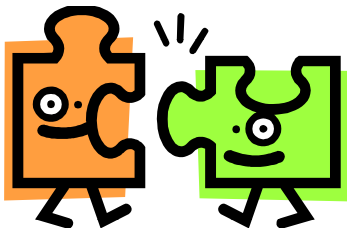


Planning the Journey to Operations Excellence



19 September 2013

Presentation by:
Ross Kennedy
President CTPM Australasia



3 Key Parts to a Business

Finance of Business



Finance

Front of Business



Sales & Marketing

Back of Business



Operations

*procurement / planning
to delivery*

3 Parts to Excellence

Business Excellence

Front of Business + Finance of Business + Back of Business

Return on Investment

Operational Excellence

Front of Business + Back of Business

Earnings before Depreciation, Interest & Tax - EBDIT

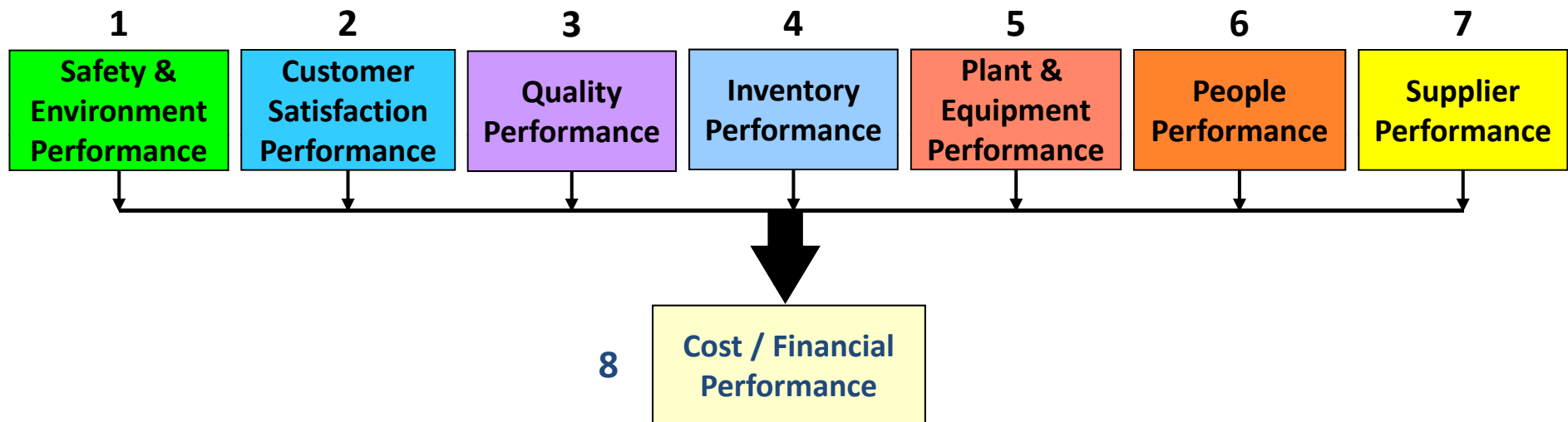
Operations Excellence

Back of Business

Key Success Factors for Operations

