Introduction


2. Introduction to JIG Common Processes and Management System Best Practice (Ref JIG Bulletin 47 Dec 2011)

3. JIG Common Process Update

4. JIG Bulletin Writer Guidelines (Ref CP 0.04)
Why have JIG Common Processes? A JV Participant’s Perspective

Paul Dubenski
Air BP Global JV Manager & JIG Common Process Committee Chairman
Why have JIG Common Processes? A JV Participant’s Perspective. (1 of 5)

- 1976: Seveso,
- 1978: Amoco Cadiz,
- 1974: Flixborough,
- 1986: Chernobyl,
- 1987: Herald of Free Enterprise,
- 1987: Kings Cross Tube Station Fire,
- 1988: Piper Alpha,
- 1989: Exxon Valdez,
- 1995: Brent Spar,
- 2005: Texas City Refinery explosion,
- 2005: Buncefield, Hertfordshire Oil Storage Ltd Terminal fire,
- 2010: Deepwater Horizon oil spill in the Gulf of Mexico,
- 2011: Fukushima nuclear power plant.
Why have JIG Common Processes? A JV Participant’s Perspective. (2 of 5)

• These sort of disasters have a profound impact on Stakeholders (**) expectations of company, Director and officer behaviour.

• Many companies have had a view for a long time, that if we can’t operate safely, then we won’t operate at all … regardless of returns.

(**) Stakeholders includes: participants/shareholders, employees, customers, local communities, airport authorities, regulators, policy makers.
• Stakeholder expectations have extended over time into other areas of concern including: Business Ethics, Anti-Bribery and Corruption (ABC), Anti-Money Laundering (AML), Trade Sanctions, Drugs and Alcohol Abuse (D&A), Financial Controls.
  – Enron, Italian Aviation Case, HSBC, GSK …

• Until recently companies have focused on their own direct activities but there is increasing awareness of their risk exposure from their involvement in Joint Venture activities.
  – Financial, legal and reputational exposure is significant for JV participants, Directors and Officers.

• “If you think HSE is expensive … try having an accident” you could now say the same about compliance …
• JVs benefit from extensive support from their participants
  – JV Participants have potentially unlimited liabilities for unincorporated JV activities,
  – JV Participants give extensive indemnities to incorporated JVs (e.g. Tarbox indemnities),

• Good corporate governance
  – JVs should respect the rights of participants and help participants exercise those rights.
  – JVs should recognize legal, contractual, social, and market driven obligations to non-shareholder stakeholders, including employees, investors, creditors, suppliers, local communities, customers, and policy makers.

• Conclusion - we don’t want to make any of our Joint Ventures uncompetitive, but these aspects are considered by many Participants to be “the cost of doing business” - they are not optional.
Why have JIG Common Processes?
A JV Participant’s Perspective (5 of 5)

Ref JIG Bulletin 47 CP 0.03

- JV Participants should support development of JIG Common Processes:
  - Provide JVs with best practice guidance on continuous improvement of risk management in six key areas of their JV business (Quality, HSSE, Financial Control, People, Customer Service and Legal Compliance);
  - Save JV Managers and Participant Representatives time by avoiding each JV having to develop all their own processes from scratch;
  - Continuously improve assurance and governance of JV activities for the benefit of all parties: Operators, JV Managers and JV Management Teams, Participant Representatives, Shareholders and airline customers.
Introduction to JIG Common Process and Management System Best Practice
(Ref JIG Bulletin 47 December 2011)

JIG Common Process Committee
Last Updated 6th Nov 2013
Introduction

• This presentation supports **JIG Bulletin 47 (Dec 2011)**

• This presentation is in 2 parts and is intended for
  – JIG Members
  – JV Representatives
  – Site Managers

• **Part 1 explains why the JIG Common Processes are being developed.**

• **Part 2 introduces the JIG Management System Best Practice.**
Part 1 – Why JIG Common Processes?
Why JIG Common Processes?

- There are currently over 2500 sites around the world that follow the JIG Guidelines which are internationally recognised standards for delivering on-specification aviation fuel safely to airline customers through aviation fuel storage, hydrant and into-plane fuelling operations.

- The JIG Common Process Committee was formed in 2009 since JIG recognised that it could add further value to Joint Venture (JV) operations by providing additional guidance on risk management in non-commercially sensitive areas which are common to most JVs (e.g. HSSE, core principles, stock control procedures).

