



Update on Operations Vision

In his video The Power of Vision, Joel Baker makes the following comment:

Vision without Action is merely a Dream

Action without Vision just passes the Time

Vision with Action can change the World

As discussed in our previous two E-Techs dated 11 & 25 November 2011, we have realised the most successful sites progressing their Improvement journey have developed and clearly articulated 3 further Visions to complement their Company / Site Vision:

- 1. Improvement Vision** – what do we want to achieve from our improvement journey and when do we want to achieve this? (this was covered in our E-Tech dated 11 November 2011)
- 2. Operator Excellence Vision** – what do we want our operators to be able to do or what standard of operator do we need and by when to achieve our Improvement Vision? (this was covered in our last E-Tech dated 25 November 2011)
- 3. Operations Vision** – how do we want to operate our plant and when do we want to achieve this? (to be covered in today's E-Tech)

Creating an Operations Vision

How do we want to operate our plant and when do we want to achieve this?

Things to consider when creating the elements of your Operations Vision:

1. Appropriate 'drivers' to focus improvement activities
2. Organisation structure based on Area Based Teams of 4-8 with designated working Team Leaders in order to promote ownership and flexibility
3. Aligned rosters to support Production and Maintenance working together on improvement teams
4. Effective Daily Review Process at all levels that identifies and resolves problems to the root cause at the earliest possible time
5. Clearly defined Key Roles and Skills Required for Production
6. Clearly defined Pathway to Operator Excellence
7. Production Support capability and People & Leadership Development capability to support the Pathway to Operator Excellence



1. Appropriate 'drivers' to focus improvement activities

To support your improvement journey, we recommend a key starting point is to identify your site's Key Success Factors and translate these into appropriate Goal Aligned Performance Measures which typically cover: Safety & Environment Performance; Customer Satisfaction Performance; Quality Performance; Inventory Performance; Plant & Equipment Performance; People Performance; Supplier Performance; and Financial / Cost Performance.

To focus the improvement activities we recommend the Site Leadership Team identify appropriate 'drivers' which:

- Can be easily recorded and charted hourly, daily and weekly;
- Benefits everyone if it improves;
- Everyone can contribute to; and
- Captures all of the losses / wastes within the plant or process.

The most common 'drivers' used by sites are:

- Overall Equipment Effectiveness (OEE) if plant & equipment performance is an issue;
- Lead Time Reduction if waste reduction and responsiveness to customers is an issue; and
- Energy Usage Reduction if cost optimisation is required on energy dependent processes (eg refineries).

The key is to have clearly defined appropriate 'drivers' that will have a positive impact on the Goal Aligned Performance Measures as they are improved.

2. Organisation structure based on Area Based Teams of 4-8 with designated working Team Leaders in order to promote ownership and flexibility

We have found that a 'lack of understanding or desire to care' is a key contributor to poor performance (equipment and processes), and that perceived 'ownership' of one's workplace is the foundation for addressing this challenge.

Production Area Based Teams of 4-8 members including a designated Team Leader, with a clearly designated Area of Responsibility for Production is the most effective means to create the environment to address 'lack of understanding or desire to care'. It also provides an environment where the Team Leader has a span of control that does not restrict them from becoming a good teacher capable of developing the Base Skills (work all the equipment competently), Team Skills (be an effective Team Member) and Mastery Skills (Problem Solving, Visual Workplace and Prevention at Source capability) of their team.

Another key point is the need for all Leaders (Team Leaders, Supervisors, Managers etc) to be teachers of the site's Philosophy for Decision Making along with Problem Solving, Visual Workplace and Prevention of Source capability. Again having a span of control of more than 7 people makes this very difficult.

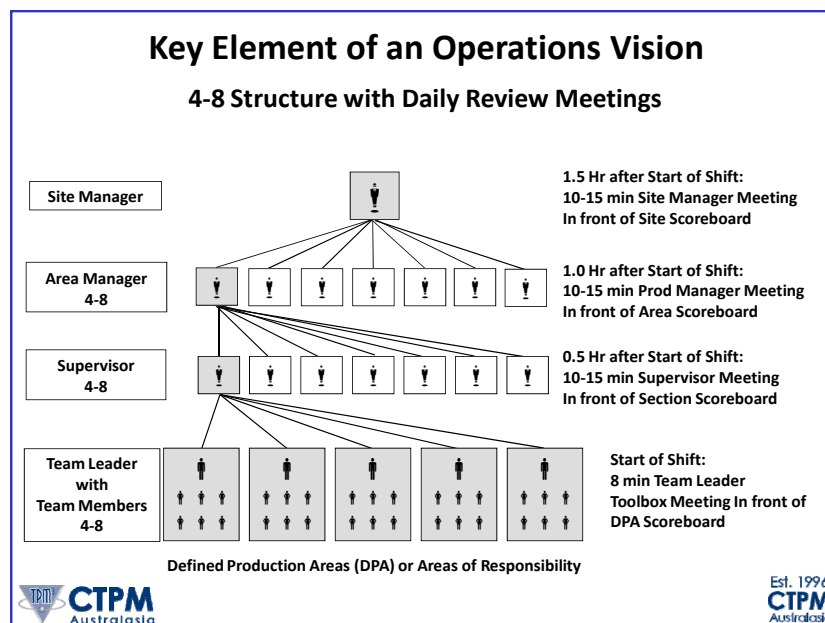
3. Aligned rosters to support Production & Maintenance working together on improvement teams

