

# Bp: deepwater case study

Business



Dudley has inherited the reins of company who, despite the recognition of upper management, continued to perform poorly as related to safety.

Summary of key facts: BSP problems with safety began in 2005 at the Texas City refinery where a blow-off stack in an summarization unit failed, killing 15 and injured hundreds. Ultimately, the company spent over \$1 billion in investments to improve and address safety concerns at the Texas City plant. In addition, the company faced over \$1. 1 billion in fines related to the incident.

In 2006, the company was fined \$20 million for a pipeline leak of 4, 750 barrels on Alaskan North Slope.

Safety issues with the company climaxed in April of 2010 with the Deported Horizon disaster. The failure of the rig's safety systems (they were disabled), combined with the failure of the BOP (blow out prevented) lead to the explosion of the oilier from an brush of methane gas, and uncounted barrels of oil being released into the Gulf of Mexico. The bill for this was in excess of \$26 billion, not including the loss of life, the heavy impact on the environment, and the damage o the corporation's image.

Possible solutions: The only solution the company has is to improve its safety performance. The heavy fines imposed for accidents are too costly to do otherwise. Proposed solution: Bob Dudley needs to change the culture of safety at BP.

Clearly, the head office values safety, but this needs to be pushed down through the ranks. Every employee should be empowered to stop operations

if safety concerns exists. Additionally, the company should borrow from the U. S. Navy and employ “ safe stand downs”. This involves stopping all operations and reviewing safety.