Key Success Factors for Operations

'Cause' Key Success Factors



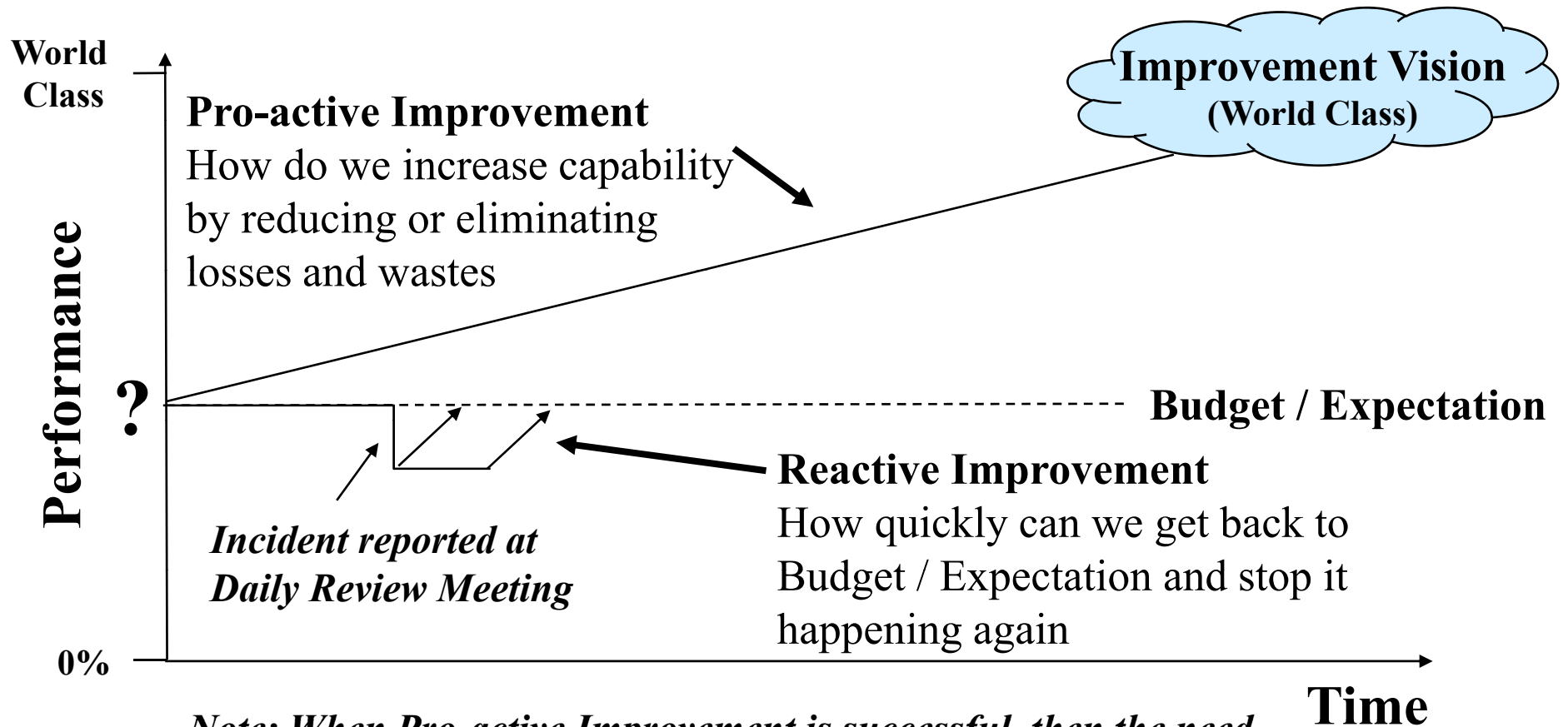
'Effect' Key Success Factor

- Order is important to ensure consistency in prioritising actions
- Performance measures should be grouped under the appropriate Key Success Factor
- Goal Alignment occurs when all Scoreboards at all levels are linked to the Key Success Factors

The 2 Types of Improvement

Reactive – ensure you achieve Budget / Expectation

Pro-active – take you above current Budget / Expectation

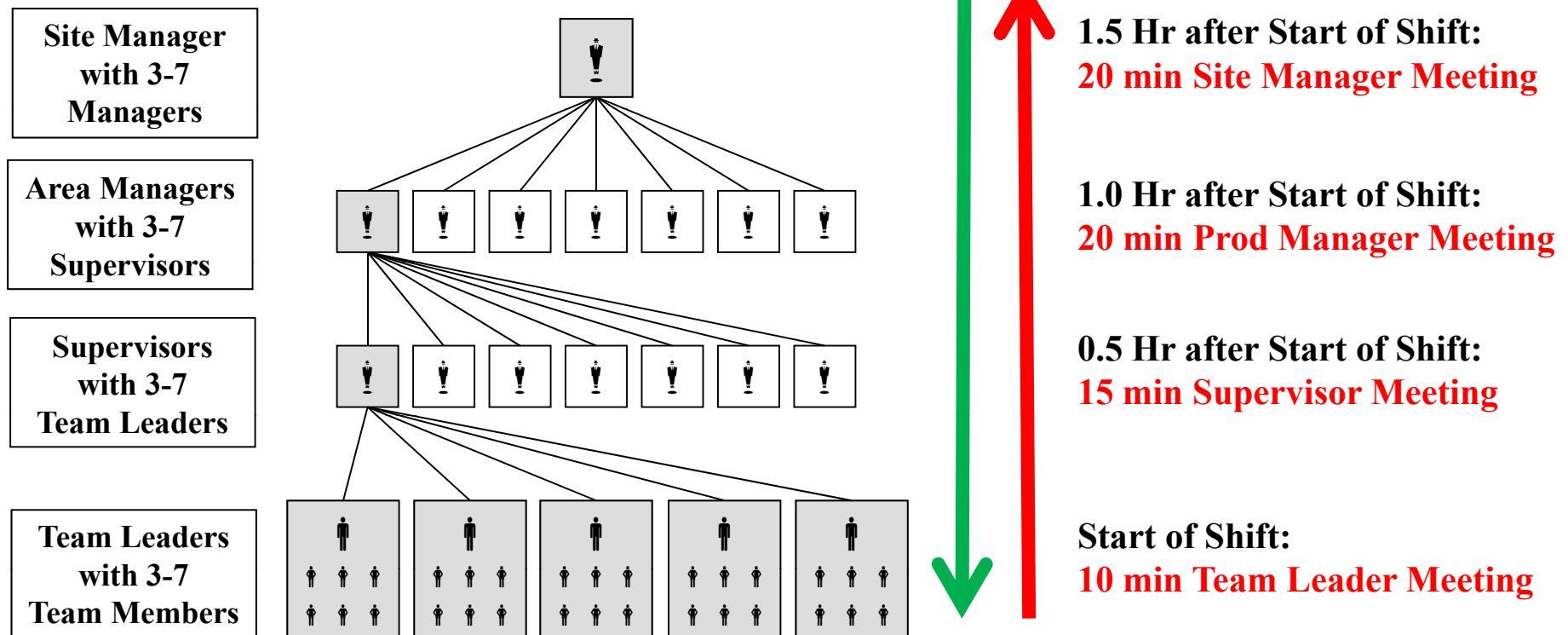


Note: When Pro-active Improvement is successful, then the need for Reactive Improvement should significantly reduce

