

Tandung Mayang Open Cut Coal Mine achieves Level 5 Excellence Award

In 2006 at a 2-day workshop in Balikpapan, Indonesia, the thought of embarking on a 5 Level Milestone TPM & Lean journey to World Class seemed a very distant vision, however on 11 December 2014 **PT Indo Tambangraya Megah Tbk's Tandung Mayang Open Cut Coal Mine** achieved it, along with over **\$29m in savings** for their site. PT Indo Tambangraya Megah Tbk is one of the subsidiaries of Banpu Public Company Limited whose smaller Open Cut Coal Mine at Lampang Thailand was the first site to achieve Level 5 in 2007, so they were determined to 'beat the best', which they have now done. They are the largest site in the world to achieve Level 5.

What is Level 5 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 5 covers 100% of all Defined Production Areas, Defined Maintenance Areas and Defined Support Areas and incorporates all 10 Improvement Activities requiring a score of at least 90% in all Leadership, Capability, Activity and Impact assessment sheets.

Joel Barker of The Business of Paradigms fame, once said 'Vision with Action can change the world' and the Tandung Mayang site located in the jungles of Indonesia near Bontang in East Kalimantan, is proof that Joel was right. In May 2006 the site established their Improvement Vision for the next 5 years which included being externally recognised as World Class by achieving Level 5 of the 5 Level Milestone TPM³ Excellence Award. In reality it took a bit longer than 5 years with distractions from the Global Financial Crisis and significant fall in coal prices, however with their vision and action plans they succeeded.

Part of the action plan was to have a critical mass of their people properly trained in TPM & Lean and as such asked CTPM to conduct numerous workshops in Bontang over the years for their key personnel. They also sent their Mine Head, several of their managers and all their improvement co-ordinators to Wollongong to attend one of CTPM's 5-day live-in TPM³ Leader / Instructor course during 2005, 2006 and 2008.

In preparation for their level 5 assessment they erected signs to indicate to all personnel and visitors the countdown to the Level 5 assessment as seen in Figure 1. Like the Lampang site, they also built a large replica of the Excellence Award trophy at the entrance to their site to remind everyone of their goal to be internationally recognised as a world class site.

Figure 1: Site Personnel during the assessment anticipating achieving their improvement vision



During the Level 5 verification assessment, conducted on the 10-11 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 have achieved:

- 263 successful improvement teams;
- 3,039 One Point Lessons created;
- 1,918 Improvement Sheets completed;
- 510 Frontline Problem Solving A3 Summary Sheets completed;
- 18% Increase in Large Excavator Output;
- 27% Increase in Small Excavator Output; and
- \$29.7m Cost Reduction against budget (USD).

At the time of the verification assessment they were progressing Cycle 32 of their improvement journey, with a total of 666 personnel (582 permanent and 84 casual) out of a site total of 744 personnel (90% involvement) allocated to 112 Improvement Teams (7 Leadership Teams, 23 Cross-functional Teams and 82 Area Based Teams) involving their Drill & Blast, Overburden Removal and Coal Getting Operations, along with all Maintenance and Support Department Areas.

Figure 2: Tejo Srinoto providing feedback to the teams



During the 2-day assessment all presentations were supported by excellent team boards and were conducted in the workplace so that we could see the impact of all their improvements in making their workplace safer and more productive. The enthusiasm and pride that everyone had about their workplace and achievements was amazing as we toured the site.

Figure 3: One of the presentations conducted on site



We also visited the Mine Pit Area where a Haul Truck, Excavator, and Drill Rig were stopped to allow detailed inspections.

Figure 4: Photo opportunity in front of an Excavator



At the end of the 2-day verification assessment there was a debriefing to the senior management team who were finally informed that the site had meet all criteria for level 5. This was followed by a video hook-up to their head offices in Jakarta and Bangkok who were waiting, in great anticipation, for the result. That evening the site celebrated their Level 5 achievement with a grand dinner in appreciation of everyone's contribution to their achievement.

Figure 5: Celebrating in style!



L to R: Mr. Adrofdita (Mine Head), Tejo Srinoto, Ross Kennedy and Suthut Sakulnamrat (Mine Manager and Chairman of their Site Leadership Team)

CTPM congratulates Tandung Mayang on achieving this great milestone. We look forward to welcoming representatives from the site to Wollongong to present their story about their incredible improvement journey at CTPM's 19th Annual Forum – CI in Action on 19-20 August 2015.

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