

## The E.Vironment Benchmark

### VOL. 1 | ISSUE 1

E.Vironment is proud to provide *The E.Vironment Benchmark*, a periodical focused on leading-edge thinking in the advancement of Environmental, Health and Safety Management practices.

- » E.Vironment's Observations
- » Plan, Do, Check, Act... Really
- » Multiple Dippings
- » Overarching Framework
- » The Next Frontier in Management Systems

## Integrated Business Management Systems: The Next Frontier

### E.VIRONMENT'S OBSERVATIONS

For many years E.Vironment has advocated the benefits of company-wide commitment to structured, planned and documented Environmental, Health and Safety (EHS) management systems.

The goal? Systematize the way work is done to maximize efficiencies, productivity and performance. We've repeatedly shown how companies who commit sufficient resources to the development, communication and long-term management of these systems reap substantial rewards.

Although we specialize in customizing each system to a company's individual culture, organization and workflow, we have discovered several common themes in all successful systems, as recapped here:

#### **Plan, Do, Check, Act... Really**

Most organizations are absolutely focused on getting the job done – to such a degree that they put little effort into planning or learning from their mistakes. Instead of the Business School 101 mantra "Plan, Do, Check, Act" (PDCA), these companies rely on a strategy best summed up as "Do, Redo, Redo and Do Again." No wonder their processes don't work! Companies who do take the time to prepare before they develop and implement their EHS management systems (MS) discover that their systems thrive.

The other major gap we see most often is the lack of consistent follow-up and review. Reviewing and measuring how well those systems have performed reaps major rewards in ongoing performance and in future revisions of the system. Over time, companies who commit to the entire PDCA strategy recognize enormous efficiencies.

#### **Multiple Dippings**

Integrated systems aren't intuitive; considerable training and exposure are necessary for everyone in the organization to fully *get the message*. We call these interactions *dippings* and recommend each dipping involve an in-depth immersion into a different aspect of the system. Our experience shows that everyone in the company – from executives to line workers – must be effectively dipped at least six times before they genuinely understand the process, how they're involved, and the long-term value of a systems approach to EHS management.

When managers regularly communicate with their staff members – helping them understand the larger strategy – employees will be more engaged, more team-oriented, and have greater commitment to each activity that contributes to the system's overall performance.