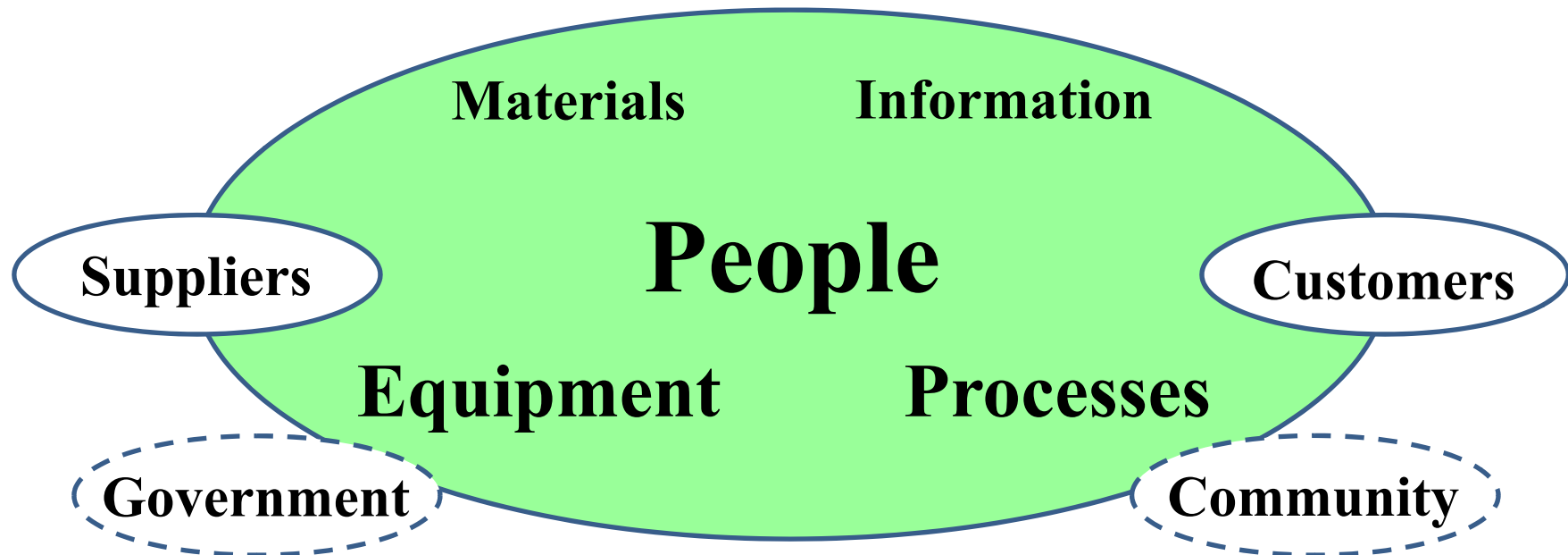
Reactive Improvement

- Daily Review Process
- Policies to Manage issues raised
- Effective Frontline Problem Solving Process

Team Structure based on 4-8 Members



Pro-active Improvement



Drivers for Improvement

Equipment Focused



Overall Equipment Effectiveness
(Losses)

Correlates to Good Output

Process Focused



Lead Time Reduction
(Wastes)

