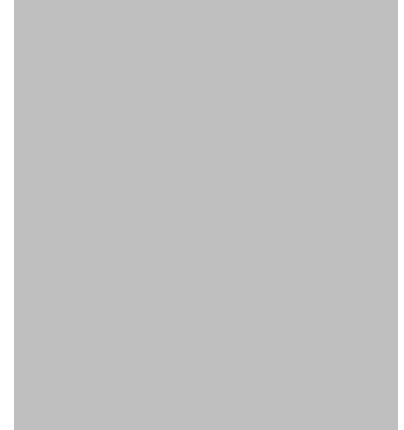


Uncovering the Hidden Gem to Bottom-line Performance

Remote Workforce Mobilization

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Today, 1 in 3 employees working at a remote site leaves within 12 months of starting. To put that in perspective, the cost of staff turnover at that level for a 300-employee operation is more than \$2.5 million per year. With the work-force still a major component to the success of an operation, turnover continuing to range between 8% to 20% it is a serious concern - replacement costs are estimated at 150% of first year salary. *That's just the beginning to impacts on your operating costs.*

Remote Workforce Mobilization (RWM) has been an effective operational strategy for many natural resource companies with remote sites both off and on shore. For many years, companies have been able to readily secure a captive workforce for extended periods of time. In exchange for the working conditions, a company would outfit, feed, shelter and transports their workforce, in addition to providing a competitive compensation. For some, the mindset has been to throw money at maintaining a remote workforce, because the cost of moving and housing people was thought to be a

fraction of the cost of producing a ton of ore or a barrel of oil. It is no longer going to be an accepted practice that the remote site operations concern itself with only the employees they hire, but instead with every person who needs to travel and reside at the site. Seamlessly integrating the business needs and goals requires the operation to manage their entire RWM process in its entirety, not just the components. RWM consists of Safety, Costs, Logistics, Wellbeing, and Mental Health. It involves flight preparation (to and from the remote site), ground transportation, food, lodging,

maintenance, communication, and entertainment. If costs are to be managed, and a “work life” balance achieved, it is imperative that the variable workforce be predicted, managed and controlled with clarity. Without it your organization can over react, and both significantly and negatively impact staff satisfaction and operational costs to the organization. Most companies have segregated their Remote Workforce Mobilization practices into sub-processes relying on each area to carry out their mandate efficiently and

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effectively. However, unlike planning a dinner party, or an all-inclusive resort where you know who is coming, and what they are bringing, the RWM chain is never quite sure of who is going to show up, what they are bringing with them and how many unsolicited additional requests they are going to receive. These variables stress the operation, the workforce and the RWM staff, eroding everyone's quality of life resulting in lower morale, increased employee turnover, and higher operating costs, but ultimately in non-optimal operational performance.

In general, people get attached to the familiar. Unexpected changes, especially those that personally impact a person, makes them feel unsettled and distrusting because they never know what to expect. The more unsettled one feels, the higher the stress level. High stress levels significantly lower morale and in an attempt to find certainty in their work life they

can become temperamental, short tempered, angry and bitter. Not being able to return to an old familiar room that a worker expects when returning to site can leave a worker bitter and open for bad behavior, lashing out at service providers and work colleagues.

The lack of a solid mobilization plan results in immediate expediting, causing service providers to work longer hours, split shifting, poor work conditions, low morale, and ultimately inconsistent and erratic service. Managing the gaps in the RWM process will not only improve Work Life Balance conditions but also save money - every dollar in mobilization cost reduction, drops directly to the bottom-line.

Where are the gaps in the RWM?

Flights are straightforward. Book them according to the rosters. Problems arise when rosters change and adjustments are made under expedited

conditions, meaning they are changed only a few days before the flight. A multitude of costly problems can arise, such as, not enough seats causing other people to be bumped, changing aircraft size by upsizing or downsizing, adding aircraft and not notifying the camp of the changes.

Transportation from Airport to Camp is another area of stress and cost. There have been times where large coach buses are used only to find out that there were only 10 people for 40 seater buses. Or the complaints from ridership due to their personal transportation experience. For example, one worker wanted to sue the operators for the dental work he incurred because of his jarring bus ride. Another worker wanted to sue the operator because of the claustrophobic conditions with a full bus and luggage strewn throughout the bus. These may seem small and without merit but they add to the

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workers stress and low morale issues.

