



# President's Message

International System Safety Society President  
Dr. Rodney Simmons

## Expense Now, Savings Tomorrow

In my last message to the Society, I cited Andy Grove, former CEO of Intel, who — in his 1998 book *Only the Paranoid Survive* — advanced the concept of the “strategic inflection point” (see figure). I discussed the implications of this concept for our Society. Since I wrote that column, a couple of salient developments have transpired: Andy Grove has passed on to the next life and BP has reached an historic \$20 billion settlement with the U.S. government regarding its responsibility for the major spill at the Macondo drilling site in the Gulf of Mexico (you may better know the event by the name of the rig, *Deepwater Horizon*). Some readers might wonder why I’d mention an IT pioneer and an oil industry event when addressing a Society whose members are predominantly from the defense/aerospace sector. I believe that there are lessons to be learned from both, but I’ll first address the oil sector, asking, “How is the practice of process safety and asset integrity engineering different in the current climate of cheap(er) oil, versus the business environment that existed when oil prices were above \$100 per barrel?”

In the past, when there was a business downturn in the oil and gas industry, process safety or asset integrity budgets often decreased. It is generally accepted by process safety professionals that the effects (and increased risk) of decisions to allocate

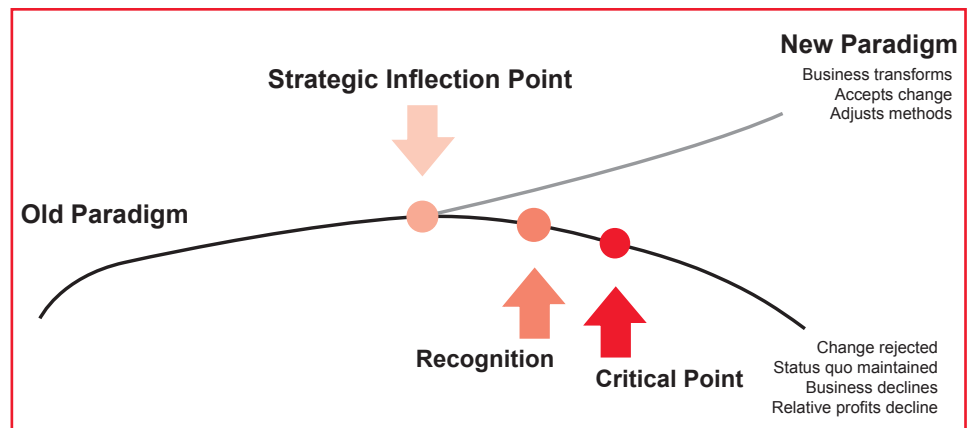


Figure 1 — Strategic Inflection Point (after A. Grove, 1998).

resources away from process safety and asset integrity usually take five to 10 years to become apparent, as degradation of production systems takes time. What seems different this time is that top management seems to have learned a lot from the past — perhaps as a result of the risk communication efforts of those who are responsible for process safety and asset integrity. Spending for process safety and asset integrity has largely held constant, at least among many of the Gulf Cooperation Council (GCC) oil and gas producers. Indeed, those consulting firms that provide asset integrity engineering services in the region report that business is strong. This may be a reflection of the fact that, with lower per-barrel prices, companies can ill afford process incidents. They must therefore be more aggressive about maintenance strategy optimization and risk-based inspection programs if they are to get more life out of “aged” assets,

rather than constructing new assets. The oil and natural gas (ONG) industry’s decisions can be seen as a realization of the model first advanced by Jens Rasmussen (Figure 2). Like all system owners, their knowledge of the system and its behavior increases with experience.

Getting back to the ideas of Andy Grove, as I previously mentioned, our Society has an important role to play as the go-to organization for learning how to effectively implement system safety engineering and management, regardless of the application. This is part of our “export” strategy, whereby we help other sectors adopt the system safety approach. In December 2015, I represented the Society as an invited keynote speaker at a software safety conference in Seoul, which focused on the telecommunications industry.

