Dear Readers,

Does performance improvement ever end? This could happen when our day-to-day processes and activities produce the highest quality products and services with the least amount of cost. However, even if we achieved these goals, changes often occur within our industry due to new technological advances or changing customer needs. When these changes occur, it may require us to re-examine our work processes and find areas where improvements can make things even better.

Systems thinking is one technique of “improvement activities” used to focus on these improvements. This technique has long been associated with improvement activities and is one of the elements of Dr. W. Edwards Deming’s System of Profound Knowledge. Dr. Deming refers to this improvement process as “appreciation for a system.”

A “system” may be defined as a collection of processes, and “systems thinking” spotlights how a particular process relates to the other parts of a system. Systems thinking takes into account how changes to a particular process will impact other processes in the organization and thus leads to product and services improvement.

Companies within the Ergon enterprise form an interconnected group of functionally related components or “systems,” and changes to a particular process within one company may impact processes in other parts of the overall organization.

The changes taking place within the Systems & Performance Improvement Department are a good example of applying Deming’s systems thinking principle, and our department is transforming itself based on this principle. We revisited our department’s vision and mission with respect to the changing needs of our internal/external customers. As a result, our mission and vision were updated to better reflect the way we respond to our customer’s needs and expectations. Our new vision statement is, “The vision of SPID is to be the catalyst for proactive, value-adding improvement by serving all Ergon companies in pursuit of their unique strategic goals.” To fulfill this vision, our department helps to create positive performance improvement change. We prioritize our work based on value provided to Ergon through enhanced long-term profits, better efficiencies and improved operational controls. Our department is building long-term customer relationships and a knowledge base of Ergon companies and business units to assist with the pursuit of their unique strategic goals. Our updated mission statement is, “The mission of SPID is to provide consulting services, training, assessments and tools for our customers to develop and sustain management systems and improvement activities.” The SPID team facilitates performance improvement by offering management advisory services to Ergon companies in the areas of document control, performance engineering, training, audits and management system implementation. We also engage in supportive activities to further the success of Ergon. These planning elements help us to look to the future and the strategic direction of our department.

continued on page 7

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**Editorial**

Tom Isonhood

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**Focus**

Leslie B. Lampton, CEO

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**Ergon Quality Policy**

Product Quality is our basic business strategy. It is our policy to provide products and services of the highest quality level, which will result in satisfied customers. Only 100% conformance to customer requirements will be acceptable. We will accomplish our goal through actively involving and training our employees, obtaining commitment from our suppliers, conforming to appropriate standards and establishing and monitoring objectives. Application of these activities will lead to the continual improvement of everything we do.

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**Focus**

is published twice yearly by

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The Systems and Performance Improvement Department would like to thank everyone who participated in this issue of Focus.

We welcome and encourage your comments and questions regarding this publication.

Please use our new website survey at [www.ergon.com/surveys](http://www.ergon.com/surveys).
Microsoft Office Specialist Certification

Ask any handyman and he’ll tell you that you can accomplish any job so long as you have the right tools and know how to use them. You may be asking yourself, “What does this have to do with a computer?”

Well, our computers and the Microsoft Office Suite of programs: Microsoft Word, Excel, Power Point, and Outlook are some of the best tools in our business. Depending on the amount of our knowledge and experience, these powerful tools can make our jobs more efficient or more frustrating.

Microsoft offers a certification process which calls one upward towards efficiency, quality and excellence. The process requires employees to learn the “tools of the trade” and then pass an evaluation test. With each test passed, employees build their confidence as well as equip themselves to do their job better. Skills learned will significantly reduce turn-around time on projects and, in turn, increase the company’s bottom line.

Many employees are responsible for creating, formatting, and editing documents for their entire department or company, and it is critical that our employees have the skills to handle a variety of tasks resourcefully. For example: I received a phone call a few months ago from an Ergon employee whose job required that a new set of data be inserted in a form every week. He had typically spent many hours a week typing in data, then printing these forms. He called me to see if I knew a quicker way to accomplish this task. I was able to teach him to record his data in a special Excel file and to mail merge it with the form. Now the job takes a maximum of 30 minutes.

Not only does it increase efficiency and productivity, but the Microsoft Office Specialist Certification is a standard for validating expertise with Microsoft Office programs.

The Microsoft Office Specialist Certification demonstrates employee competence, possibly helping managers with promotions and advancements. Hiring candidates with Microsoft Office Specialist Certifications reduces the amount of training needed to enable new employees towards contribute to organizational effectiveness.

