

# Global chemicals manufacturer Huntsman realizes six-figure savings using Maximo software.

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## Overview

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### ■ Challenge

Improve competitiveness in a mature market and meet new stringent regulatory conditions

### ■ Solution

Integrated asset management software that could help eliminate more than 20 databases and create one central data repository to track more than 28,000 assets

### ■ Key Benefits

Realized six-figure dollar cost savings; achieved a five year unencumbered major hazard facility license; improved corporate memory; improved efficiency of planning and approval processes through consolidation of 20 databases



IBM Maximo software made a significant contribution to Huntsman achieving an unencumbered five-year major hazard facility license at a fraction of the time and cost originally devoted to the approval processes.

Huntsman is an international commodity chemicals manufacturer with annual revenues in excess of 13 billion USD. The company's Australian-based chemicals division, Huntsman Chemical Company Australia Pty Ltd (Huntsman), is a major hazard facility which produces the chemical building block styrene monomer. This chemical is used in the production of polystyrene and expandable polystyrene, which are key components in a wide range of manufactured goods for the automotive, major household appliance, building and retailing industries.

*“What differentiated Maximo was its proven ability in the petrochemical industry, long list of happy customers and strong local support team.”*

*– Paul Nicolo, Engineering Manager,  
Huntsman Chemical Company  
Australia Pty Ltd*

## ***Integrating information in an open environment improves efficiency***

To improve competitiveness in a mature market and meet new stringent regulatory conditions, Huntsman chose IBM Maximo Asset Management software (formerly MRO Software Maximo) to enhance management of its 28,000 equipment assets at its plant in West Footscray, Victoria.

Maximo software has assisted Huntsman in eliminating more than 20 databases and creating one central data repository. Huntsman now uses Maximo software to demonstrate the integrity of its management systems and efficiently handle data and approval processes. Maximo software also made a significant contribution to Huntsman achieving a five-year unencumbered Major Hazard Facility license from WorkSafe [a government Department of Consumer and Employment Protection in Western Australia] as well as significant bottom-line savings.

### **Huntsman operates in a strict regulatory environment**

In 2000, Huntsman began working on its major hazard facility license submission to meet the Victorian State Government's strict new operating requirements outlined in the Occupational Health and Safety (Major Hazard Facilities) Regulation 2000.

As Paul Nicolo, engineering manager at Huntsman, explains, "Huntsman qualified as a major hazard facility and therefore had an obligation to 'demonstrate adequacy' to the regulator of its technical assets, processes and management systems. Our existing asset management software couldn't do that. Our legacy system had served a useful purpose until then, but to demonstrate adequacy we needed a more robust, transparent and fit-for-purpose tool."

### **Maximo software history in the chemicals industry was compelling**

Once Huntsman decided to replace its mainframe-based legacy system COMPASS, the company began reviewing the market. "What differentiated Maximo was its proven ability in the petrochemical industry, long list of happy customers and strong local support team," says Nicolo.

In 2004, Huntsman selected Maximo software to help it:

- *Improve its capability to 'demonstrate adequacy' to WorkSafe*
- *Enhance the data integrity of its asset register*
- *Eliminate multiple disparate databases*
- *Streamline maintenance processes*

After a 12-month preliminary implementation period, Maximo software seamlessly went live.

*"One of the strengths of Maximo software is its configurability. Maximo accommodates different people easily. This has enabled us to achieve a high rate of user acceptance."*

*– Paul Nicolo*

### User configurability and workflow provide key benefits

Today, more than 200 Huntsman and contract staff—plant operators, maintenance technicians, engineers, team leaders and managers—access Maximo software from their desktop PCs on site. They log in the system more than 12,000 work requests and 4,000 purchase orders, representing approximately 10 million AUD in annual maintenance expenses. Huntsman personnel use Maximo software for:

- *Asset registry and history*
- *Work requests and approvals*
- *Planning and scheduling*
- *Procurement*
- *Inventory management*

“Our operators log requests in the system to fix a pipe or electrical problem,” says Nicolo. “The job goes to the plant manager for approval, who signs off on it and turns it in to a work order. It then goes to the planner, who estimates the job and seeks further approval to commit resources to it. The planner allocates it to the relevant maintenance team, which executes the work and closes off the job.

“This action-tracking gives us control of our workflow planning and scheduling. When audits are undertaken, the auditors sit with our technicians to observe the work process in action. The procurement module has also been a real success because it gives us better control over the items we purchase. Before Maximo, we had a paper-based system that was extremely difficult to keep track of.”

Nicolo continues, “One of the strengths of Maximo software is its configurability. Maximo accommodates different people easily—for some groups the interface and level of detail is quite complex and for others it is straightforward. This has enabled us to achieve a high rate of user acceptance.”

### Nearly 30 percent savings in operating license application costs realized

Implementing Maximo software has delivered Huntsman six-figure cost savings. “As a major hazard site, we need to apply for a license to operate,” says Nicolo. “Our first license was issued in 2003. The regulator took our Maximo project commitment extremely seriously and is now complimentary of its effectiveness.”

He continues “Applying and obtaining our first license was a difficult exercise. The project had a multimillion dollar price tag and took nearly three years of preparation, a significant investment in time and resources. When we went

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## Key Components

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### Software

- IBM Maximo® Asset Management

*“Our asset register is accurate and up-to-date and we have vastly improved Huntsman’s corporate memory—people can now go to Maximo rather than tracking down individuals for critical information.”*

*— Paul Nicolo*

through the process again in 2006 after implementing Maximo, it took just 16 months and we spent a fraction of the original cost. The result was an unencumbered license for five years, which was the best possible outcome for Huntsman.”

### **An accurate and up-to-date asset register improves efficiency**

Today, Nicolo elaborates, “Our asset register is accurate and up-to-date and we have vastly improved Huntsman’s corporate memory—people can now go to Maximo rather than tracking down individuals for critical information. We have demonstrated adequacy to the regulator—which helped us achieve our unencumbered major hazard facilities license. Maximo software is rapidly developing into a true one-stop shop for all our technical data. Virtually everyone onsite now has access to Maximo.”

### **A long term plan for continuous improvement**

Huntsman has in place an ongoing improvement plan based on Maximo software. “We’re currently linking documents in other business systems to Maximo software, so when our engineers and maintenance technicians want to see a drawing of a piece of equipment, they use

Maximo as the gateway to our drawing system. The same goes with our safety documentation such as Job Safety Analysis (JSA) risk assessments.”

He adds, “The next step is automating the generation of key performance indicators (KPIs) through Maximo to reduce double handling of data and reliance on spreadsheets to track individual performance. This is just the beginning. We have long-term plans for Maximo.”

### **For more information**

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