Correlates to Inventory Levels

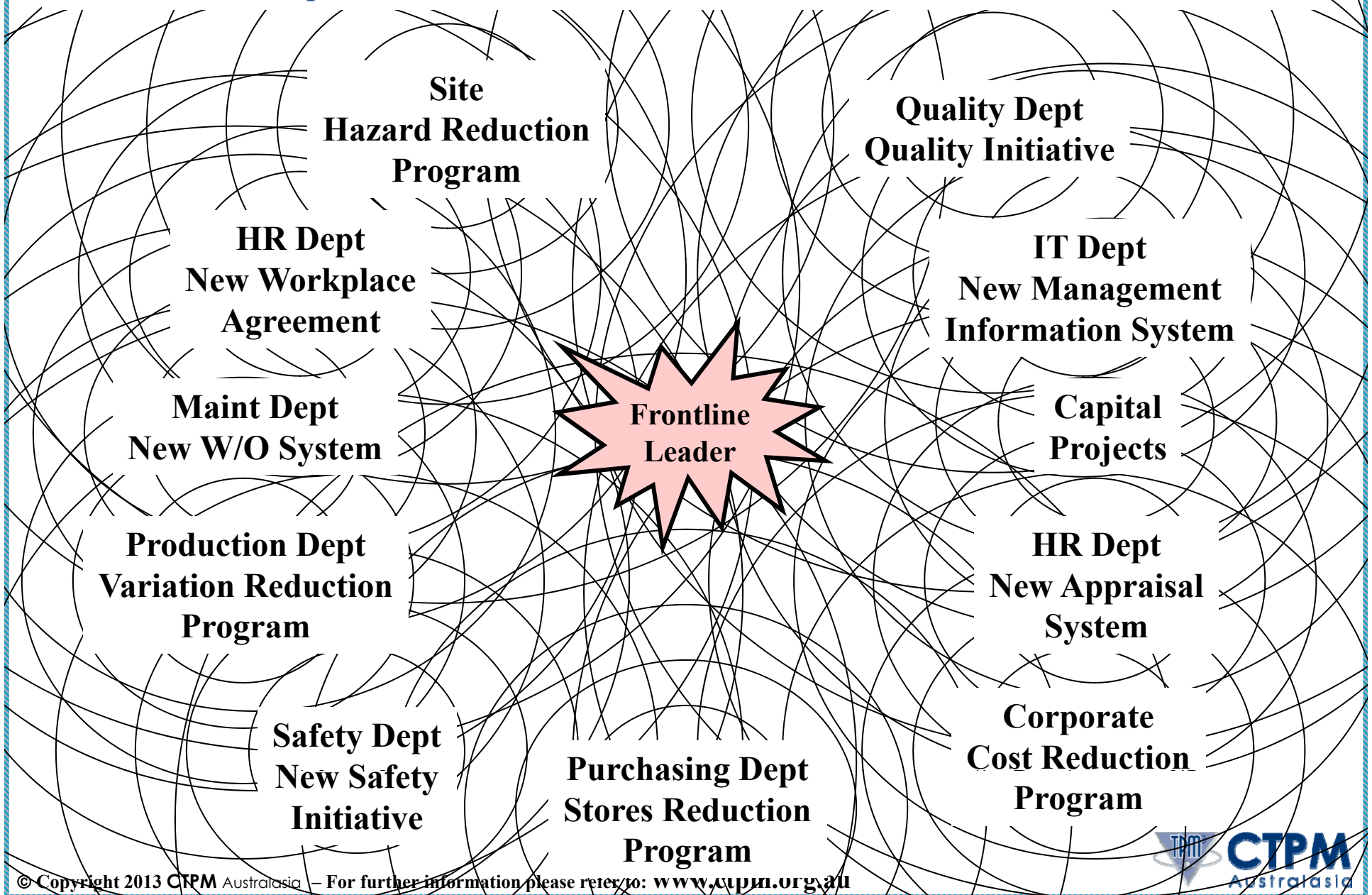
Strategies for Pro-active Improvement

Strategy = What must we do to Win / achieve our Improvement Vision

- 1. Technology & Automation Improvement**
- 2. Project & Event Improvement**
- 3. On-going Improvement** *focused on developing all personnel to enhance their Problem Solving, Visual Workplace and Prevention at Source skills, practices and behaviours*

Pressures on our Frontline Leaders

Each initiative produces shock waves that hit the Frontline sometime in the future



The Roles of Site Management

**Establish and Agree on the order
of the site's Key Success Factors**

**Achieve the Production Plan
& Satisfy the Customer**

Apply effective Reactive
Improvement

Pro-active Improvement

Pro-actively improve the way
they Achieve the Production
Plan & Satisfy the Customer

**Plan and Monitor the Pathway to Operations Excellence
focusing on your Improvement Vision**



What is the key ingredient for putting a Jigsaw Puzzle together Effectively?



Picture or Vision of the Expected Outcome

Key Learning:

Without a picture or **Vision** of the final outcome, it can take a very long time to complete a jigsaw puzzle

Improvement Vision

Vision = What do we want to become, and by when?

Within 5 years be a site that has achieved:

- Our World Class targets for all our Key Success Factors / Goal Aligned Performance Measures and Ratings (Operations, Maintenance, Culture, People & Leadership Development)
- All personnel engaged at least 10% of their normal working time in On-going Improvement activities (5% Cross-functional Team and 5% Area Based Team)
- External recognition for Operations Excellence by gaining Level 5 of the 5 Level Milestone TPM³ Excellence Award

Extract from TPM³ Master Plan

Proposed Improvement Activities as at 19 September 2013			Cycle 1		Cycle 2		Cycle 3		Cycle 4		Cycle 5		Cycle 6		C
Production Improvement Activities															
DPA-1:															
Macro Focused Equipment & Process Improvement (FE&PI)			Macro FE&I	3							Macro FE&I	3			
Micro Education & Training Base Skills Teams					Micro E&T	6	Micro E&T	6	Micro E&T	6					
Micro / Special Micro / Mini Micro FE&PI - Shift A					Micro FE&I	6	Micro FE&I	6	Micro FE&I	6			Micro FE&I	6	Micro
Micro / Special Micro / Mini Micro FE&PI - Shift B					Micro FE&I	5			Micro FE&I	5	Micro FE&I	5	Micro FE&I	5	Micro
Micro / Special Micro / Mini Micro FE&PI - Shift C					Micro FE&I	5	Micro FE&I	5			Micro FE&I	5	Micro FE&I	5	Micro
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WAM / OEM Steps 1-7 Shift B (6)							WAM	6	OEM-1	6	OEM-2	6	OEM-3	6	OEM-
WAM / OEM Steps 1-7 Shift C (6)							WAM	6	OEM-1	6	OEM-2	6	OEM-3	6	OEM-
DPA-2:															
Macro Focused Equipment & Process Improvement (FE&PI)			Macro FE&I	3							Macro FE&I	3			
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Work Area Management / Maint Process Mgmt - DMA-2															
Leadership															
Site Leadership Team - Steering Committee			SLT	3	SLT	3	SLT	3	SLT	3	SLT	3	SLT	3	SLT
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Number of Improvement Teams			2		6		15		15		15		62		67
Number of Leadership Teams			1		1		2		2		2		3		3
Total Number of Teams			3		7		17		17		17		65		70
Number of Team Members (200 personnel on up to 2 teams - 400)				24		40		94		94		96		92	
5 Level Milestone TPM³ Excellence Award															
Level 1															
Level 2															