The certification process includes taking four tests, one test for each program: Excel, Word, Power Point, and Outlook. The Microsoft Web site (http://www.microsoft.com/learning/mcp/officespecialist/) will help you locate an authorized testing center and outline skills required for each test. The fee for each test is $75, and you will receive a certificate for every test you pass. Once you finish all the required tests, you will receive the title of Microsoft Office Specialist. If you so desire, you can continue to “Expert Level” by taking an advanced Word and Excel test.

Listed below are ways you can prepare for the test:

- Decide to train for Office XP (2002) or Office 2003
- Complete classroom training at the Learning Center or an external provider
- Complete Online training using Pure Safety modules
- Study Step by Step Microsoft books for each application
- Practice, practice, practice
- Contact Cynthia Whittington at Ergon’s corporate offices for more information (Telephone 601-933-3165 or e-mail Cynthia.Whittington@ergon.com).

Left to right: Billy Brann, Lee Lampton, Joe Evans, Clint Kolesar, Debra Stone
A professor in the business school gave a pop quiz to his students. They breezed through the questions, until they read the last one: “What is the first name of the woman who cleans the school?”

Surely this was some kind of joke. Everyone in the class had come in contact with the cleaning woman because she was in the building every day. She was tall, dark-haired and in her fifties, but no one could come up with her name. All the students handed in their paper, leaving the last question blank. Just before class ended, one student asked if the last question would count toward their quiz grade.

“Absolutely,” said the professor. “In your careers, you will meet many people. All are significant. They deserve your attention and care, even if all you do is smile and say ‘hello!’”

When I had my heart surgery, the object lesson in this story came back to me in a real way. I had some of the best doctors in the South operate on me in one of the best medical facilities. The people I came in contact with during my stay knew their jobs and did them well. Out of all those people, one person really stands out in my mind.

After 5 days without a shower I can’t tell you how gross I felt. When they finally stabilized me, I asked if I could please take a shower. They agreed, but I had to have a hospital staff member assist me.

The aide who helped me with my shower was an older woman I had not noticed before. She worked the grave-yard shift, and her job was to check on me every so often, refill my water, clean out my bed pan and a number of other simple jobs.

I was sure she had done this task countless times, but she took her job as seriously as the surgeon did his. At that moment and time, she was as important to me as my surgeon. I never had such a wonderful shower, and I will never forget her name—Mary.

Do we really stop and take the time to say hello to the “Marys” we find in our lives every day?

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**New Hire Orientation Classes**

The corporate offices of Ergon, Inc., in Jackson, Mississippi are offering monthly company orientation classes for newly-hired employees and college interns. While the classes are designed for full-time regular and part-time or temporary employees as well as college exchange interns, tenured employees are also invited to attend.

The first class was held in July and, at the request of participants, more time has been structured for future classes to cover information and reference materials more thoroughly. Employees also provided feedback that the presentation on Ergon’s history, growth and organization as well as web-based resources and documented reference material were elements of the class they found most helpful.

Currently the 7-hour classes are held in portions on 2 consecutive days, the first Monday and Tuesday of each month. The first invitations are extended to new employees but attendance is not limited only to them. Other employees may call and participate, also. We welcome ALL employees’ involvement and feedback!

The agenda is slated to be as follows:

**Day One:**
1. Welcome
2. Introductions, Building Logistics, Resources
3. History, Evolution and Structure of Ergon, Inc.
5. Policies: Our Conduct and Company Expectations
6. Demonstrating Respect at Ergon and among Employees
7. Safety and Security: Environmental, Health and Safety
8. Emergency Management Plan & Evacuation Procedures

**Day Two:**
9. Employee Relations, Policies, Payroll, Benefits

Special thanks are extended to key employees who have helped structure and shape the program and resources:

- Ben White, Business Support Services
- Ricky Allen, Employee Relations
- Janis Erikson, Risk Management
- Ken Hodges, Finance
- Lance Mazerov, Equal Employment Opportunity
- Tom Isonhood, Corporate Training Review Committee
- Kathy Lott, EHS Training Coordinator
- Jera Purvis, Risk Management & New Employee
Total Plant Reliability (TPR), what is it? A brief definition would be the seamless integration of all plant functions (operations, maintenance, purchasing, warehousing, engineering, management, etc.) working towards a common goal. You may ask, “Is Ergon – West Virginia, Inc. (EWV) not a reliable plant?” Sure it is! Can it be better? It sure can! How much better? Well, we find there are industry benchmarks against which we can gauge ourselves. By comparing ourselves to what is considered a “World Class Operation,” we can gauge where we stand relative to the other companies in our business. This effort started with a study by Solomon Associates, Inc. which compared the performance of Ergon - West Virginia, Inc. with industry competitors. From the study results we found, to our surprise, that there were many areas which could stand improvement if we were to maintain or improve our place in the lubricating oils market.