Benefits of JIG Common Processes:

- **Provide JVs with best practice guidance on continuous improvement of risk management in six key areas of their JV business** (Quality, HSSE, Financial Control, People, Customer Service and Legal Compliance);

- **Save JV Managers and Participant Representatives time** by avoiding each JV having to develop all their own processes from scratch;

- **Continuously improve assurance and governance of JV activities for the benefit of all parties**: Operators, JV Managers and JV Management Teams, Participant Representatives, Shareholders and airline customers.
Part 2 – Introducing the JIG Management System Best Practice

Part 2
JIG Common Processes fall into one of six key themes for management of JV operations:

1. **Quality/Continuous Improvement**
2. **HSSE**
3. **Financial Control & Administration**
4. **People**
5. **Customer Service**
6. **Legal Compliance**

A safe, reliable and competitive business needs to meet minimum standards in each of these six areas to have a successful and sustainable business.
Together the six JIG Common Process Themes make up a standard JIG Management System Best Practice which JVs can use to drive continuous improvement in risk management of their business.

JIG has prioritised a number of Common Processes to assist JV Managers, JV Representatives and JV Participants with continuously improving risk management in JVs.

- JIG Management System (including HSSE)
- Business Risk Assessment
- Business Principles (including ABC, AML and International Trade Restrictions)
- Financial Control & Administration
- Stock Accounting
- JV Core Principles
- Aircraft Refuelling Indemnity (Tarbox) Agreements
- Standard JV Agreements

The following slides show the status (complete or work in progress) of the Common Processes currently sanctioned by JIG for development.
1. Quality Management / Continuous Improvement

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Objective (What Good Looks Like)</td>
<td>Objective to provide an overarching management system which manages change and drives continual improvement in the risk management and performance of the business within clear boundaries and strategic objectives set by the Participants.</td>
</tr>
</tbody>
</table>

6 JVs assisted Common Process Committee by reviewing final draft documents October 2013
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Objective (What Good Looks Like)</td>
<td>Objective to drive continuous improvement in HSSE performance towards a goal of: no accidents, no harm to people and no damage to the environment.</td>
</tr>
<tr>
<td>JIG Common Process - Approved &amp; Available for Use</td>
<td>CP 2.01 JIG HSSE Management System (HSE Working Group) - Complete JIG Bulletin 32 March 2010 (Ref also JIG Bulletin 46 and 47)</td>
</tr>
<tr>
<td>JIG Common Process - Sanctioned for Development / Work In Progress</td>
<td></td>
</tr>
</tbody>
</table>
### 3. Financial Control

**Management System Elements**

<table>
<thead>
<tr>
<th>Theme</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality/Continuous Improvement</td>
<td>Objective to maintain financial controls which are designed to comply with statutory requirements, maintain Participants’ financial assets, deliver continual improvement in financial performance as defined by Participant KPIs (such as: Capital Investment, Return On Capital, Minimise Working Capital Requirement, Optimise Cost Efficiency for Competitiveness).</td>
</tr>
</tbody>
</table>

**Strategic Objective (What Good Looks Like)**

**JIG Common Process - Approved & Available for Use**

- CP 5.01 Financial Control and Administration Procedures (Including Delegation of Authorities)

**JIG Common Process - Sanctioned for Development / Work In Progress**

- NEW JIG Bulletin 62 & 63 May 2013
4. People

<table>
<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Objective to maintain a highly competent and motivated workforce providing safe, reliable and competitive service to JV Participants and 3rd Parties. Good Industrial Relations process built on mutual respect and trust.</td>
<td></td>
</tr>
<tr>
<td>JIG Common Process - Approved &amp; Available for Use</td>
<td>No JIG Guidelines currently sanctioned.</td>
</tr>
<tr>
<td>JIG Common Process - Sanctioned for Development / Work In Progress</td>
<td></td>
</tr>
</tbody>
</table>

4. People
### 5. Customer Service

#### Management System Elements (6 Themes: Quality/Continuous Improvement, HSSE, Financial Control, People, Customer Service, Legal Compliance)

<table>
<thead>
<tr>
<th>Strategic Objective (What Good Looks Like)</th>
<th>Customer Service: Service Level Requirements (e.g. Related Services such as switch and valve operation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objective to deliver each User’s contractual commitments such as Additional Services and be Customers / Users preferred service provider by providing levels of service which meet or exceed Customer / User Service Requirements at a cost that is competitive with alternatives.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>JIG Common Process - Approved &amp; Available for Use</th>
<th>No JIG Guidelines currently sanctioned.</th>
</tr>
</thead>
</table>

| JIG Common Process - Sanctioned for Development / Work In Progress | |
|-------------------------------------------------------------------| |
6. Legal Compliance

Management System Elements (6 Themes: Quality/Continuous Improvement, HSSE, Financial Control, People, Customer Service, Legal Compliance) | Legal Compliance (Statutory and Commercial Legal Agreements)
---|---
Strategic Objective (What Good Looks Like) | Objective: to comply with the law and the terms of commercial legal agreements made between JV Participants & with 3rd parties (e.g. airport lease, throughput, Tarbox indemnity agreements, Insurances).