Cross-functional Improvement Teams are a critical part of the improvement journey especially to break down barriers and build relationships between Production and Maintenance. We have also learnt that Cross-functional improvement is best done during Team Member's normal work time. For this reason the maintenance employees should be on the same roster pattern as production or be on a dayshift roster pattern so that they are available as the rotating production crews work dayshift.

It is also important to note that ideally production rosters should allow their rotating crews to be on dayshift at least weekly so that weekly improvement activity in normal work time can take place.

4. Effective Daily Review Process at all levels that identifies and resolves problems to the root cause at the earliest possible time

Effective daily review meetings are a critical part of addressing the 'tyranny of time' in identifying and addressing problems. Once the site daily review process is working effectively, it should be cascaded to the various levels within the site eg Department level, Defined Production Area level, and, Shift Crew level.



5. Clearly defined Key Roles and Skills Required for Production

In our previous E-Tech we discussed Operator Excellence Vision and the skills required to have world class operators. As such we need to document and articulate what the skills are that we need to develop within our production people. To assist sites address this critical issue, CTPM has a paper titled ***Developing Competent and Engaged Production Team Leaders*** which is designed to assist sites achieve this critical part of their Operations Vision.

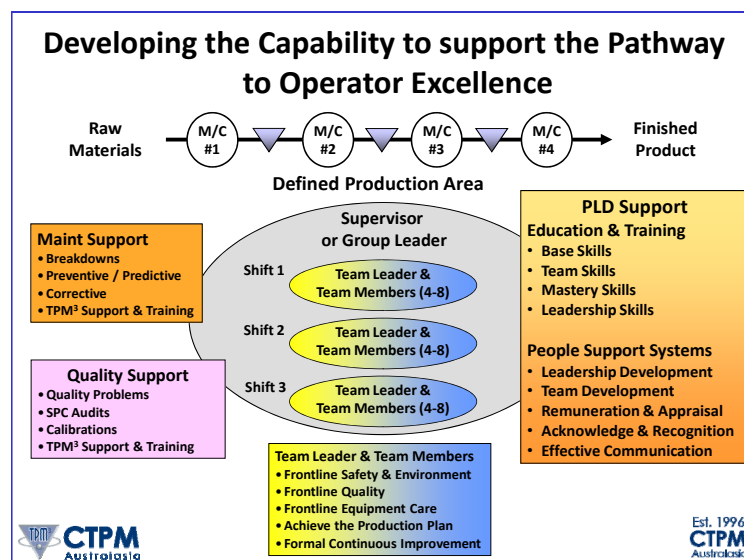
6. Clearly defined Pathway to Operator Excellence

In our last E-Tech, we provided a slide outlining the pathway to Operator Excellence. It is based on taking your Production Area Based Teams on the 2-3 year journey of WAM / OEM Activities.

7. Production Support capability and People & Leadership Development capability to support the Pathway to Operator Excellence

Production Support capability comes through successfully progressing Maintenance Excellence Management activities and Support Department Improvement (Quality Department focus) activities.

The People & Leadership Development activities are also of equal importance, especially in the early part of the improvement journey when Micro Education & Training Base Skills Teams play a critical role in establishing good Base Skills within the Production Area Based Teams.



Key Learnings

Make the time to sit down with the key players and determine what the critical elements of your Operations Vision should be, articulate what each element will look like when achieved, then set a realistic timeframe to achieve each element recognising if roster changes need to take place it could be several years before they can be implemented.

If everyone gets on the 'same page' as to what you ultimately want to achieve (the Operations Vision) and recognise the benefits of achieving it, you will be amazed how quickly you can progress towards it. Alternatively, as Joel Baker said in his video, Action without Vision just passes the time.

For more information about CTPM's learnings regarding the need for an Operations Vision please do not hesitate to contact your CTPM Navigator or CTPM Head Office on +61 2 4226 6184 or email to ctpm@ctpm.org.au.