At Ergon - West Virginia, Inc., the TPR effort began after Ergon - West Virginia teamed up with the Hartford Steam Boiler Reliability Technologies (HSBRT) organization. Their first task was the formation of the Site Reliability Leadership Team or SLRT; a core group comprised of plant management and key personnel and charged with guiding and maintaining the TPR movement. The SLRT’s first objective was to develop the site Vision – Mission statement. “What is the Vision - Mission Statement?”, you ask. Good question! Vision is the goal and EWV has decided that our goal is to be the “Most reliable supplier of high quality process and lubricating base oils.” The Mission is the “roadmap”, or how we are going to reach our goal and our mission statement is as follows:

- Always meet or exceed our customer’s expectations
- Protect the environment, our community and our employees
- Achieve profitable manufacturing through reliable, cost effective and continuously improving operations
- Provide a challenging and rewarding workplace that fosters personal contribution, respect and development.

Pretty good, don’t you think?

Now that we have a goal and a roadmap—the foundations for TPR—what next? Well, we need everyone on board, so how do we do that? We form FOCUS groups. No, FOCUS is not an acronym, it means what is says, FOCUS! These groups will focus on key strategies that will follow the Mission Statement and lead us to our Vision!

Our groups are:
- Asset Management
- Maintenance Prevention
- Focused Empowerment or Operator Driven Reliability
- Materials Management.

Each group is comprised of volunteer plant personnel and an SLRT member.

Some of the areas of FOCUS for these teams are: The use of SAP as more of a planning/scheduling tool in maintenance and turnarounds, preventive maintenance practices, Reliability Centered Maintenance (RCM), condition monitoring, Key Performance Indicators (KPIs) for a site TPR scorecard, maintenance improvement through operator training and awareness, improved SAP purchasing procedures, vendor stocking, strategies for global purchasing agreements and improving inventory accuracy.

The FOCUS teams encourage participation by all plant personnel. Team members are asked to solicit input from their peers and discuss team activities and achievements.

Some accomplishments to date are:
- Increased planning and scheduling of work activities
- Improved structure and programming for SAP plant maintenance processing and reporting
- Free access to small parts for improved efficiency
- Risk-ranking of critical process equipment
- Operator prescribed process unit monitoring rounds
- Significant reduction in outside contractor usage and costs.

EWV is in the initial stages of this effort, and the goals are long term. With the backing and encouragement of management and the participation of all employees, we will realize the full vision and potential of TPR.
Did you catch the premiere of “Eyes,” the new series on CBS about a “risk management firm”? The promotional ads promised stories about a group of professionals who could “solve your worst problems.” Those of us who work in Ergon’s Risk Management Department were very interested to see how television screenwriters could find drama or humor (You will frequently hear laughter from our department, but it’s usually a defense mechanism!), in what we do every day. Imagine our surprise when we realized the television “risk management firm” was a group of private investigators!

Every employee in the Ergon family of companies is an honorary member of the Risk Management Department - We depend on each one of you to recognize the hazards in your workplace and in your tasks which represent exposures to loss, and for you to plan your work to best manage the hazards. The responsibility of the Risk Management Department is to assist you in managing, controlling, minimizing, or eliminating risk in order to guard all personnel from injury and illness and to protect the company from serious adverse financial impact.

Risk Management shares the same fundamental building blocks which you find in all management disciplines: identification of hazards or sources of risk, analysis and assessment of exposures (severity, frequency, and probability), evaluation and choice of a methodology of handling the identified risks, implementation of the methodology, and monitoring the effectiveness of the response.

Let’s meet the members of Ergon’s Risk Management Department and learn what each can do to help fellow employees, claimants, customers, vendors, and contractors:

Our newest addition to the team is Jera Purvis. Jera completed her B.S. at USM in December 2004 and joined us in January 2005 as a Departmental Assistant. Jera has assumed primary responsibility for administration of Certificates of Insurance, Facilities Access Agreements, and Master Service Contracts. Although Jera’s employment date is 2005, she actually has been an Ergonot since birth – her father is David Purvis in Ergon Trucking, Inc. Jera blesses us daily with her knowledge and her positive outlook.

Leslie England is the Assistant to the Risk Manager. Leslie, an alumnus of Mississippi State University, joined Ergon’s Risk Management Department in August 2002. With her curiosity, enthusiasm, and diligence, Leslie has become a valuable team member. Leslie’s duties in the Risk Management Department include assimilating the thousands of details which underwriters require to insure us; assisting fellow employees, customers, and contractors in completing required documentation; and, together with Jera, working with our Business Support Center to develop a database for tracking and reporting Certificates of Insurance. In addition, Leslie is an internal auditor, and she is working toward two professional certifications – the Certified Risk Manager (CRM) and Associate in Risk Management (ARM) – both of which involve intense study and written exams.