We have members who are active in a variety of sectors, including healthcare, automotive and energy,

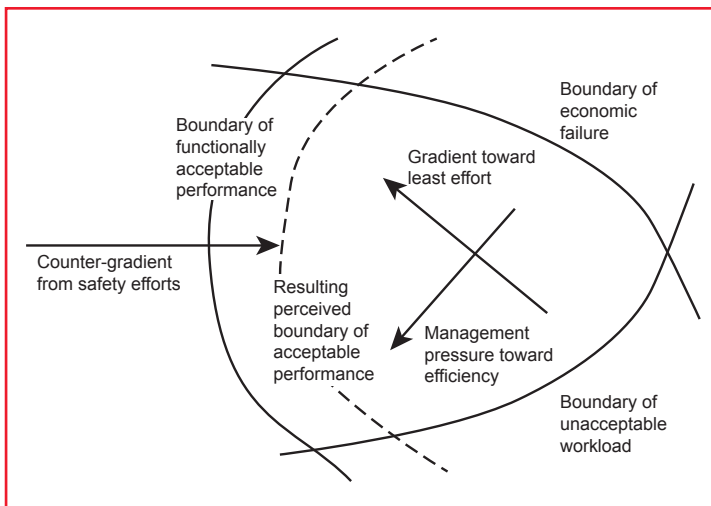


Figure 2 — A model of organizational action, bounded by three constraints: safety, workload and economics. (after J. Rasmussen, 1997, "Risk management in a dynamic society: A modeling problem," *Safety Science*, 27(2/3), 183-213).

as well as in our traditional defense base. During the past few months, members of the Virtual Chapter, led by Charlie Hoes and Russ Mitchell, have been brainstorming ways the Society might position itself to influence adoption of system safety engineering concepts — not just by

those in the mainstream system safety community, but more broadly by all engineers. You'll read more about this in the coming months, and I expect that there will be a lively discussion at the 34<sup>th</sup> International System Safety Conference (ISSC) in Orlando.

The Orlando Conference team, led by Gary Braman, is putting together an exciting program that will provide a wonderful educational opportunity for system safety engineers, whether they are brand new to the profession or have decades of experience. Attendees they will be able to take advantage of the training and technical tracks during Conference week, in addition to the valuable one-on-one chats new system safety engineers can have with some of the leaders of the profession. I still have vivid memories of my chat with C.O. Miller at the Cincinnati ISSC in 1993 and how it shaped my vision of system safety engineering. Attending this year's ISSC and focusing on the extensive tutorial program is a cost-effective way to quickly add value for the new system safety engineer. I look forward to seeing you in Orlando!

Stay in touch.

With best wishes,  
Rod

## Your Chance to Recognize Those Who Make a Difference

Do you want to thank your colleagues in the field of system safety? The time is here again to nominate those most deserving to be recognized for their efforts and contributions to the Society and to the field of system safety. This year's award recognition period is from May 15, 2015 through May 14, 2016, with the following annual awards presented to deserving safety professionals:

- Professional Development
- Manager of the Year
- Engineer of the Year
- Educator of the Year
- Scientific Achievement Award
- International Award

Any individual, committee or organization may submit a nomination. Nominations should be received by May 2016. Each nominee will be evaluated, by committee, based on predefined criteria for each category. The awards listed above will be presented at the 33rd International System Safety Conference (ISSC), to be held August 8-12, 2016 in Orlando, Florida. In addition, the Chapter of the Year and President's Award will be conferred, but are based on other criteria.

See your Chapter president or Society website ([www.system-safety.org](http://www.system-safety.org)) for additional information and forms for submission. Email or fax the completed form to the System Safety Society at:

Email: [systemsafety@system-safety.com](mailto:systemsafety@system-safety.com)  
 Fax: 540-854-4561  
 Attn: Awards Committee

If you have any questions, or need more information, please contact Linda Thomas, Operating Vice President Awards, at [linda.m.thomas@boeing.com](mailto:linda.m.thomas@boeing.com)

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