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**Achieve the Production Plan
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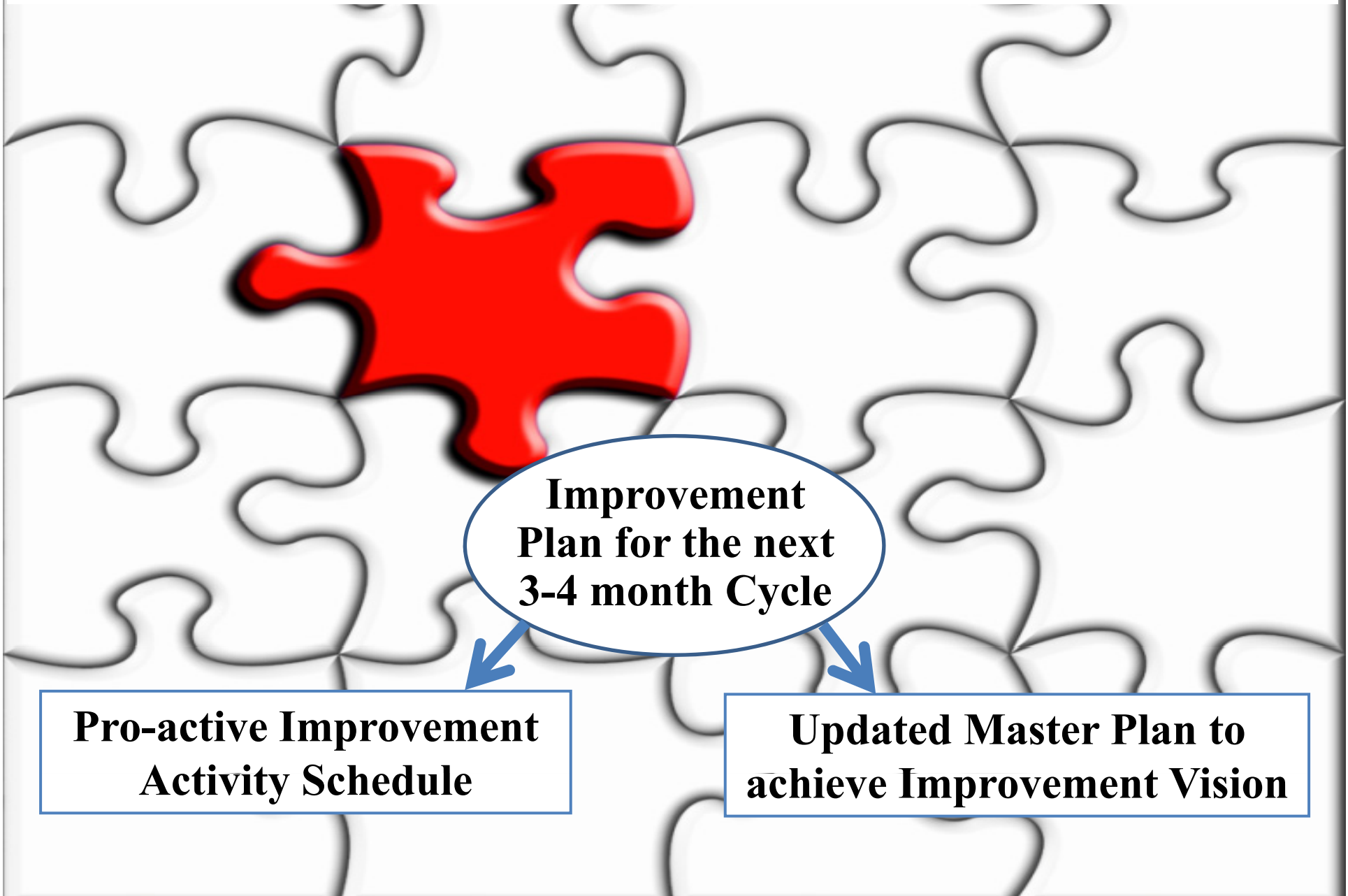
Apply effective Reactive
Improvement

Pro-active Improvement

Pro-actively improve the way
they Achieve the Production
Plan & Satisfy the Customer