CP 8.?? Standardised JV Agreements. Available in draft form 1Q12.

Industry Tarbox Review
- Tarbox web site now live.
Together the six JIG Common Process Themes make up a standard JIG Management System Best Practice which JVs can use to drive continuous improvement in risk management of their business.

A JIG Common Process can be used:
- **either** as a best practice template to develop a JV specific process or manual (in line with the JV’s own governing agreements).
- **or** as a check list to complete a gap analysis against the JV’s existing processes.

The JIG Common Process’ are not intended to replace Participants’ own company operating standards where they have been adopted by a JV (e.g. where a Participant is the JV Operator). However, they may be of assistance in providing assurance on the JV’s Management System to other JV Participants (see Appendix for detail on JV Assurance).
CP 0.03 Common Process Implementation Update

Last Updated 16th September 2013
Every JV should now have a JIG Common Process Implementation Plan (Ref JIG Bulletin 47)

2013 Progress
- May 2013 Bulletin 62 CP 5.01 JIG Financial Control and Administration
- May 2013 Bulletin 63 CP 5.02A JIG Stock Control Guidelines Implementation Aid
- Tarbox documentation and incorporated JV Tarbox insurance being finalised Nov 2013
- JV Business Principles under final review Sept/Oct 2013

Coming Soon 4Q2013/2014
- Tarbox Agreements
- JV Business Principles

On-going objective to embed Common Process in each JV’s Management System so it’s ‘the way we manage our JV business’. 
**JIG Management System Best Practice - Outline JIG Common Process JV Implementation Plan**

(This diagram can be found in CP 4.02 JIG Management System Best Practice.xls workbook)

This Outline JIG Common Process JV Implementation Plan is intended to give JVs planned issue dates of various JIG Common Processes and their relative importance (priority) to assist JVs in developing their own implementation plan for relevant Common Processes.

Each JV Board / Management Committee is recommended to develop its own risk-based implementation plan and ensure there are sufficient resources available to the JV to successfully implement relevant Common Processes. Embedded Common Processes will then become part of the JV’s ongoing Assurance and Governance Programme.

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### Table: JIG Recommended Priority for Resourcing for Implementation

<table>
<thead>
<tr>
<th>MS Theme</th>
<th>Common Process</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015 +</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality / Continuous Improvement</td>
<td>Business Risk Assessment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>P</strong></td>
<td>Priority 2. Timing based on risk and availability of facilitator.</td>
</tr>
<tr>
<td>HSSE</td>
<td>HSSE Management System</td>
<td><strong>G</strong></td>
<td><strong>G</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>P</strong></td>
<td>Priority 1. Gap analysis by end 2010. HSSE MS audit 3 yearly timing varies to suit each.</td>
</tr>
<tr>
<td>Legal Compliance</td>
<td>JV Core Principles</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>G</strong></td>
<td>Priority 1. Annual refresher training and set-audit to confirm compliance.</td>
</tr>
<tr>
<td></td>
<td>Tarbox Indemnity Agreements</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>P</strong></td>
<td>Priority 2. Planned replacement of existing Local Exhibit by end 2012.</td>
</tr>
</tbody>
</table>

### Key

- **P** Common Process Planned (P) / Issued (C). Plan to embed by end 2014. Timing based on JV risk and resources.
- **C** Common Process embedded and included in the JV’s Business Internal / External Audit Cycle
- **G** External Audit (by Participant or 3rd Party) (at frequency set by statutory requirements or the JV Board / ManCom)
- Internal Audit (by JV own staff) (at frequency determined by the JV Board / Management Committee)

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**Common Process issue dates updated 16/9/13**

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CP 0.03 v0.4 061113 Intro to JIG Common Process and Management System Best Practice.ppt  Doc Owner JIG CP Committee  

6th Nov 2013
JIG web site improvements
New search capability for finding docs

Use search to find Common Process and other documents
JIG web site improvements
New Tarbox web site now live

- Tarbox Secretariat (currently JIG) providing a Tarbox web site to support industry with Tarbox administration and document management.