Susan Marble is Corporate Claims Manager, handling ALL claims for ALL of the Ergon companies. This includes Workers’ Compensation, automobile liability, general maritime and Jones Act claims, property damage, third-party liability claims. EVERY problem comes to rest on Susan’s desk, and she manages to handle each one of them with efficiency, humor, and grace. Susan has had several “careers” at Ergon and she became a part of the Risk Management Department in 1998, the same year she completed her B.B.A. in the Adult Evening Degree program at Belhaven College. Susan’s professional designations are the Associate in Claims (AIC) and the Registered Workers’ Compensation Specialist (RWCS).
June 1, 2005, marks Susan’s 20-year anniversary as an Ergonot. Janis Erikson is Vice President – Risk Management for Ergon, Inc., and Risk Manager for Lion Oil Company. Janis has been with Ergon since 1973, and her credentials include a B.A. from the University of Southern Mississippi, M.B.A. from Mississippi College, Chartered Property Casualty Underwriter (CPCU), Associate in Risk Management (ARM), Associate in Marine Insurance Management (AMIM) and credits toward the CRM - not to mention the coveted “I.B.”

How can Ergon’s Risk Management Department help you attain your goals?
Please call our offices in Jackson, Mississippi:
• Jera Purvis, Departmental Assistant
  601-933-3512
• Leslie England, Assistant to the Risk Manager
  601-933-3155
• Susan Marble, Corporate Claims Manager
  601-933-3144
• Janis Erikson, VP of Risk Management
  601-933-3119

Editorial continued from page 2

It is our pleasure to offer this publication to you, our employees and customers. Special thanks are in order to all employees who have submitted articles to this issue and to previous editions of FOCUS. These articles are an important link in keeping us connected as a company and providing information on the many happenings within Ergon. We hope you will enjoy this issue of FOCUS.

Tom Isonhood

Corrective Action Systems

One of the most important and often overlooked components of a quality management program is the Corrective Action System. This system is used not only by companies that are developing their quality management system, but also by those companies with well established and mature quality management systems. A corrective action system is used as a response mechanism for deficiencies and other problems that exist in an organization and it outlines a series of steps that need to occur to insure that problems are addressed and documented. Once a problem is identified, the search for the root cause begins. This procedure can be as simple as asking a few questions or as complex as a full blown investigation by a team. Whatever the means, the end result is the same — identifying the source of the problem. Once a root cause is determined, the next step in this Corrective Action Process is to identify the measures that will be taken to address the root cause. A temporary fix to the problem is usually necessary until a permanent solution can be realized. The proposed long-term solution should not only address the problem, but the solution must also keep the problem from recurring.

In some cases, the first solution may not solve the problem and so the idea of “follow up” becomes extremely important. For the responsible person to say that a proposed solution is in place is never enough. A solution may very well be in place, but it may not be effective in remedying the problem. Verification that an implemented solution is in place and validated insures that it is meeting the intent of drastically reducing or eliminating the possibility of a problem coming back.

The Corrective Action System can be an invaluable addition to any company or department when used correctly. These systems, which help identify and remedy problems within an organization, should be viewed as continuous improvement tools.
After the “Gold Rush” of the late 1800s had dwindled, the entrepreneurs of America began. At Lion Oil Company and Lion Oil Trading & Transportation, Inc. (LOTT), “Black Gold” definitely affects our lives, so I thought it might be interesting to share how LOTT acquires the crude oil that the El Dorado, Arkansas Refinery runs. Over the last few years, as the Refinery capacity has increased, we have been forced to go to outside sources to get all the crude needed by the Refinery. But before that time, Lion Oil depended completely on crude from south Arkansas and northern Louisiana.

Today, LOTT’s local gathering system is made up of eleven districts stretching from the Ouachita River on the east to the Arkansas-Texas state line on the west. The LOTT personnel responsible for the first step in the process of purchasing the crude for the refinery are called “Field Gaugers” or “Field Operators.” Art Turbeville is the Field Gauger for District 2, which covers the south Smackover and east Norphlet area, and he was kind enough to help us “walk through” the steps involved in putting a tank of oil into the LOTT gathering system.

