Improving Productivity Through Operational Excellence Strategies

Presented by:

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What is in an Operational Excellence Program?

- Increased productivity
- Working speed
- Process
- Alignment of processes & technology
- Optimization, organization and process
- Employees
- Methodology
- Workload
- Reduction of complexity
Defining a Strategy: Identify the Opportunity

**Process Improvement**
- Operations Audit & Quick Wins
- KPIs & Benchmarking
- Lean / Six Sigma

**Implementation & Go-Live**
- Program Management
- Risk Analysis
- Responsibility Matrix

**Sustainability**
- Training / Coaching / Mentoring
- Culture Change
- Tool Development

**Level of Engagement**
- Assess your culture
- Evaluate your team
- Identify your obstacles

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Small steps can amount to significant value
What are the Right Questions?

Process Improvement

• What is the largest driver of Operational dollars? Do we have visibility to the largest controllable components? What immediate opportunities are available?

• What are the right metrics to track? Do we know if we’re winning? Are we effectively communicating this message?

• What is the best formula for SKU rationalization?

• How can we remove non-value added waste from our operations?

• Do we have the right operational staffing strategy? Why might we be missing improvement opportunities in our indirect functions?

• What is the competition doing that gives them an advantage?

• Do we have an equipment strategy?

• Have we considered our downstream partners when we make changes. Are we sharing lessons learned across all of our facilities?
What are the Right Questions?

Implementation & Go-Live

- Is our management team prepared for change?
- Are all of the stakeholders engaged and aligned?
- Is our staff plan prepared to properly flex to the demand?
- Are we effectively onboarding? What is the feedback from the shop floor?
- How can our existing IT systems simplify the work? What systems requirements may have been overlooked?
- Are the right metrics being leveraged for success?
- Have we identified and evaluated our risks? What does plan B look like? How will mitigation plans be implemented?
What are the Right Questions?

Sustainability

- Are we effectively communicating cross-functionally?
- Do we completely own our results?
- Are we driving engagement?
- Are we invested in continuous improvement?
- How do we know if the training is understood?
- Considering the difference between Training, Coaching, and Counseling, do our leaders understand how to support the team?
- What does our culture say about our ability to succeed?
- Have we developed all of the necessary tools? Where are we working harder verses smarter?
Performance Measurement and Achievement

<table>
<thead>
<tr>
<th>Business Plan Numbers</th>
<th>KPI Definition</th>
<th>KPI Assessment and Continuous Improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anticipated volumes</td>
<td>Define the KPI’s to be tracked during transition, Go-Live and during final operations</td>
<td>Capture KPI’s</td>
</tr>
<tr>
<td>Anticipated order characteristics</td>
<td>Define how to measure (data sources, frequency etc.)</td>
<td>Analyze deviations, detect causes and improve/ re-define</td>
</tr>
<tr>
<td>Anticipated human performance</td>
<td></td>
<td>Engage staff in Continuous Improvement Measures</td>
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<tr>
<td>Anticipated system performance</td>
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<tr>
<td>Calculated work force per operational area</td>
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Project does not stop with Go-Live; We need to define mechanisms to reach performance targets asap
How Can Waste be Removed?

Identifying Waste

- Excessive processing
- Defects
- Over Production
- Motion
- Waiting
- Inventory
- Not tapping potential
- Transport

Core points

- Identification and prevention of apparent and hidden waste
- Design processes as a flow
- Error proofing
- Identification of similarities and combining them to main processes
- Handling from specialties through flexible solutions
- Gemba
- Voice of the customer
- Schedule review
Understanding the Culture Change

From

- Facility Volumes
- Task Management
- Informal Processes
- Limited Tool Usage
- Reaction to Work
- Infrequent Communication

To

- Team Performance
- Workflow Management
- Defined SOPs
- Full Usage of Tools
- Proactive Activities
- Daily Communication
# Building a Culture of Success

<table>
<thead>
<tr>
<th>Activities</th>
<th>Explanation</th>
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</thead>
<tbody>
<tr>
<td>Employee Engagement</td>
<td>Measuring performance is a good thing</td>
</tr>
<tr>
<td>Positive Environment</td>
<td>Having fun will drive successes</td>
</tr>
<tr>
<td>Change</td>
<td>Everyone changes at their own pace</td>
</tr>
<tr>
<td>Team Building</td>
<td>We will win (or lose) together</td>
</tr>
<tr>
<td>Training</td>
<td>Everyone needs to understand their assignments</td>
</tr>
<tr>
<td>Coaching</td>
<td>Everyone can use some perspective</td>
</tr>
<tr>
<td>Counseling</td>
<td>Sometimes there is more than just the work</td>
</tr>
<tr>
<td>Employee Retention</td>
<td>If the work I do is meaningful I will keep coming back</td>
</tr>
</tbody>
</table>
Executing the Plan

**Establish the Project Plan**
- Sponsorship / Steering Committee / PM / Users
- Charter the project

**Develop the Business Case**
- Quantitative Data
- Qualitative Data
- Evaluation Matrix

**Engage all Stakeholders**
- Responsibility Matrix
- Risk Assessment
- Change Management

**Execute the Plan**
- Implementation Schedule
- KPI Measurements
- Sustainability
**Takeaway: Keys to Success**

### Ownership

- Standard Operating Procedures
- Leadership buy-in and ownership
- Daily usage must be built into the routines
- Action must be taken
- Maintenance – change is the only constant
- Management of the workflow – Planning the coordination of employee movements
- Management of employees
  - Daily/Weekly Planning
  - Setting expectations and holding people accountable
  - Keeping employees motivated
  - Observations and tracking
  - Feedback and coaching
- Reporting administration

### What can we expect?

#### Improved Productivity

- Focus on Performance
- Indirect time is reduced
- Improved Staffing and Equipment utilization
- Training is standardized and maintained

#### Communication

- Meaningful, daily dialog between employees and managers
- Where do you begin to combat a poor quality, efficiency, or service record?

#### Framework for Continuous Improvement

- Metrics are aligned
- Opportunities are identified
- Results are measurable
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