
How Shell is Applying A Holistic Approach to Continuous Improvement

An interview with **Michiel Van Noort**, Global Head of Continuous Improvement, Downstream at *Royal Dutch Shell*.



Michiel Van Noort

Global Head of Continuous Improvement, Downstream at Royal Dutch Shell.



"I've been with Shell for about ten years now. I started out establishing the Continuous Improvement program for the global finance organization and later for our global Retail business. Currently, I'm the Global Head of Continuous Improvement for Shell Downstream.

In my current role, I look after the different CI journeys across our downstream businesses and functions. Each business has its own dedicated CI program, and I work with the respective leadership teams to strengthen and improve those programs. We look for common challenges and opportunities to drive synergy across the downstream organization."

What are some of the challenges Shell is facing in your downstream operations?

The only challenges that really matter are business challenges, right? And CI challenges stem from there. At the moment our business challenge is that we've really set ourselves a stretch target to significantly improve our margin, our growth, but also to reduce our costs, and drive efficiency.

That challenge requires a number of different things. It requires the identification of opportunities and the driving of delivery at an even higher pace than the organisation has done before. It requires different changes; different behaviours in leaders, in communication, and it also requires sustainability. Once you've made the transformation, you have to be able to keep it going.

Each of these areas has its own set challenges, and that is where continuous improvement and operational excellence come into play. Sustainability is one of our main focuses right now – how can we make the changes we are driving stick? How can we make sure we don't

backslide? At a project level, we're working to identify the specific interventions that need to be made at the outset to ensure that the structures we need to enable long term change are in place from the start. We also take a step back and look at the entire ecosystem. What do we need in terms of foundations for the entire business to sustain change?

At the 10th Annual IQPC Operational Excellence in Oil & Gas Summit, you are going to discuss Shell's holistic approach to continuous improvement. Can you elaborate on that?

This is actually a small part of my presentation – but it's very important. When I talk about the holistic approach to continuous improvement, it's about taking a step back and looking at all the different elements that are needed to drive the ongoing improvement you are striving for. That is how you drive your strategy, daily operations, structured improvement, as well as continuously strengthen your enabling workplace culture.

Once the organization has determined its approach Continuous Improvement to optimally support its business strategy priorities, how do you link that to the broader space of the processes, dates, systems, etc. that are also part of the organization? All of those pieces need to be connected in a holistic manner. You're executing your continuous improvement, or operational excellence, strategy and all of those elements need to come together, but you always need to tie them back to the original business challenge. What do you need to do to deliver value? Different parts of the holistic picture will be more or less important depending on where you are in time and what business challenges you are solving.

Of course, there are challenges that come along with this. There are so many moving pieces and keeping them all aligned can be quite difficult. Without a clear line of sight on whether you are delivering you goals things can quickly go wrong. You can't complete a journey if you don't know the destination. You have to know your priorities and how you are going to support them.

Another challenge we often face occurs when we want to shift priorities. How can we redirect our focus without losing the good that we accomplished in the previous focus area? It is key to make sure that programs

go beyond tactical and make real, structural changes in how the organization is run on the long term. This is hard, as you need to balance ongoing delivery and value generation with sowing the seeds that you may not harvest for years. You need to invest in the latter if you want to make structural changes and improvements.

What are the next steps in Shell downstream's OE journey?

There are few next steps for us in terms of operational excellence and CI in the Downstream. They all link back to those different focus areas I mentioned; taking strategy to plan, operational execution, structured improvement, and a workplace culture that anchors sustainability. These have become key focus areas for us as part of our business strategy. To deliver improvement for the business we need to do better even at all of those elements.

Beyond that there's also changes in the operational

excellence space. There are new technologies like robotics coming along, and we have new and agile ways of working. These are all enablers for Operational Excellence, and they require that our staff are equipped & able to leverage them in an integrated manner, often in close cooperation with other members of our change coalition of related disciplines.

What significant changes have you seen in your organization as a result of the Lean Management System?

There is a lot of value in these events, like the little nuggets of information that you pick up and the opportunity to see what others in the field are doing. Taking those back and reflecting on how we are operating is really important. It forces you to look at your work through another's eyes. How does what we are doing stack up? Where can we improve or accelerate? There is a lot of value in the outside perspective.