The gauger’s first step is to get in his gauging truck and locate one of over 2,500 different leases in the LOTT gathering system. The lease will more than likely be located down a dusty, muddy, rough, pot-holed oil field road. After locating the lease, the gauger will make sure the tank to be purchased has been isolated from any rundown lines or tanks on the lease. The tank will then be gauged with his gauge line (Photo 1) to determine the initial volume of crude in the tank. Next, a sample of the crude is taken from the tank (Photo 2). A portion of the sample is put in a heated centrifuge to determine the amount of basic sediment and water (BS&W) suspended in the crude (Photo 3). The remaining sample is used to determine the gravity and temperature of the oil (Photo 4). If the crude is within the specifications required, the tank valves are sealed closed (Photo 5), and the information is recorded on a gauging ticket (Photo 6). The crude will then be trucked to the nearest truck unloading facility, or the tank will be lined up to a LOTT shipping pump that is tied into the pipeline system (Photo 7). Then the gauger is off to the next lease and will return after the
tank has been hauled or pumped out in order to gauge the tank and determine the actual volume of crude removed. This gauge will complete the process of getting the crude to the Refinery.

During 2004 the LOTT Field Operators climbed over 70,000 tanks, ran over 35,000 crude samples and drove over 600,000 miles to deliver almost 6,000,000 barrels of local crude. Now all that is left to do is pay the owners of the crude. That opens up a whole new can of worms that we will talk about another day; but, just to give you an idea of what is involved, LOTT generated over 100,000 checks last year to pay the producers and royalty owners for their crude. Somebody had to figure out to whom the money goes - LOTT does that too!

Did You Know?

• In 1925 the Smackover Oil Field in Arkansas was home of the largest mineral boom in North America.
• At peak production, the Smackover Field yielded up to 10,000 barrels of oil per day and up to 35 million cubic feet of gas.
• At one time, El Dorado, Arkansas was home to 5 refineries, 3 pipelines and 275 oil wells.
• To see state-of-the-art exhibits, working equipment, a 1920's boom town, undersea diorama, visit the Arkansas Museum of Natural Resources in Smackover, Arkansas. Guided tours, educational programs, films, field trips and lectures are available.
• For more information, please see the Arkansas Oil and Brine Museum Guidebook, available at the Museum in Smackover, Arkansas 501-725-2877 • 3853 Smackover Highway, Smackover, AR 71762
Quality Tools

Root Cause Analysis

In our last Quality Tools article, we reviewed the use of the Cause and Effect or Ishikawa Diagram as a tool used to perform Root Cause Analysis. Remember (January 2005 issue, page 12) Root Cause Analysis is a method used to identify and confirm the causes of problems or adverse trends and identify the corrective actions needed to prevent recurrence. In this article, we will discuss the importance of determining the underlying causes of problems and look at another quality tool used to accomplish this.

Understanding why a problem has occurred is the key to developing a solution to prevent its recurrence. In our haste to "hurry up and do something," we may not take adequate time to identify the reason a problem has occurred. Too often, we'll use retraining as a fix-all solution, but in most cases, there is a systemic problem that can be identified if we'll only look for it.

One of the simplest methods to determine a root cause is to act like a four year old child. Huh? Everyone has experienced it – continually asking WHY? That same maddening technique that children use to understand the world around them is a very effective tool for determining why a problem occurred. The "5 Whys" is a tool used to work through the different levels of problems fairly quickly. It doesn't require any advanced statistical tools and can easily be incorporated into existing investigation processes. Its main purpose is to ask "why?" as each problem is identified, thus moving deeper through the levels of symptoms towards the true root cause.

How to Use the 5 Whys:

First, record the problem statement for your team to brainstorm the root cause. You could use a whiteboard or flipchart to record your information. Next, ask why this problem occurred and record the answer. If the answer you just provided doesn't identify the root cause of the problem statement, you ask "why" again and record that answer. Keep moving through your "Whys" until no new answer results, and this will most likely be your root cause. You may find your answer in more or less than five tries.

Example

1. Why is our largest customer unhappy?
   Because our deliveries of bicycles have been late for the last month.
2. Why have our bicycle deliveries been late for the last month?
   Because production has been behind schedule.
3. Why has production been behind schedule?
   Because there is a shortage of wheels.
4. Why are we having a shortage of wheels?
   Because incoming inspection has rejected a large number of wheels for not being round.
5. Why are we rejecting so many parts?
   Because purchasing switched to a cheaper wheel supplier that has inconsistent quality.

If you would like further information about Root Cause Analysis and other Quality Tools, please contact Ergon’s Systems and Performance Improvement Department at 601.933.3239.