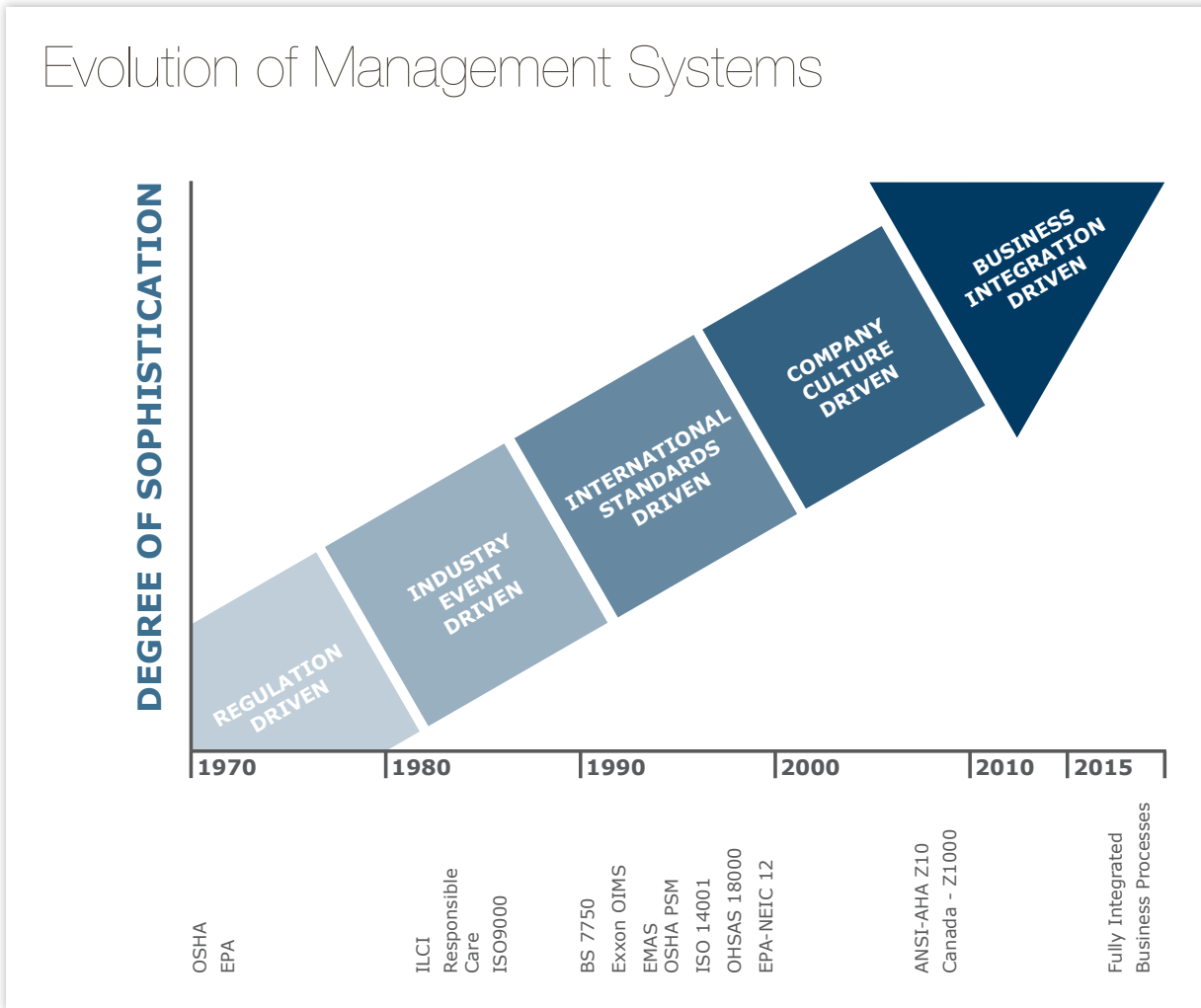
#### **Overarching Framework**

Companies may accept a formal management system at the executive level. They may formulate the plan, commit to a PDCA approach and discuss the systems extensively with the management team. But, if the employees in the field or on the shop floor haven't heard about the new MS repeatedly and are not involved in the implementation, the system will not succeed. We have observed many such failures.

Based on our experience, E.Vironment stresses the importance of driving the overarching systems framework throughout the layers of the organization. "If we go out in the field and find everyone is using the terms and vocabulary of the management system, and understands how their individual actions contribute to meeting the company's EHS objectives, that's a huge measure of success," explains John Statzer, Partner and Lead Consultant in E.Vironment's global management consulting practice.

## THE NEXT FRONTIER IN MANAGEMENT SYSTEMS

The success of integrated EHS MS over the past decade has prompted E.Vironment to raise our proven systems design and implementation approach to an exciting new level.



Since the 1970s, the evolution of business systems has been driven by a variety of external forces — regulatory agencies, industry events and international standards — as shown in this chart. Only in recent years has this integrated systems approach to managing all strategic business activities been recognized as providing value and a competitive advantage.

“If we go out in the field and find everyone is using the terms and vocabulary of the management system, and understands how their individual actions contribute to meeting the company’s EHS objectives, that’s a huge measure of success.”

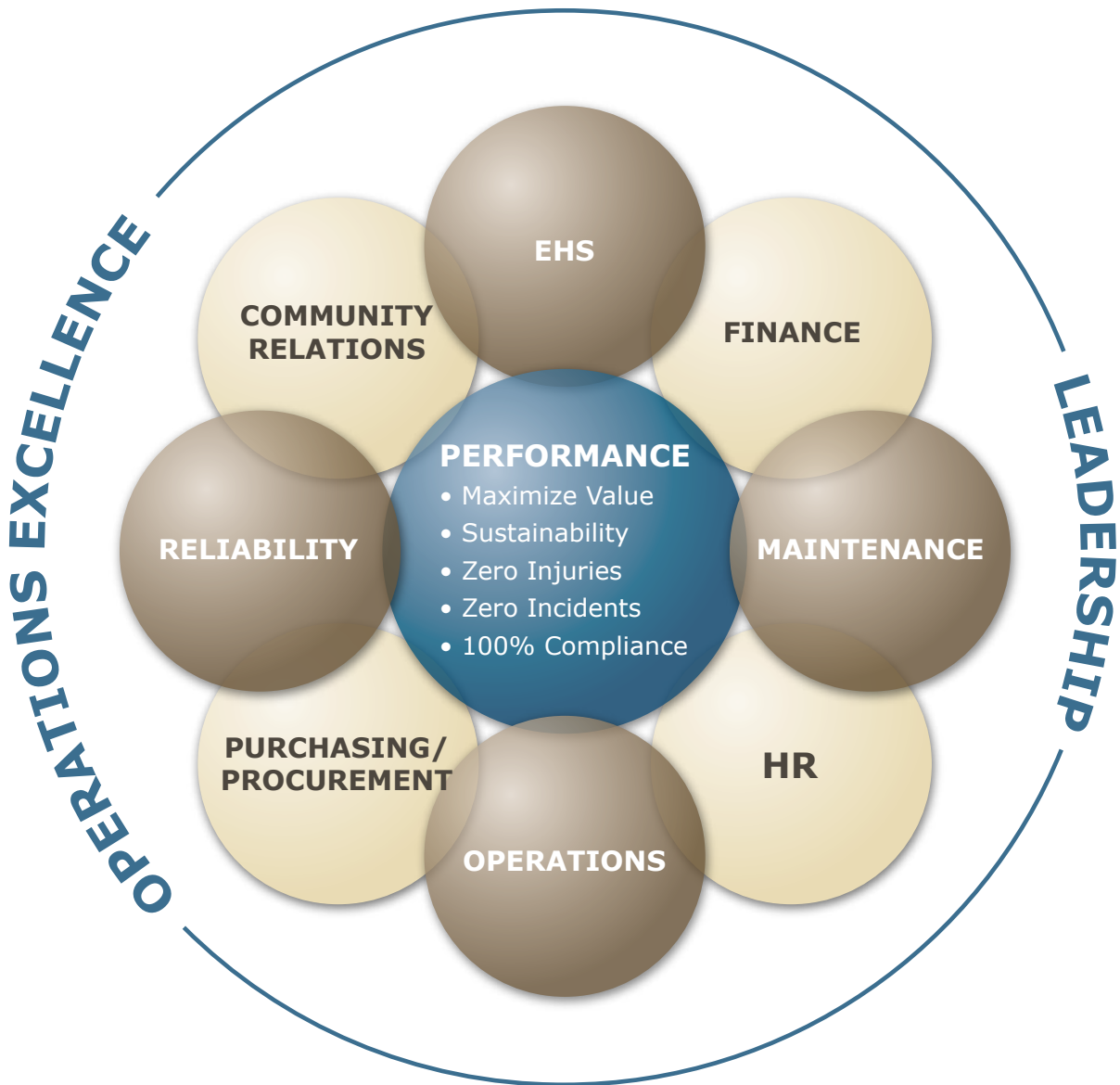
Today’s progressive companies have begun applying E.Vironment’s integrated systems strategy to all their critical business functions. E.Vironment describes this next generation of systems thinking as Integrated Business Management Systems (IBMS).