- **JIG Members** through [www.jigonline.com](http://www.jigonline.com)

- Others through [www.tarboxonline.com](http://www.tarboxonline.com)

- Ref document CP 3.04A Tarbox web site User Guide
JIG Bulletin Writer Guidelines (Ref CP 0.04)
10 Guidance Points

1) → Unique Bulletin Number and Issue Date — Bulletins No. xx {allocated by JIG Administrator}.
2) → What type of Bulletin is it — Bulletins should clearly identify the originator of the bulletin.
3) → Bulletin Background — Explain in plain English why the JIG Bulletin is being issued.
4) → Reference to Previous JIG Bulletins {Superseded / Modified / Added To}.
5) → Recommendations Arising from JIG Bulletins — JIG Bulletin Action Types.

<table>
<thead>
<tr>
<th>Action Types</th>
<th>JIG Bulletin Action Type Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>JS</td>
<td>Change to JIG Standard — to be adopted by JV and/or Operator to continue to meet the JIG Standard(s) {JIG 1, 2, 3, 4} (**).</td>
</tr>
<tr>
<td>RP</td>
<td>JIG Recommended Practice which the JV should consider adopting as its own practice (**).</td>
</tr>
<tr>
<td>I</td>
<td>Issued for information purposes only.</td>
</tr>
</tbody>
</table>

Note (**): If the JV agreements require any of the JIG Standards and/or any of the JIG Common Processes as the governing operational standard then adoption of changes to applicable JIG Standards and/or Common Processes should not be considered optional by the JV Board.

6) → Legal Considerations
7) → Implementation Plan, Training, Resources and Translation
8) → Monitoring Effectiveness of Implementation and Ongoing Compliance
9) → Compliance Audits — Self-Audits and External Audit Recommendations
10) → Draft Bulletin Review by a JV Manager
JIG Common Process & Business Development Committee – Terms of Reference

• **To identify and prioritise processes** and issues that are common to joint storage and refuelling operations and which could be solved by JIG.

• **To develop common processes and potential solutions** to Joint Venture issues and administrative tasks.

• **To establish and oversee working groups** as necessary to assist in the development of common processes and potential solutions to common issues.

• **To submit agreed solutions and processes to Council** for review and communication to all Members.
JIG Management System Best Practice simplifies JV Assurance and Governance

• Why is JV Assurance & Governance important to JVs?
  – Strong Assurance and Governance processes provide assurance to JV Managers, Directors / Participant Representatives that the systems we think we have in place to prevent things going wrong are in place and are working effectively.
  – By preventing things going wrong and avoiding loss we have more time and resources to further improve existing plant, process and people to further reduce the risk of things going wrong and therefore continuously improve the performance of our business.

• How does the JIG Management System Best Practice simplify JV Assurance & Governance?
  – Each JV only has to map its Management System once.
  – Each Participant only needs to map its Management System once for all its JVs.
Participant Assurance – how to improve efficiency and avoid duplication?

Fig 1 Currently JV Participant Assurance is Inefficient due to Individual Management Systems

JV Managers receive many different requests for assurance – this is inefficient!
### JIG Management System Best Practice

A standard interface simplifying assurance for all parties

**Fig 2 JIG Management System (MS) Would Make Participant JV Assurance More Efficient**

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>3.00</td>
<td>Financial Control: Finance Control &amp; Accounting (including Delegation of Authorities, Maintain Asset Register, Procurement Process, Revenue Annual Budget and 5 Year Capital Plan Approval and Control, Shareholder and 3rd Party Loan Approval and Control, Tax, VAT, Profitability and Dividend Policy, Statutory Accounts, External Audit, Stock Accounting System, Sales Delivery Ticket Data Capture System, Payroll &amp; Pension Scheme Administration)</td>
</tr>
<tr>
<td>4.00</td>
<td>Customer Service: Service Level Requirements (e.g. Additional Services)</td>
</tr>
<tr>
<td>5.00</td>
<td>People: HR Policies &amp; Procedures (Organisation with Job Description Accountabilities, Resource Levels, Recruitment, Competency Assessment, Training, Development, Employment Contract Terms &amp; Compensation, Other Policies, compliant with Local Employment Law)</td>
</tr>
<tr>
<td>6.00</td>
<td>Legal Compliance (Statutory and Commercial Legal Agreements)</td>
</tr>
</tbody>
</table>