PureSafety - Ergon’s Online University

- Available to all employees of Ergon companies
- Computer Courses Available:
  1. PC Basics
  2. Outlook XP
  3. Word XP
  4. Word XP Advanced
  5. Excel XP
  6. Excel XP Advanced
  7. Power Point XP
  8. MS Access
  9. MS Project
- Accessible from any computer with internet access
- The cost per person per year is $40.00 for access to all 7 courses
- The cost will be charged back to your Ergon company
- A manager’s approval is required
- Login Page: http://www.puresafety.com/Login

For more information, please
Call 601-933-3165
Email cynthia.whittington@ergon.com
ISO 9000 Quality Standard

Clause 4 Quality Management System

The ISO 9001:2000 Standard is made up of the following 8 clauses: 1) Scope, 2) Normative Reference, 3) Terms and Definitions, 4) Quality Management System, 5) Management Responsibility, 6) Resource Management, 7) Product Realization, 8) Measurement, Analysis, and Improvement. Clauses 1 through 5 contain information about the Standard but are not requirements in themselves. Clauses 4 through 8 contain requirements of the Standard and will be the focus of a series of articles. This first article will cover Clause 4 and will attempt to describe and explain the intent of the Standard. Clause 4 is basically a summary of the main themes of the standard and is broken down into the following sub-clauses:

- 4.1 General Requirements
- 4.2 Documentation Requirements
  - 4.2.1 General
  - 4.2.2 Quality Manual
  - 4.2.3 Control of documents
  - 4.2.4 Control of records

Managing a company or business unit in a systematic and visible manner are key factors in insuring a company / business unit is successful. Continually improving the effectiveness and efficiency of a business’ performance is one of the main emphases of this clause. There are numerous management disciplines that should be common practice, one of them being customer-orientation. Activities should be established to help create and foster a customer-oriented company / business unit. Acquiring and using process data, information and using proven methods to evaluate process improvement are activities helpful in creating a customer-oriented business focus.

Sub-clause 4.1 requires a company / business unit to establish, document, implement, and maintain a quality management system. Processes needed for the quality management system must be identified. Sub-clause 4.1 also introduces the process approach, or the processes of a company / business unit. These include:

- the processes of the quality management system (clauses of the standard) and
- the operational (or production) processes that are included in the concept of “product realization” (I’ll discuss this concept in a future article dedicated to Clause 7).

A process is defined as a set of interrelated activities that transforms “inputs” into “outputs.” In the process approach, individual activities should not be considered in isolation; rather, all interactions should be recognized and controlled. Once the processes have been identified, their sequence and interactions must be determined and documented. Methods are applied to determine effectiveness of the operation and control of these processes. The company / business unit provides the resources and information necessary to support the operation. The monitoring, measuring and analyzing of these processes can then be put into place. Achieving planned results and continual improvement of these processes should be the outcome.

In future articles we’ll discuss failure to achieve planned results (Clauses 7 and 8). When it becomes necessary to outsource processes that affect product conformity, control methods are identified and implemented. For example, if a sample of raw material or finished product is sent to an independent laboratory for analysis, control methods for the independent laboratory would be necessary to insure a successful outcome. Maintaining the integrity of the sample while it is in transit, for example would be included in the controls as well, depending on the delivery mode.

Sub-clause 4.2 defines documentation requirements. There are only 6 documented procedures required by the Standard:

1) control of documents
2) control of records
3) internal audit
4) control of non-conforming product
5) corrective action and
6) preventive action.

Sub-clause 4.2.1 requires a quality policy and quality objectives to be documented. Documentation such as work instructions, programs, polices, procedures and records are required to ensure the effective planning, operation and control of processes. There are 21 records that are required by the standard.

Sub-clause 4.2.2 states that there must be a quality manual. The scope of the quality management system must be defined in this manual. The scope includes details of exclusions to the standard along with justification for these exclusions. The only clause from which exclusion may be taken is clause 7. The quality manual will include the six required procedures mentioned above or at least a reference to their location. The interaction between processes of the quality management system, mentioned earlier in this article, must be in the quality manual as well.

Sub-clause 4.2.3 requires controlled documentation in the quality management system. This is the first of the six required documented procedures. This procedure will define the controls needed to approve documents for adequacy, and this approval must be acquired before issuing documents. This procedure defines how documentation is to be reviewed, updated, identifies changes and revision status. It also identifies how the company / business unit ensures relevant versions of documentation will be available at points of use. In addition, they must ensure that documentation remains legible and readily identifiable. External documents such as standards, regulations, government regulated product specifications, or industry specifications will be identified and their distribution controlled. The company / business unit must prevent the unintended use of obsolete documents.