**Plan and Monitor the Pathway to Operations Excellence
focusing on your Improvement Vision**

Developing the Pro-active Improvement Plan



Proposed Schedule of TPM³ Activities for Cycle 12 spanning 16 Weeks

TPM ³ Journey 4 Years + Week:		23	24	25	26	27	28	29	30	31	32	33	34	35	36	37
Cycle Week:		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Month:		August				September					October					
Activity	Wk Starting Date:	5	12	19	26	2	9	16	23	30	7	14	21	28	4	11
People & Leadership Development																
Half-day TPM ³ Overview	2.0															
2 hrs Team Skills module for Team Leaders	1.0															
DPA-1:																
OEM-2 (day shift) Wed 1 – 2:30pm			1	2	3	4	5	MP	7	8	9	10	11	FP		
DPA-2:																
OEM-1/2 (day shift) Thurs 1 – 2:30pm			1	2	3	4	5	MP	7	8	9	10	11	FP		
OEM-1/2 (afternoon shift) Fri 12 – 1:30pm			1	2	3	4	5	MP	7	8	9	10	11	FP		
Macro FE&PI(day) Mon 8.45 – 9.45am			KO	1	2	3	4	5	MP	7	8	9	10	11	FP	
DPA-3:																
OEM-1/2 (day shift) Tues 1- 2:30pm				KO	2	3	4	5	MP	7	8	9	10	11	FP	
Mini Micro NEM – Stitching Heads Wed 10-11am			KO	1	2	3	4	5	MP	7	8	9	10	11	FP	
Special Micro: Daily Review Mon 7.30-8.30am			KO	1	2	3	4	5	MP	7	8	9	10	11	FP	
DPA-4:																
WAM – Special Doors Tues Thurs 10-11am				KO	2	3	4	5	MP	7	8	9	10	11	FP	
DMA -1 Main Workshop																
WAM for Spare Parts Store Wed 1:00-2:30			1	2	3	4	FP									
Micro MIT – Knowledge Base Wed 1:00-2:30								KO	2	3	4	5	MP			
Other Production Support Activities																
Macro FPI - Site Traffic Mgmt Mon 10.00 – 11.00am			KO	1	2	3	4	5	MP	7	8	9	10	11	FP	
DSA – 1 Despatch																
WAM (day shift) Mon 1:00-2:30pm			1	2	3	4	5	MP	7	8	9	10	11	FP		
WAM (afternoon shift) Mon 4:00-5:30pm			1	2	3	4	5	MP	7	8	9	10	11	FP		

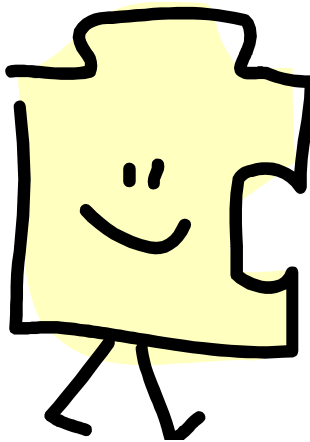
Developing the Pro-active Improvement Plan



Developing the Pro-active Improvement Plan

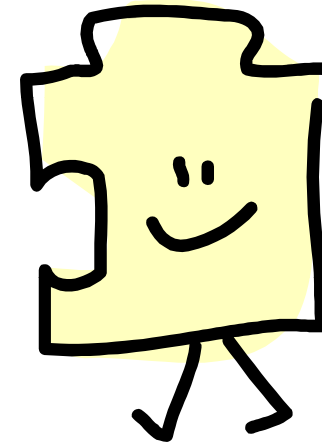
Supporting your Philosophy for Decision Making

Reflection
& Learnings
from
previous
Cycle



- Growing leaders who thoroughly understand the work, live our philosophy, and teach it to others
- Developing exceptional people and teams who follow our philosophy and strive for excellence
- Sharing the new knowledge discovered from problem solving, throughout the organisation
- Becoming a learning organisation through **relentless reflection** and on-going formal improvement

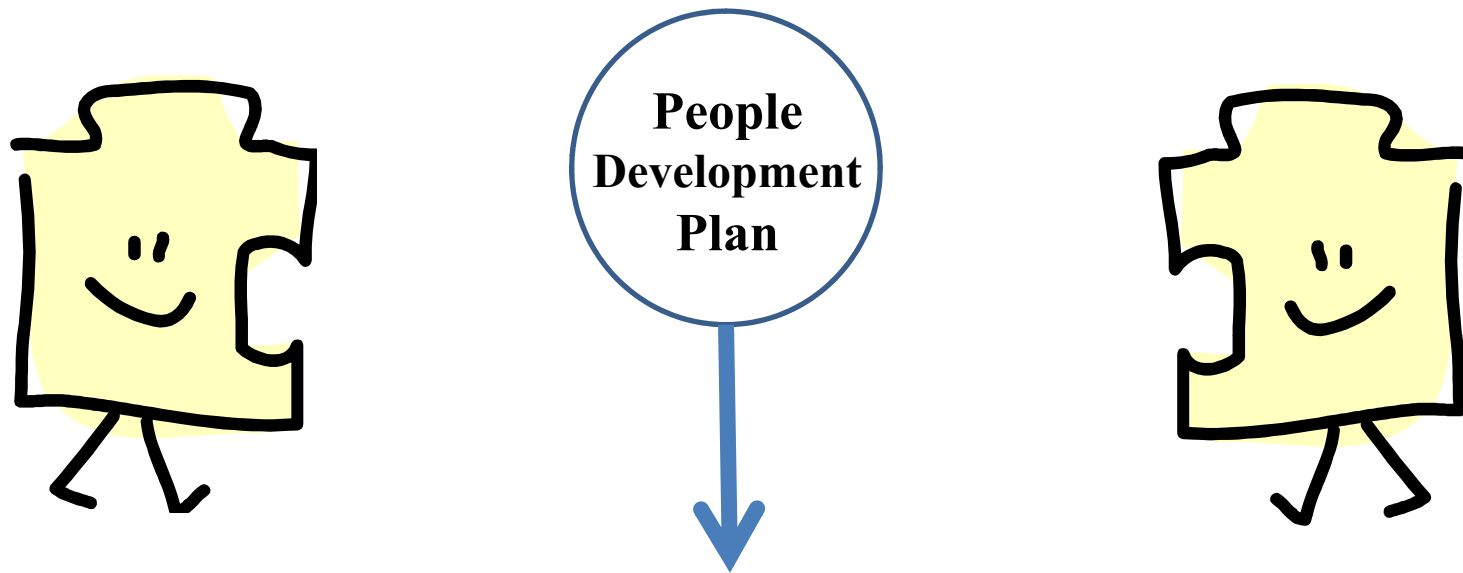
Developing the Pro-active Improvement Plan