“We’re at the very cusp of this trend,” says Statzer. “It’s the logical next step. Business leaders understand that an IBMS approach to process improvement will take cost out of their organization, improve efficiency and enhance performance across the entire organization!”

The key to effectively implementing IBMS lies in establishing a customized overarching framework — as discussed above — and driving it company-wide. E.Vironment works with our clients to develop a framework that addresses business-critical company requirements. Then, the framework and requirements are strategically driven throughout the business using the PDCA engine. Employing the appropriate number of dippings ensures that all employees live and breathe the Integrated Business Management System and structure their individual work activities accordingly.

When we say business-critical, we mean those risk-based work activities and requirements that are most important to business success. These include any of the functional areas of the business — operations, maintenance, human resources, finance, purchasing/procurement, reliability, community relations, security, etc. When companies identify and systematically manage the critical aspects of their business, we have found that they are able to realize business performance improvements that would be impossible to achieve with previous “Do, Redo, Redo and Do Again” efforts.

# Integrated Business Management Systems Model




In the Integrated Business Management Systems Model, a customized overarching framework is driven company-wide to address all business-critical company activities and requirements. Adherence to this systems approach ensures that all functional business areas are interrelated and effectively managed – as seen in this chart – for significant increases in performance, efficiency and productivity.

"The power and key to the Integrated Business Management Systems approach lies in driving it down into the bowels of the organization," explains Paul Pizzi, Managing Partner. "The framework and system philosophy can't stay in the executive suite – it must be understood and accepted throughout the company so it can be executed effectively in the field or the shop floor."

When all employees are engaged in the IBMS, they are empowered to help management identify gaps in the system and update all relevant processes to ensure that these gaps don't recur.

Today, E.Vironment is actively working with leading companies to develop and implement IBMS, drawing on the deep knowledge and expertise its staff has accrued during years of consulting with companies on management systems development and implementation.

As an experienced MS consultant, E.Vironment is your partner in the design, development, implementation and assessment of EHS management systems. More importantly, E.Vironment leverages our collective brainpower and all of our experience to help you successfully implement "fit for purpose" business solutions - driving systematic performance improvement throughout your company.

For more information on how an IBMS approach can benefit your company, please contact John Statzer [jstatzer@evironmentgroup.com] or Paul Pizzi [fppizzi@evironmentgroup.com] at (281) 351-2856. 

## INTEGRATED BUSINESS MANAGEMENT SYSTEMS:

The next frontier in systematizing all your company's management processes — EHS, Operations, HR, Maintenance, Finance, Communications, etc. — and driving these systems consistently throughout the organization.

## ABOUT THE AUTHORS

### John H. Statzer



John H. Statzer is a Partner with E.Vironment LP and is a lead consultant in its global Management Consulting practice. John routinely works with client company Boards of Directors, Executive Management Teams, Business Unit Leaders and operating sites. John has more than 25 years of diversified experience in industrial operations and management. His areas of expertise include EHS performance improvement, training and competency improvement, organizational effectiveness and change management, occupational health, staffing and human resource management.

### Paul Pizzi



Paul Pizzi is a Managing Partner of E.Vironment and heads the firm's global Strategic Advisory practice. He works with senior management and EHS leadership of leading chemical and energy companies in shaping their short- and long-term EHS direction and strategy. E.Vironment's Strategic Advisory practice includes Senior Management Alignment, EHS Function Optimization, Business Risk Management, Process Safety Management, EHS Management Systems and EHS Auditing and Compliance Assurance.