**continued on page 15**
“Picture This!” Contest


How much do you know about these Ergon areas? Please use your knowledge, resources (including www.ergon.com) to answer and enter our contest by October 12, 2004 for prizes. The readers who successfully identify the following images and correctly answer the questions on page 13 related to each image will be entered into a random drawing to win an Ergon gift from SPID. Please send your responses and daytime telephone number to: synergy.focus@ergon.com or fax: 601.933.3370. We will publish winners and correct answers in next issue of Focus, Winter 2005.
“Picture This!” Contest Winners

Congratulations to winners of the “Picture This!” contest announced in the summer 2004 issue of Focus (pages 12 and 13). Each of the winners received a large “soft-sider” Ergon cooler, retail value of $50.00, courtesy of the Ergon Company Store and the Systems and Performance Improvement Department.

Mr. Phillip Whitfield, a Mechanic for Ergon Trucking, Inc. in Sulphur, Louisiana
Mr. Charles Joiner, Branch Manager of Lacox Propane Gas Co. in Hammond, Louisiana
Ms. LaKeshia Allen, Information Systems Support for Ergon Refining, Inc. in Vicksburg, Mississippi

Answer Key: (October 12, 2004)

Image #1 of 3: “Red Border” Controlled Document
1. This image shows a controlled document’s table of contents belonging to Ergon Terminaling, Inc.
2. It was created on (date) May 23, 2003.
3. It was updated on (date) January 9, 2004.
4. This document is revision #4 (updated).
5. To which facility and location does this document belong? Ergon Terminaling, Inc. - Nashville, TN, in their AASHTO Quality Manual.
6. AASHTO stands for American Association of State Highway and Transportation Officials.
7. The message that appears on all similar items at Ergon in the special “red area” at the bottom of page is: “If this block is not red, this is NOT a controlled copy.”
8. “Bituminous” means: 1) containing or impregnated with bitumen; 2) any of various mixtures of hydrocarbons often together with nonmetallic derivatives that either occur naturally or are obtained as residues after heat-refining natural substances (petroleum); 3) also called soft coal (Mirriam Webster Dictionary)
9. What happened, according to this image, on December 29, 2003? The Ergon corporate Quality Policy was issued and distributed.
10. What do the middle 2 letters of this particular ‘Document Number” at top right of page mean? TC is the abbreviation for Table of Contents. Other letter codes are: OP (Operating Procedure) JP (Job Profile) DP (Documented Program) MS (Mission Statement).

Image #2 or 2: Lampton-Love Facilities:
11. This image shows the locations for our sister company known as: Lampton – Love, Inc.
12. who deals in both wholesale and retail product distribution
13. of LPG which means Liquefied Petroleum Gas
14. The mascot for this company is a pilot light flame.
15. who’s motto is: ‘People trust our product and service!”

Image #3 of 3: Ergon Product Distribution Systems:
Ergon’s distribution network utilizes how many of each transportation method in delivering our products to terminals and customers: (As of October 12, 2004)

<table>
<thead>
<tr>
<th>Over water:</th>
<th>Answers:</th>
</tr>
</thead>
<tbody>
<tr>
<td>16. Towboats =</td>
<td>20</td>
</tr>
<tr>
<td>17. Barges =</td>
<td>80</td>
</tr>
</tbody>
</table>

| Over land: |
| 18. Rail cars = | 450 |
| 19. Trucks & Trailers = | 458 |
| (Company Trucks = 93; Owner Operator Trucks = 102; Trailers = 263) |
Protecting People and Property

Recently, Ergon, Inc., entered into a contract with the National Safety Council (NSC) to become a private training center for the 6/8-hour Defensive Driving Course (DDC-6/8). This spring, the need for this training was communicated by our insurers to Janis Erikson of the Risk Management Department. Janis requested the Systems & Performance Improvement Department to help facilitate the implementation of this training project.

In consultation with Ergon’s Corporate Training Review Committee, the Systems & Performance Improvement Department organized a project team. The DDC project team includes the following members:

<table>
<thead>
<tr>
<th>Name</th>
<th>Company</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>George Hawn</td>
<td>Ergon Marine &amp; Industrial Supply</td>
<td>Vicksburg, MS</td>
</tr>
<tr>
<td>John Knopf</td>
<td>Ergon Terminaling, Inc.</td>
<td>Memphis, TN</td>
</tr>
<tr>
<td>John Morgan</td>
<td>Ergon Asphalt &amp; Emulsions, Inc.</td>
<td>Jackson, MS</td>
</tr>
<tr>
<td>Steve Riles</td>
<td>Ergon Refining, Inc.</td>
<td>Vicksburg, MS</td>
</tr>
<tr>
<td>Bobby Smith</td>
<td>Ergon - West Virginia, Inc.</td>
<td>Newell, WV</td>
</tr>
<tr>
<td>Jim Smith</td>
<td>Magnolia Marine Transport Company</td>
<td>Vicksburg, MS</td>
</tr>
<tr>
<td>Kathryn Steen</td>
<td>Ergon, Inc. - SPID (Project Manager)</td>
<td>Jackson, MS</td>
</tr>
</tbody>
</table>

