

# Banpu Site achieves first top Operations Excellence Award

*Banpu Lampang Open Cut Coal Mine in Thailand was awarded Level 5 of the 5 Level Milestone TPM<sup>3</sup> Excellence Award at the TPM<sup>3</sup> – Australasian Lean Forum 2007 recently held in Sydney. Since commencing TPM<sup>3</sup> in May 2004, they have transformed their plant, transformed their people and transformed their processes with impressive results including 50% reduction in overall Maintenance Costs along with achieving 517 days accident free as at the time of their verification audit in May 2007.*

The focus on the TPM<sup>3</sup> activities at the site was their coal processing operations consisting of the main conveyor feed from the mine and their two crushing plants and coal washing plant.

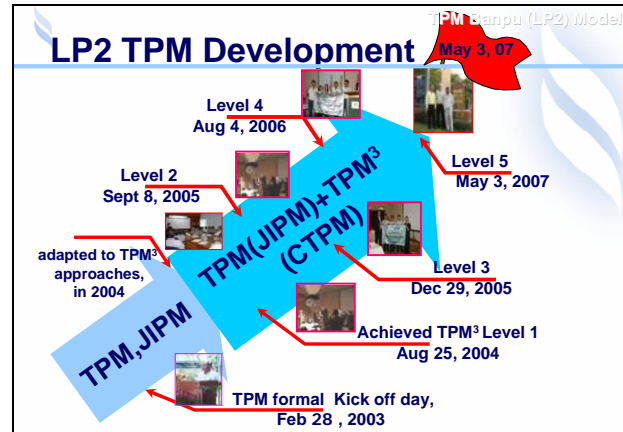
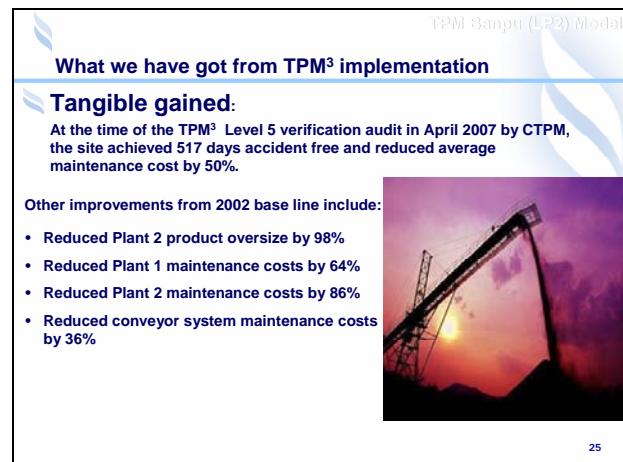


Dr. Sathidpong Wattanuchit, Group Senior Vice President Corporate Services, Banpu Public Company, gave a presentation at the Forum outlining the role of corporate senior management in supporting the site to achieve their significant award.

Dr. Wattanuchit commenced his presentation by introducing Banpu Public Company's Vision & Mission and the sites they operate in Asia. Banpu is becoming known as "The Asian Face of Energy" with coal mines and power stations located throughout Thailand, Indonesia and China. The journey to the Level 5 TPM<sup>3</sup> Excellence Award has been over a four and a half year period. TPM was formally kicked off at Lampang Mine (LP2) in Northern Thailand in February 2003. TPM<sup>3</sup> was introduced to the site in May 2004.

CTPM has provided training and navigation support along with verification audits for each of the 5 levels of the 5 Level Milestone TPM<sup>3</sup> Excellence Award.

In a most entertaining and highly visual presentation, Dr. Wattanuchit detailed many highlights pertaining to World Class Mining. At the date of the Level 5 verification audit, the following tangible gains were achieved.

**What we have got from TPM<sup>3</sup> implementation**

**Tangible gained:**  
At the time of the TPM<sup>3</sup> Level 5 verification audit in April 2007 by CTPM, the site achieved 517 days accident free and reduced average maintenance cost by 50%.

Other improvements from 2002 base line include:

- Reduced Plant 2 product oversize by 98%
- Reduced Plant 1 maintenance costs by 64%
- Reduced Plant 2 maintenance costs by 86%
- Reduced conveyor system maintenance costs by 36%

TPM Banpu (LP2) Mode

Dr. Wattanuchit highlighted the importance of Management Commitment over the journey and the involvement of leaders at all levels in the organisation.



**Management Commitment**

CEO

SVP Coal Operations Thailand

Mine Manager

TPM Co-ordinator

The Role of Corporate Support




Managers not only provided resources along the way but participated in activities and encouraged others by working alongside them. Dr. Wattanuchit confirmed the importance that senior management be role models and “lead by example”. It has to be ‘lived’ by senior management and this is ‘very important’.


The Role of Corporate Support

## BE.. Role Model


**Clean for inspection  
by Leadership team “ Manager Model”**




Mine head cleaned the machine



Manager Model Activity



VP cleaned the motor



Manager Model Activity

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Management at Banpu went further and encouraged benchmarking against other companies, visits to organisations that are leaders in other industries (ie. the Birla Group, winners of Ming Prize Award) and indeed, provided support and encouragement every step of the way.

The Role of Corporate Support

## Visited the TPM succeed companies to learn and benchmark



At Thai Automotive



At Siam Cement Industry



At TCI



At Kang warn Textile

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Dr. Wattanuchit also highlighted that management had its ‘own’ visit program, visiting improvement areas, encouraging and observing progress and ensuring total awareness at the site.

Although the Banpu Lampang site has now achieved its goal, the journey is not over.

The Role of Corporate Support

## Management Visit Program to...



Mr. Rawi C, COO visited

**Encourage employees & observe how TPM progress along the program..**



Mr. Sathidpong W., GSVP-CS, visited

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The site has created a model for TPM<sup>3</sup> that is now being implemented at Indominco Madiri (650 people) and Tandung Mayang (560 people) Coal Mining operations in Indonesia. Plans are also progressing to take TPM<sup>3</sup> to their China operations.

Banpu Next Era

## Banpu step up to....



**Indominco Madiri**

Location:	Bontang, East Kalimantan
Full production capacity:	~ 10 million tonnes/year
Mining method:	Open pit mining
Manpower:	650 persons (Excluded contractor)

**Method by applying**

- Banpu TPM model
- Top Management strong Support
- Holistic Measurement (Equipment + Workplace)
- Workplace Ownership (Work Area & Equipment + Decisions)
- Formal Continuous Improvement (Cross-functional + Area Based Team)

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Dr. Wattanuchit concluded with the reflection that TPM<sup>3</sup> was really a foundation management tool that led to business performance improvement, cultural change / people benefits and competitive advantage.

**CTPM congratulates the Banpu Lampang Coal Mine (LP2) site on being the first site to achieve CTPM’s highest award, Level 5 of the 5 Level Milestone TPM<sup>3</sup> Excellence Award. Well Done !!**

For further information about TPM<sup>3</sup> - Australasian Lean contact Robert Heslop – TPM<sup>3</sup> Managing Navigator VIC / TAS, CTPM Australasia who is based in Melbourne, Victoria on 0437 997 519 or CTPM Australasia Head Office in Wollongong NSW on (02) 4226 6184.

