

## HUNTSMAN

# Huntsman Corporation Reduces U.S. Contractor TRIR by 74% with Avetta

Huntsman Corporation is a publicly traded global manufacturer and marketer of differentiated chemicals with 2014 revenues of approximately \$13 billion including the acquisition of Rockwood's performance additives and TiO<sub>2</sub> businesses. Their chemical products number in the thousands and are sold worldwide to manufacturers serving a broad and diverse range of consumer and industrial end markets.



### Industry

Chemical Manufacturing

### Profile

- Founded in 1970
- Based in The Woodlands, Texas
- Operating in 30 countries
- Employs 16K workers
- Active Avetta client since 2007
- Over 1,000 contractors

### Challenges

- No standardization for prequalifying or requalifying contractors
- No company database for fast contractor lookup
- Poor data sharing between sites
- Lengthy process for onboarding contractors, typically four to six weeks
- Unique PQF required for each site, increasing contractor burden

### The Solutions

- Instant access to top contractors
- Contractor education and acceptance

### The Results

- Benchmarking against peers
- Reducing U.S. TRIR by 74%

## The Challenge

Paper forms and Excel spreadsheets. That's how Huntsman Corporation managed its contractors in the past.

A global company with headquarters in Texas and offices around the world, Huntsman depended on two or three individuals to track the statuses of its contractors, according to David Matheny, Huntsman Corporate Safety. Contractors filled out paper prequalification forms (PQFs) and information would be saved in spreadsheets that served as a contractor database. When plant managers needed to know the status of a given contractor and whether they were cleared to work at the site, "I'd get the phone call because they didn't have access to that data," says Matheny. "Very inefficient" is how he remembers that period, "and very, very time consuming."

### "Not the Best Use of My Time"

Matheny is responsible for environment, health, and safety at Huntsman. It's his job to ensure that contractors who work with the company as part of its supply chain meet training and safety requirements. Matheny readily

admits that the company's manual, in-house method for tracking contractors meant much of his time was spent managing paperwork. "And that's just not the best use of my time," he says. It took him away from his real job: creating a world-class safety organization. This includes visiting the sites to conduct training and ensure safety procedures are followed.

Before contractors can begin working with Huntsman, they must complete a prequalification evaluation with information about safety records and insurance. Back then, Matheny reports, the time it took to bring a new contractor onsite was determined by how quickly Huntsman could process the paperwork. Even if the contractor met all EHS requirements, the process might take four to six weeks, resulting in project delays. New, skilled contractors were often ready to begin long before Huntsman had completed its own internal review. In addition, there was little standardization in the onboarding process. Prequalification forms used at various Huntsman locations were inconsistent. A contractor might fill out a different PQF for each location because there was little if any sharing of contractor data across sites. Approvals were made at each site individually, and those approvals could be less than 100% objective. These factors created delays and unnecessary risk for Huntsman

### Turning the Focus to Risk Management

At the end of the day, says Matheny, managing contractors is all about risk management. That means making sure every contractor is qualified to safely perform the job for which they've been hired, prior to onboarding and while under contract. It had become obvious to Matheny that it was no longer possible to achieve this goal efficiently or consistently within the company's existing paper-based processes.

Given these challenges, Matheny felt the company had two options: create its own custom-built database and contractor management system (which he knew would be time-consuming and expensive), or engage a trusted partner that specialized in supply chain risk management. After consulting with Huntsman IT, Matheny says the decision was easy to seek expertise outside the organization.

## The Avetta Solution

After much discussion and careful consideration, Huntsman partnered with Avetta. The Huntsman team quickly realized that attempting to build their own solution would have

been an enormous job. "The scope of what we would need to do was overwhelming," says Matheny in retrospect. "There's no way we could do that ourselves. Avetta turned out to be a bargain."