#### Each JV now only has to map its management system once!

#### Each Participant only has to map its mgt system once for all its JVs!
### JV Continuous Improvement Plan – 1Page

<table>
<thead>
<tr>
<th>JV’s STRATEGIC THEMES</th>
<th>JV’s STRATEGIC OBJECTIVES (WHERE WE WANT TO BE)</th>
<th>CURRENT INITIATIVES (MEASURABLE STEPS TOWARDS JV’S STRATEGIC OBJECTIVES)</th>
<th>3-5 Year Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Quality (Management System)</td>
<td>Continual Improvement (Plan -&gt; Perform -&gt; Measure -&gt; Improve)</td>
<td>This Continuous Improvement Plan regularly reviewed by JV Board / Management Committee vs Strategic Objectives</td>
<td>Weight 10%</td>
</tr>
<tr>
<td>2. HSSE (Health, Safety, Security, Environment)</td>
<td>No Accidents, No Harm to People</td>
<td>No Accidents, No Harm to People</td>
<td>Weight 10%</td>
</tr>
<tr>
<td>3. Financial Control</td>
<td>Continuous Improvement of Financial Performance vs KPI Targets (Operating Costs, Capital Investment Efficiency)</td>
<td>JIG HSSE Stats reported on time.</td>
<td>Weight 50%</td>
</tr>
<tr>
<td>4. Customer Service</td>
<td>Provide a distinctive level of service be airline</td>
<td>HV Specific Initiative - may take &gt; 1 year to complete.</td>
<td>Weight 0%</td>
</tr>
<tr>
<td>5. People</td>
<td>Maintain competent &amp; motivated workforce through skills based recruitment, training &amp; development</td>
<td>HV Specific Initiative - may take &gt; 1 year to complete.</td>
<td>Weight 0%</td>
</tr>
<tr>
<td>6. Legal Compliance</td>
<td>Compliance with Statutory Requirements (Operations, Financial, Competition Law)</td>
<td>HV Specific Initiative - may take &gt; 1 year to complete.</td>
<td>Weight 0%</td>
</tr>
</tbody>
</table>

- 1 page, multi-year, Continuous Improvement Plan
- Balanced overview of the JV’s 6 Strategic Themes to ensure minimum standards are met in all 6 theme areas.
- JV’s current initiatives deliver continuous improvement in each of the JV’s 6 Strategic Themes.
- Alignment on JV priorities between Board/Management Committee, JV Manager and JV Management Team.
- Opportunity to delegate individual JV initiatives to JV staff for personal development and allow individuals to make a personal difference to the future of their JV business.
- JIG Common Process help identify priority initiatives for improvement.
• JIG has developed a guidance document to assist JVs develop their own HSSE Management System (HSSEMS).

• An HSSEMS describes the system used by a JV to manage Health, Safety, Security and Environmental matters.

• The JIG HSSEMS Guidelines will aid the translation of a JV’s vision, policy and goals into continually improving HSSE performance.

• It is a high level document which is supported by a range of detailed initiatives.

• By setting a clear expectation of minimum Health, Safety, Security and Environmental requirements the management system provides a structure for the identification and prioritisation of HSSE risks.

• The HSSEMS in itself will not prevent accidents or incidents but should be used to aid the promotion of a culture where consideration of Health, Safety, Security and the Environment is primary.

JIG Bulletin 32 requires all JVs to complete an HSSEMS gap analysis by end 2010.
Core Principles for JVs and Throughput Sites (JIG Bulletins 33, 34, 41, 42) 
(Competition Law Guidelines for JV Operations)

- The JV Core Principles were introduced in July 2008 to give JVs providing aviation fuel storage, hydrant and/or into-plane fuelling services clear competition law guidance on controlling and containing the flow of sensitive information.

- The JIG JV Core Principles document details JIG recommended practice for implementing and maintaining the JV Core Principles.

- It is recommended that every JV adopts the JIG JV Core Principles to demonstrate a controlled process for handling sensitive information.

- The JV Core Principles Documents are standard form documents and it is recommended that they are adopted and executed between the parties without revision to ensure consistency across the industry.

- In scope JVs are to complete annual refresher training and a self-audit to confirm compliance (using JIG's Core Principles training package for Management Staff and Operators and Self Audit Form).
  
  - **Confirm compliance by end October 2011 and annually thereafter.**

- In 2011, JIG Bulletin 42 broadened scope to include Core Principles for Throughput locations.
  
  - **Adopt Core Principles, complete training and self-audit by end June 2012. Confirm full compliance by end October 2012 and annually thereafter.**
1. Quality / Continuous Improvement
2. HSSE
3. Financial Control
4. People
5. Customer Service
6. Legal Compliance

Scalable jpg picture

Original power-point components