The basic requirement for this training is that any Ergon employee who either:

- drives a company vehicle,
- drives a rental vehicle while on company business, or
- drives a personal vehicle for company business

must complete, at a minimum, the 6-hour National Safety Council DDC. Our company has targeted the period between June 17, 2005, and June 16, 2006, to complete the training. This training represents Ergon’s commitment to help safeguard our employees by providing training on roadway safety and accident prevention practices. It may also have an added benefit by helping reduce an employee’s personal automobile insurance premium. Employees need to check with their private insurer to determine if discounts apply.

In June, thirteen Ergon employees completed the NSC 24-hour trainer certification program. These trainers will provide training for their business units, operating under the new Ergon, Inc., Private Training Center Agreement. Several Ergon companies were unable to send employees to the trainer certification seminar. The plan is for those additional employees to attend either another in-house certification program later this year or attend a public NSC trainer seminar. Ergon, Inc.
Sub-clause 4.2.4 requires records to not only provide evidence of conformity to requirements but also their effective operation of the quality management system. The company or business unit must ensure records remain legible, readily identifiable and retrievable. This is the second of six required documented procedures. This procedure will define the controls needed for the identification, storage, protection, retrieval, retention time and disposition of records.

In closing remember: “Quality is the metric that is the test of management’s integrity. If your words say one thing about quality and your actions another, you’re sunk. When looking at the metrics of quality, delivery and cost, think of the analogy of body, mind and soul or physical, mental and spiritual. Delivery is the physical, cost is the mental and quality is the soul of the organization.” (As quoted from “The Face of Quality” a biographical sketch of Lou Ann Lathrop, in Quality Progress April 2005, page 16.)

In the next issue of FOCUS, we will present Clause 5 of the ISO 9001 Quality Management System Requirements.

ISO 9000 Quality Standard continued from page 11

may provide limited training support for smaller Ergon companies unable to certify a trainer.

For more information on DDC-6 training dates and locations, please contact one of the certified DDC trainers shown below:

- **Ergon Terminaling, Inc.**
  Ray Dawson ETI – Birmingham AL 205-436-3413
  John Knopf ETI – Memphis TN 901-652-7200

- **Ergon Maintenance Services and Specialty Process Fabricators Inc.**
  Roger Holdiness 601-636-6888
  EMS / SPF – Vicksburg MS

- **Ergon - Baton Rouge, Inc.**
  Nathan Pendergrass 225-775-0526
  ETI – Baton Rouge/St. James LA

- **Ergon, Inc.**
  Tom Isonhood SPID – Jackson MS 601-933-3127
  Kathy Lott EHS – Jackson MS 601-933-3021

- **Ergon Trucking, Inc.**
  David Purvis ETK – Jackson MS 601-933-3130
  Johnny Walley ETK – Petal MS 800-232-2901

- **Diversified Technology, Inc.**
  Thomas Agostinelli DTI – Ridgeland MS 601-898-4175

- **Ergon Marine & Industrial Supply**
  George Hawn EMIS – Vicksburg MS 601-831-4713

- **Ergon Refining, Inc.**
  Steve Riles ERI – Vicksburg MS 601-630-8339

- **Ergon - West Virginia, Inc.**
  Chip Roush EWV – Newell WV 304-387-7127

Safety First continued from page 14
For related information on Ergon’s distinguished company safety, quality service and performance excellence awards, please see page 3 of the Winter 2005 Focus issue: “Ergon Trucking Wins Again and Again.”

If you would like to become a DDC Trainer for your facility, please contact Kathryn Steen at 601.933.3203.

For more information on training opportunities at the Mirror Lake office in Jackson, Mississippi, please refer to the company’s employee intranet: http://ergonweb/
Select Training from the list of menu options at left.

On this Employee Site, you will find training information for Ergon’s Business Solutions Center (BSC) Computer Learning Center, Environmental, Health & Safety (EHS) and Quality/Improvement topics. 

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**We Want Your Opinion!**

Please give us your feedback about Focus! We have posted a new survey for you to share your opinions, ideas and suggestions at www.ergon.com/surveys.

To inquire about course offerings, company resources or discuss feedback and training needs, please e-mail to synergy.focus@ergon.com or call 601.933.3203.

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**ERGON**

**Systems & Performance Improvement Department**

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Jackson, MS 39215-1639