

## Indominco battle the odds to achieve Level 3

After a lot of hard work, Indonesia's Indominco finished 2012 on top as they achieved Level 3 of the 5 Level Milestone TPM<sup>3</sup> Excellence Award.

Indominco are living proof that even if there are some challenges, persistence always achieves results.

Established in 2006, Indominco is located in Borneo, Indonesia and is a coal processing and port operation. Although the site commenced their TPM<sup>3</sup> training on May 4<sup>th</sup> 2006, their official TPM<sup>3</sup> Kick-Off was not until May 2008.

By August 2009, the site was well on their way and had achieved Level 1 of the 5 Level Milestone TPM<sup>3</sup> Excellence Award. Just a year on and they achieved Level 2, demonstrating better ownership within the workforce along with a positive culture change, and large improvements in safety and workplace conditions in addition to a 15% increase in ship loading Overall Equipment Effectiveness. Indominco also achieved a 23% increase in output and 50% maintenance cost reduction in their Coal Processing Plant.

**Figure 1 – Layout of the Indominco Site**



Although Indominco have achieved a lot since the beginning of their journey, there were some setbacks along the way. In particular, Indominco were faced with some confronting challenges as they strived for Level 3 of the 5 Level Milestone TPM<sup>3</sup> Excellence Award.

**Figure 2 – Welcoming CTPM's Assessor to Site**



On December 3<sup>rd</sup> 2012, CTPM President Ross Kennedy visited the Indominco site to complete the verification assessment for Level 3. However, not everything was as expected. Ross identified a number of major concerns that required urgent rectification before the site could achieve Level 3.

Ross's presentation to the management team at the end of the day outlined 3 areas of concern along with the steps he felt were required to address these concerns. These included:

### 1. Reactive Improvement and Frontline Problem Solving:

- Enhance the current daily review process to incorporate appropriate triggers for initiating Frontline Problem Solving;
- Alter current problem solving process so it is suitable for Reactive or Frontline Problem Solving;
- Appoint a quality assessor for all Reactive or Frontline Problem Solving A3 Summary Sheets to ensure they are completed to the site standard for ease of shared learnings; and
- Establish, document and continuously review policies for Reactive or Frontline Improvement.

## 2. Operator Equipment Management (OEM) Activities at Mine:

- a. Stabilise crews so they have majority of members under a designated Team Leader. If minimum crew required is 6, then these people should be permanent members and if extra people are required on a temporary basis then they can be added as 'visitors' to the permanent crew.
- b. Divide each Defined Production Area (DPA) into 4 Improvement Areas and have each crew pick from a hat the Improvement Area they will be responsible for.

## 3. Operator Equipment Management (OEM) Activities at Port:

- a. Due to very small crew size and very large asset base, suggest adding support staff to the production crews for their Improvement Activity Time.
- b. If more resources are required, provide contractor support to the crews during dayshift Improvement Activity Time where the crews would manage the work they required from the contractors and the standards required for the work.

Although initially disappointed, the Indominco team wasted no time in getting to work to resolve these issues.

**Figure 3 – Starting the Verification Assessment on Site**



The day following the on-site verification assessment, Ross conducted a 2-day Getting TPM & Lean to Work in Mining and Process Industries workshop for the site. Throughout the workshop, Ross utilised photographs from the on-site verification assessment to relate the concepts to their specific site problems.

Ross also ran a special 2 hour training session with the senior managers on the afternoon after the second day of the workshop to go through in more detail the concerns and possible solutions.

During this session, various solutions and actions were discussed and debated with management quickly coming to consensus on the pathway forward which they believed would not only achieve Level 3, but most importantly improve performance at the site and greatly assist in their cost reduction targets.

At the time of the Level 3 on-site verification assessment, Indominco had achieved 76 Cross-functional Improvement Teams, 650 Improvement Sheets and had created 349 One Point Lessons. As such they were keen to tackle the new hurdles head on and, within the following week, they had successfully implemented their action plans.

On December 14<sup>th</sup>, after reviewing the outcomes from their action plans CTPM officially announced that the site had achieved Level 3 of the 5 Level Milestone TPM<sup>3</sup> Excellence Award. Considering the short amount of time these goals were accomplished, Indominco's achievements are particularly impressive.

Indominco demonstrated severe perseverance and are evidence of the positive changes TPM & Lean can have on your business even in a short amount of time.

"This would take an Australian site around 12 months to do...they (Indominco) achieved it in a week," explained Ross.

At this point in their journey, Indominco have saved \$25 million dollars in Cost Reductions and are continuing to improve. The site hopes to achieve Level 4 of the 5 Level Milestone TPM<sup>3</sup> Excellence Award during 2014.

CTPM would like to congratulate Indominco on their tremendous efforts and we look forward to their future success throughout their TPM<sup>3</sup> journey.

For further information please contact:



### **Sally McMullen**

CTPM Journalist and Sales Executive  
Head Office: +61 2 4226 6184  
Website: [www.ctpm.org.au](http://www.ctpm.org.au)