Camp transportation back to the airport is stressful. People worry about missing their flights because they have to wait for others. For example, in one case a bus waited 20 minutes trying to locate a person who was supposed to be on the bus. They finally contacted the individual to find out that he took personal transportation to the remote airport. It was a great concern because the flight that was leaving was a shared aircraft with another company and if they were not there on time the aircraft was instructed to leave. If people had missed that aircraft, they would have to wait over the weekend in camp until the Monday flight.

Even transportation from camp to the work location and back can be a challenge. Many times, work schedules change, but they do not tell transportation. Transportation shows up but is not required. However, an hour later transportation will be

required and it does not show up and in some cases no qualified drivers are available. At one facility camp schedules were changed from 1,000 to 300 workers and no one told transportation that it was going to last for two weeks. Buses continued to arrive with no instructions not to reduce their bus complement. In another situation, early morning shift workers had their schedules moved back 15 minutes. No one told transportation, so the buses that normally took the workers before the schedule change left at the scheduled time and no new bus arrived to meet their new schedule. It was standing room only on later buses for two weeks before transportation could be rescheduled.

Camps, lodges, and off-shore housing are another area of stress and cost for a remote operation. This is where human discontentment is at its peak. Workers have high expectations for food and accommodations. Today's workforce expects great food, including five star

chefs, bakeries, catering, and food safety, and 24-hour service. They expect their rooms to be clean, available when they want them, totally functional, with a feeling of being home. These are all jeopardized when the RWM fails to deliver consistent, stress free service. When not, these are potential catalysts in creating a disgruntled workforce.

RWM management offers some of the biggest challenges across the industry and in many cases, management is ill-equipped to deal with the complexity of the task. Part of the issue is the size of the task - for example, if you have 650 employees and 41 roster groups, a simple "fly in-fly out" (FIFO) operation, there are 700 quindicillions (that is 700 with 45 zeros behind it!) roster alternatives to be considered, too big a number for any management team to manage effectively.

Organizationally, the Natural Resources sector has not gotten this right. Poor cross functional coordination, unclear accountability and poor communications add to the complexity of the task. The logistics department tends to throw money at the problem and are inclined to schedule to peak, while not managing utilization of its available resources effectively throughout the RWM supply chain. Too often airplanes are 100% utilized one way and 20% the other; bus schedules are not adjusted to the actual operational requirements; catering produces so much waste it is embarrassing; rooms are over or under booked causing financial

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and peace of mind mayhem; and travelers make their own travel arrangements at their expense. The RWM supply chain process needs to be challenged. The level at which the process is managed needs to be elevated. Appropriate tools that can handle the volumes of RWM data to support management decision making need to be put in place.

Many remote operations suffer from ineffective RWM management. It boils down to:

- **Management operating at the wrong level.**
- **Management not coordinating the requirements and conflicts of different functions and individuals.**
- **Poor communications across the organization.**
- **Planning tools focused at the execution level.**
- **Implementing short-term fixes that lead to “fire-fighting”.**
- **Not deploying long-term standard processes that comply with the required service levels.**
- **Service levels which remain static while the operational requirements change consistently.**

The task is not simple. The complexity to effectively managing the complete supply chain of RWM is fraught with issues. The sheer numbers involved are mind boggling and the industry has come to accept fundamental operating assumptions which are just not valid in today’s environment. Addressing these Remote Workforce Mobilization issues offers improvements in both employee performance and morale, as well as huge financial rewards.



Synovum Helps You Tackle Key Challenges

- ▶ Enhancing roster decision processes to avoid conflicts and reduce off-spec mobilization requirements
- ▶ Aligning operational demand to improve utilization across the remote workforce supply-chain
- ▶ Reducing expenditures through the execution of a robust planning and deployment logistics program
- ▶ Overcoming cultural and communication issues with remote workforce, exceeding “work life” expectations

Do you want to **understand the barriers** preventing your assets from becoming more efficient, innovative, and lower cost remote work sites?

Want to find out how Synovum can help you create a transformative operational blueprint that will **accelerate the realization of significant step-changes** in your remote workforce programs?

For more information, let’s talk it through with a no obligation video conference call or a meeting with one of our executive partners. Email: info@synovum.com to arrange a call.



Synovum is a transformative operational consulting boutique focused on working hand-in-hand with clients to rapidly deliver sustainable results. We work with executive leaders in the Chemical, Mining & Metals, and Oil & Gas industries to help make informed decisions, convert those decisions to actions, and deliver the targeted success desired. The result is a powerful process that enables Senior Executives to solve their toughest business challenges with innovation, impact, and integrity.

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