



RESULTS AT A GLANCE

\$15.6 MILLION
Annual pretax earnings
improvements (10%)

40% to 90%
Increase in manpower
utilization

100%
Load schedule for week vs
daily

42% to 86%
Increase in schedule
attainment

40% to 10%
Decrease in P1

50%
Increased truck loading

Operational Excellence: Driving Out Cost and Improving Reliability at a Chemical Plant



Situation

- The company was under extreme pressure to reduce costs and improve EBIDTA
- New leadership recognized the need for operational efficiency and reliability improvements to improve plant operating performance, and that ARGO would add speed and agility to this process
- Sustaining the gains was a top priority, and the goal was to engage the entire organization in the improvement activities

Argo's Solution & Approach

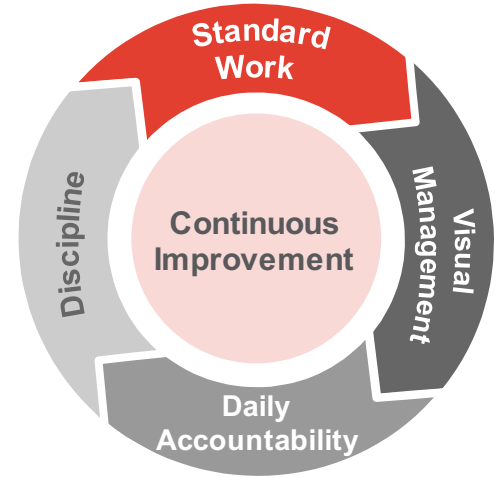
- Argo leveraged our Best Run Chemical Operations Playbook and benchmarked the client against best practices and other clients in the industry to identify cost reduction and performance improvement opportunities

New Operating Models and Best Practices from Argo's Best Run Chemical Operations Playbook were deployed to improve process and systems, and build a a culture of continuous improvement:

- Coaching Leadership for Success
- New Performance Management Operating System (KPI driven)
- Benchmarking current state and defining future state
- New Best Practice Work Processes and Systems
- New well-defined roles & responsibility to drive ownership and accountability
- Implemented Continuous Improvement
- Established Visual Management

Key Workstream Drivers:

- Developing leaders to take action and achieve lasting change through training and coaching
- Driving performance through metrics and cost accountability by area
- Organizationally changing the ownership of “Core Workflow” of equipment maintenance to operationally owned
- Operational Effectiveness to drive performance improvement of the assets and improve reliability - Maintenance and Reliability Strategies, Leader Walks, Operator Driven Maintenance
- Consolidation of soft crafts, and implementing metric driven productivity for third party contractors
- Improving processing departments of the Laboratory, Truck Loading Docks and Warehouse using lean principles



Impact Dollars

Category	(000s)
Operational Efficiency	\$8,911
Contract Management Maintenance	\$4,489
Cost Reduction Improvements	\$1,692
Truck Loading	\$550
Total TAR & EBITDA Savings	\$15,642

Results

- \$15.6 million (10%) annual pretax earnings improvements
- Consolidated 7 Contractors to 1
- Increased manpower utilization ~40% to 90%
- Load Schedule 100% for week vs schedule daily
- Increased Uptime performance
- Schedule attainment improved 42% to 86%
- Improved work order quality
- Reduced P1 from 40% to 10%
- Increased truck loading by 50%