We need to ensure that TPM & Lean (TPM³) is not seen as another thing that management have to contend with.

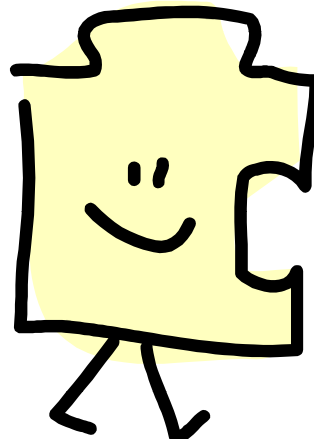
As such all non-reactive improvement initiatives should be part of the Pro-active Improvement Plan and come under the responsibility of the Site Leadership Team

Developing the Pro-active Improvement Plan



Once a person has been on a Cross-functional Team they should continue to be on a Cross-functional Team to further develop their Cross-functional Team skills and Pro-active Problem Solving skills so the level of facilitation support can be progressively reduced.

Developing the Pro-active Improvement Plan

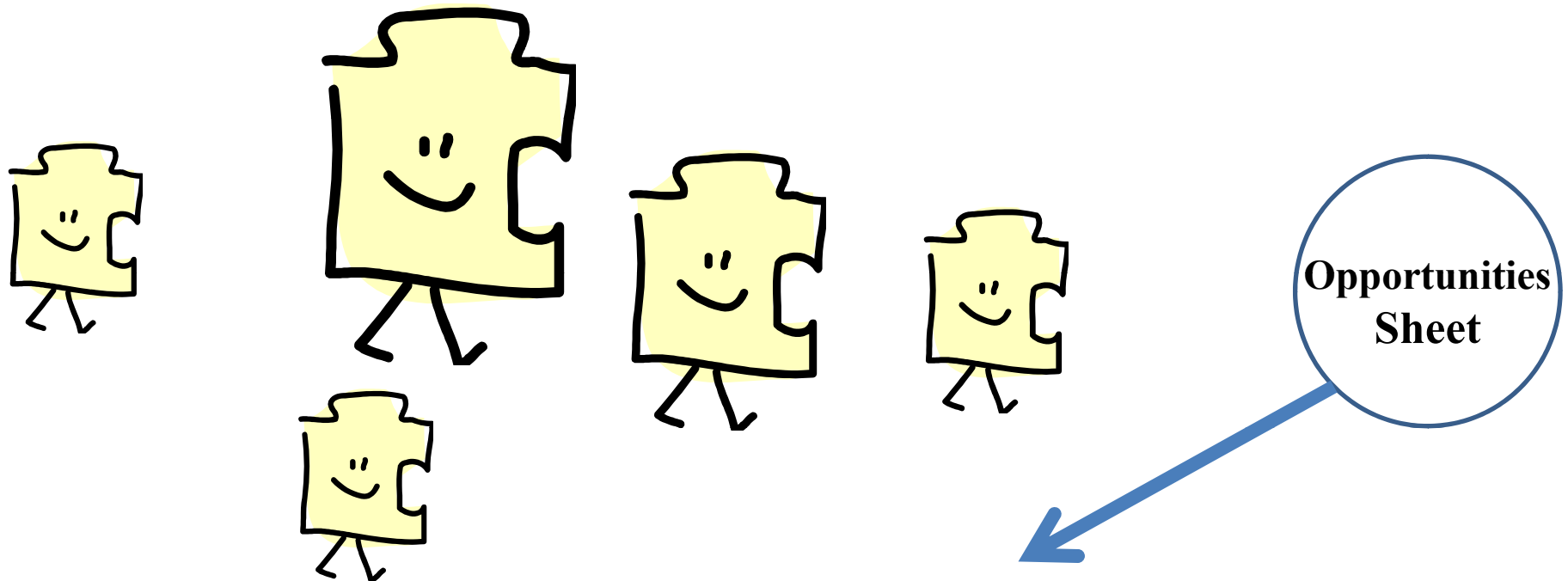


The Master Plan should highlight when support activities need to be initiated to ensure the improvement journey is not delayed due to lack of preparation