### Instant Access to Top Contractors

As an Avetta customer, Huntsman now had immediate access to contractors and consultants it otherwise would not have known about—much less evaluated. Says Matheny, "Because Avetta had already prequalified these people, we're getting that expertise and experience." Suddenly the universe of available contractors was much larger.

### Contractor Education and Acceptance

Still, Matheny concedes that there was some resistance, especially among contractors who weren't yet familiar with third-party supply chain management and how it would benefit them. "That first year, our contractors had lots of questions," he says. "This service was new to a lot of them." But Matheny says the Avetta team played a key role in bringing them around through informational mailings, calls to each of Huntsman's contractors, and fielding individual questions and concerns. This was a transitional period for both Huntsman and its contractor community, as the company laid the foundation for more efficient contractor prequalification and management. Today, the Avetta service is well established at Huntsman and an accepted part of its supply chain risk management strategy. When a new contract is signed by Huntsman and one of its contractors, the purchasing buyer quickly and easily adds them to a database of approved contractors at a specific Huntsman site. That database is managed online through an Avetta-maintained website, which is accessible to the purchasing manager, the contractor, and personnel at each facility. This gives all required parties immediate access to the contractor's status.

Next, a customer service representative at Avetta contacts the contractor to assist with the enrollment process. The contractor completes an online prequalification form and uploads required documents to the Avetta website, including a safety manual, quality manual, and insurance certificates. An Avetta expert evaluates each item and indicates the contractor's status as a green, yellow or red flag. The contractor's status is then visible to security personnel at the appropriate Huntsman facilities: if the status is green, the contractor is allowed through the plant gate. A plant manager may also choose to change the flag status at that facility, permitting or restricting work by the contractor based on additional circumstances.

# The Results

For Matheny, the secure, online contractor database is a vast improvement over the old paper-based, manually tracked system.

Updated information, including insurance certificates and safety data, is instantly available to everyone with a need to know—from the plant manager to the security guard at the entrance gate to the contractor awaiting a start date. And the fact that the system is hosted and maintained by Avetta relieves Huntsman of that cost and responsibility.



If I ever get a question about [contractor's performance] I know exactly where to go to find out what the issue is. Our communications have become very efficient because the process is the same for all involved.

**David Matheny**

Huntsman Corporate Safety

## Benchmarking Against Peers

The solution also allows Huntsman to take advantage of a wealth of industry data that Avetta tracks for its customers. “There’s a lot of information here that we never used to have,” Matheny says. The data concerning industry requirements and standards allows Huntsman to benchmark itself against peer companies and look for areas of improvement.

The Avetta data also enables Huntsman to set objective expectations about each contractor’s performance. No more lengthy phone calls to check on a contractor’s paperwork or application process, and no more long conversations about why a contractor’s flag is red or yellow. “If I ever get a question about that, I know exactly where to go to find out what the issue is,” Matheny reports. “Our communications have become very efficient because the process is the same for all involved.”

Moreover, contractors now expect to be measured against their peers and evaluated consistently, without the subjective bias that could influence evaluations in the past. Before the Avetta implementation, Huntsman’s prequal and requal forms were less specific and lacked essential details. When contractors fill out an Avetta questionnaire, “There is not a lot of gray area,” says Matheny. The data on each contractor is precise, which in turn helps Huntsman provide targeted training, improve safety, and ultimately reduce risk at the job site.

## Reducing U.S. TRIR by 74%

For both Huntsman and its contractors, the Avetta service makes onboarding much faster. In the past, the time from signed contract to entrance at the front gate typically took up to six weeks; today the whole process can be completed in just a couple days, limited only by the time it takes the contractor to submit documentation. This makes Huntsman a more agile and responsive organization, with the ability to add new contractors to its plants quickly and safely.

The results speak for themselves. Since Huntsman switched to Avetta, the total recordable incident rate (TRIR) for all of its contractors in U.S. sites has dropped by 74%. This is one reason Matheny refers to the Avetta solution as “proactive risk management.”