

## FOR IMMEDIATE RELEASE

Contact: Cathy Baradell  
(972) 235-3439  
cbaradell@ideagrove.com

### **For Refiners, Micro-Management Can Drive Macro Improvements in Performance, Says Solomon Associates' Charles Reith**

*Based on client data, Solomon Associates VP identifies three areas where attention to detail can have a significant impact.*

DALLAS (March 24, 2010) – While many refiners and chemical plant operators look to big-ticket investments when seeking to improve their performance, they often overlook significant improvements that can be made with little to no capital spending, according to Charles Reith, vice president of consulting services for Solomon Associates, the leading performance improvement company for the global energy industry. These improvements frequently can be achieved by exercising greater attention to detail in three key areas: *energy efficiency*, *hydrocarbon loss*, and *knowledge sharing*.

“While virtually every operator will tell you that they prioritize energy optimization, no broad company policy, directive, or plan is sufficient unless it is implemented in the field at the operator level – and implemented every day,” Reith said. “The term ‘micro-management’ is often used pejoratively, but in this case, a little micro-management can save energy companies a lot of money.”

Reith offered insights into each of the key areas of opportunity:

- 1. Energy efficiency.** “Energy management is especially important for a refinery or a petrochemical facility, as energy typically represents more than 50 percent of variable operating costs,” Reith said. “However, many facilities do not have a coherent or consistent approach to energy management.” There are a number of reasons for this, such as the complexity of utility system interrelations. But there are also cultural factors, Reith said -- such as the fact that energy management is not considered a

“glamorous” role at most companies. Empowering an “energy czar” to closely manage consumption is one way to address this opportunity.

- 2. Hydrocarbon loss.** “Poor management of hydrocarbon loss has both a direct and indirect impact; there is a significant financial cost, as well as the liabilities associated with inadequate regulatory compliance,” Reith said. “Many operators are letting too much energy go out the stacks or down the sewers because they are not sufficiently micro-managing this aspect of their operations. These operators, often unknowingly, are taking on unnecessary risk – and missing out on potential rewards.”
  
- 3. Knowledge sharing.** “Even as energy is wasted by going out the stacks, so, too, are many well-intentioned initiatives wasted because they are not pushed down throughout the organization,” Reith said. “We see time and again that company directives and programs that could save an operator millions of dollars are not being consistently implemented at the unit level, either because these directives are too vague, poorly communicated, or not properly enforced.”

Solomon Associates has proven methodologies to address each of these areas of opportunity. The company utilizes its library of best practices to compare a facility’s work practices to those of top performing companies. Solomon Associates also employs a proprietary diagnostics tool to evaluate the energy performance of most equipment utilized in a refinery or petrochemical facility.

“Making these kinds of improvements doesn’t require significant capital investment; however, it does require support from all management levels and active involvement from line personnel,” Reith said.

Solomon Associates’ data-driven approach to performance improvement helps refineries, chemical plants and power plants identify and address opportunities for operational improvement without spending major capital. It all begins with benchmarking performance in

one or more of the company's worldwide studies, such as its fuels refinery, olefin manufacturing, or power generation studies. Then, Solomon Associates' consulting team applies its NCM<sup>3</sup> methodology to help clients close performance gaps by improving work practices and business processes using industry best practices as a foundation.

Solomon Associates also offers Q1 Day 1 Consulting to energy companies that are in the process of building new plants to ensure that new facilities perform as intended and meet ROI objectives. Q1 Day 1 Consulting enables clients to ensure that their new facility design will achieve competitive performance targets and to integrate best practices into the design well in advance of construction.

To learn more about how Solomon Associates can improve your company's performance, contact Charles Reith at [charles.reith@solomononline.com](mailto:charles.reith@solomononline.com).

### **About Solomon Associates**

Based in Dallas, HSB Solomon Associates LLC is the world's leading performance improvement company for energy companies seeking to identify and close gaps in operational performance. Combining proven, patented methodologies with objective data analysis, and led by a team steeped in hands-on operational experience, Solomon Associates consistently helps clients with energy-intensive assets achieve greater efficiencies, enhanced reliability, and improved margins. Solomon Associates is part of HSB Group, Inc. To learn more about Solomon Associates, visit [www.solomononline.com](http://www.solomononline.com).