

Indominco Coal Operations in Indonesia achieves Level 4 Excellence Award

On the 9 December 2014, **PT Indo Tambangraya Megah Tbk's Indominco Coal Operations** came another step closer to reaching their Improvement Vision by achieving Level 4 of the 5 Level Milestone TPM³ Excellence Award. Since 2006, their improvement activities have generated over **\$25m in savings** for their Coal Processing and Port facility. PT Indo Tambangraya Megah Tbk is one of the subsidiaries of Banpu Public Company Limited whose Open Cut Coal Mine in Thailand was the first site to achieve Level 5 in 2007.

What is Level 4 of the 5 Level Milestone TPM³ Excellence Award?

The Excellence award provides a goal for sites to strive for as they progress their improvement journey to Operations Excellence / World Class. It is a progressive award where Level 1 assesses just 2 Defined Production Areas covering 4 of the 10 Improvement Activities and requires scores of at least 60% for each assessment sheet, whereas Level 4 covers 75% of all Defined Production, Maintenance and Support Areas, and incorporates 9 of the 10 Improvement Activities requiring a score of at least 85% for all the relevant Leadership, Capability, Activity and Impact assessment sheets.

Joel Barker, author of *Paradigms, The Business of Discovering the Future* once said 'Vision with Action can change the world' and the Indominco site located in the jungles of Indonesia near Bontang in East Kalimantan, is proving Joel right as in 2006 they set part of their Improvement Vision as being externally recognised as World Class by achieving Level 5 of the 5 Level Milestone TPM³ Excellence Award.

Part of the action plan was to have a critical mass of their people properly trained in TPM & Lean and as such conducted numerous workshops over the years for key personnel. Several managers and the improvement team have all been to Wollongong to attend one of CTPM's 5-day live-in TPM³ Leader / Instructor course in either 2006, 2008 and 2011.

Figure 1: Ready to conduct the Verification Assessment



L to R: Tejo Srinoto, Yudo Sarjanto – Head of Coal Processing Operations, and Ross Kennedy

During the Level 4 verification assessment, conducted on the 8-9 December 2014 by CTPM President, Ross Kennedy, and PT Relogica Director, Tejo Srinoto, who are CTPM's partner in Indonesia, the site reported that since establishing their Baseline in 2007 they had achieved:

- 168 successful Cross-functional Teams;
- 1,048 One Point Lessons created;
- 2,311 Improvement Sheets completed;
- 52 Frontline Problem Solving A3 Summary Sheets completed;
- 85% Reduction in Injury Frequency Rate; and
- 25% Reduction in Production Costs (\$/ton).

Figure 2: Starting off the Verification Assessment



L to R: Ross Kennedy and Pak Era Tjahya Saputra – Mine Head

At the time of the verification assessment they were progressing Cycle 16 of improvement activity, with a total of 841 (682 permanent and 159 casual) personnel out of a site total of 917 personnel (90% involvement) allocated to 94 Improvement Teams (11 Leadership Teams, 28 Cross-functional Teams and 55 Area Based Teams) involving their Coal Processing and Port Operations, along with all Maintenance and Support Department Areas.

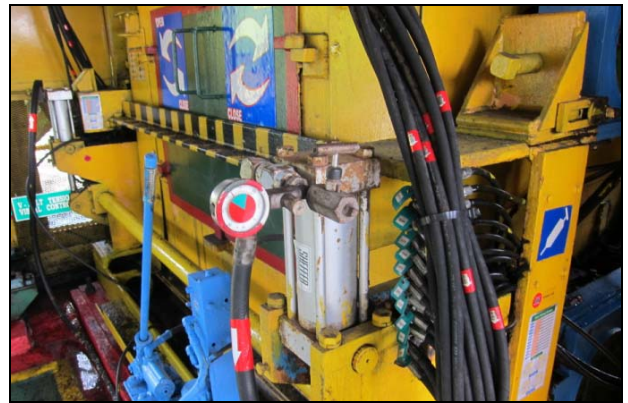
The site has developed a very good Improvement Library where they store training materials, all past team presentations along with best practice examples of One Point Lesson, Improvement Sheets and Frontline Problem Solving A3 Summary Sheets. They are also currently making progress in the development of a comprehensive electronic knowledge base that will be easily accessible for all on site.

Figure 3: Improvement Library



As we inspected their Coal Crushing Plant 1 Area you could see significant gains since their Level 3 Assessment some 2 years earlier. It is an old plant, yet in excellent condition.

Figure 4: Coal Crushing Plant 1



They had also significantly enhanced their Daily Review Meeting process and room.

Figure 5: Site Daily Review Meeting Room



The maintenance areas were very impressive with some great enhancements to their stores.

Figure 6: Site Maintenance Team and Store



At the conclusion of the verification assessment a summary of the assessment was presented to the Site Leadership Team and to everyone's relief advised that they had achieved Level 4.

Figure 7: Summary meeting of Level 4 Assessment



That evening it was celebration time, recognising everyone's on-going commitment to their improvement journey.

Figure 8: Celebration Dinner



CTPM congratulates Indominco Coal Operations on achieving this great milestone. We look forward to welcoming representatives from the site to Wollongong in August to attend and present an overview of their incredible improvement journey at CTPM's 19th Annual Forum – CI in Action on 19-20 August 2015.

For further information please contact:



Ross Kennedy

President

Phone: +61 418 206 108

Head Office: +61 2 4226 6184

Website: www.ctpm.org.au