) report issued yesterday suggests that around 50% of the North Sea oil facilities it inspected over the last three years were in a poor condition. Those companies which fail to improve safety standards could have their facilities closed down or face prosecution.

Commenting on the report, **David Smith, Vice President, Energy Sector at Celerant**, said:

"Billions of dollars have been poured into getting operating integrity right in order to address critical health and safety issues, but this latest HSE report shows that a number of companies are not doing enough to ensure adequate standards are maintained.

"Asset integrity is viewed as an important issue from a strategic perspective. The challenge, however, lies in executing this strategy out in the field. While there may be no shortage of goodwill towards integrity at Board level, it is not translating effectively into operational reality.

"Until integrity is seen as a key driver of profitability and not just another cost centre, deep change won't happen. Integrity needs to be seen as the heart of a sustainable and profitable business, not simply as an imposed and inconvenient distraction from the main effort of maximising production. Integrity is actually a pre-condition of optimised production, not at odds with it. Assets that demonstrate high levels of integrity are more productive, and more consistently productive, over time.

"So if integrity can contribute significantly to drive growth, how can companies actually deliver where they appear to be failing today? Real, deep-seated integrity starts with the people on the ground, where the work ultimately gets done. Integrity has to go deeper than safety or compliance and become 'the way we do things around here'.

"You can only know what the current reality is by measuring it effectively. We have found that in many instances, inaccurate, inappropriate or simply too much data is reviewed within organisations and this can leave senior and middle management with a skewed perception of what is really going on. Problems can only be effectively addressed when a true picture of operational

integrity is made transparent across all levels of a company.

“The real challenge is to create a working environment where physical asset integrity is built on the personal integrity of every employee. Done right, integrity will not only secure a company’s operation against breaches and their consequences. It will also engage and motivate its workforce. And it will satisfy the agenda of all stakeholders. Quick fixes are not solution in this game, the stakes are too high for failure to be an option.”

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Notes To Editors:

About Celerant Consulting

Celerant Consulting (Celerant) is a leading global management consultancy specialising in delivering operational transformation across a broad range of industry sectors.

Celerant helps leading companies worldwide achieve and sustain world class performance from their operations. The essence of its approach is Closework® where consultants work side-by-side with people in the front lines of the business to ensure sustainable and measurable gains. Celerant embeds long-term behavioural change into the culture of the client organisation – the key to sustainable change.

In 2006, Celerant delivered over \$1 billion in annualised sustainable savings to its clients. Over the last 20 years, Celerant has become the largest independent firm of business operations consultants with revenues of \$145 million in 2006.