Extract from TPM³ Master Plan

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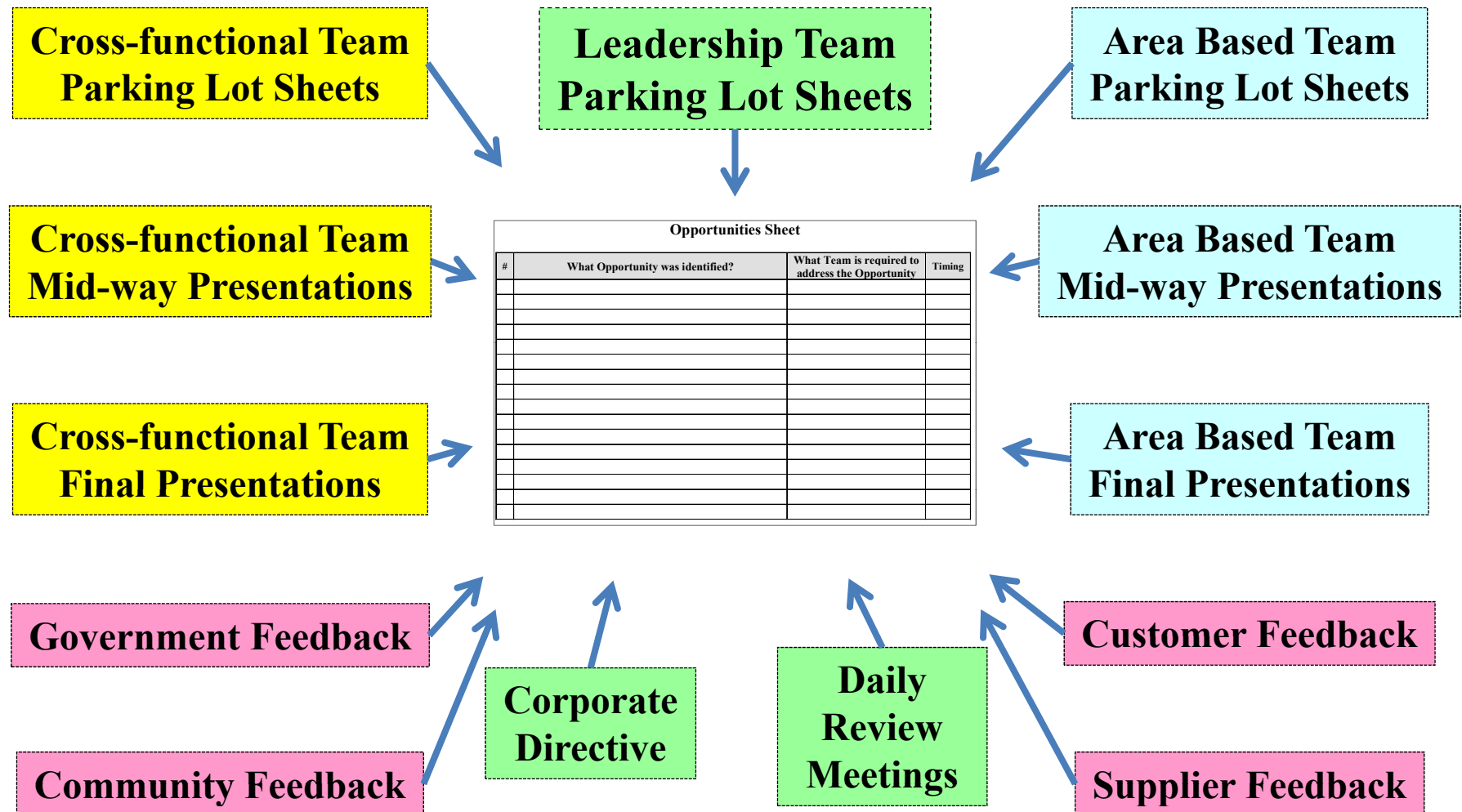
Developing the Pro-active Improvement Plan



All Pro-active Improvement opportunities identified during mid-way and final team presentations should be captured on an Opportunities Sheet or Spreadsheet to allow classifying (type of team) and prioritising (when to do) with formal review each cycle

Capturing the Opportunities

Role of Opportunities Sheet



Key Learnings

- All Reactive Improvement activity reports to a Daily Review Meeting
- All Pro-active Improvement Teams report to a Leadership Team that reviews progress on a weekly basis
- All Pro-active Improvement Teams successfully achieve their mandate* within 12-14 weeks (3-4 months)

****Mandates and Boundaries are clearly documented before commencing any team and that they are formally reviewed at the mid-way point to ensure team can be successful***

Final Word

*Piss Poor Planning
leads to
Piss Poor ~~Presentations~~
Performance*

Peter McNamara
TPM³ Leader / Instructor Course

*Thank you
&
Questions / Comments*

