RABIT PROJECT MANAGEMENT CASE STUDY

FEBRUARY 2013

RABIT[™] rapidly busts bottlenecks to increase productivity

CLIENT OVERVIEW

Fixing Workflow Accelerates Successful Flow Meter Production From Design to Market

CHALLENGE

Process bottlenecks were blocking efforts to meet market demand.

For the client, a worldwide energy technologies provider with more than 16,000 employees in 16 countries, the situation was painfully ironic. They had developed a single phase flow meter (SPFM) that was widely praised for its innovative design—and broadly desired by potential customers because of its clear superiority to competing options.

But impediments in its own workflow meant that it could not meet market demand. Without adequate forecasting, communications broke down across the entire supply chain, leading to a failure to plan for, and execute on, capacity. Production ground to a halt—and a great potential opportunity to seize new market share seemed to be slipping away.

SOLUTION

Restore engineering into an engine for productive activity.

Within days of their arrival at the client's Norway facilities, Pinnacle Strategies quickly identified the bottleneck: engineering. They found a talented, yet understaffed, team that was diffusing its effectiveness by working on too many projects simultaneously. They, and the directors they reported to, had limited visibility into current project status and insufficient metrics for monitoring progress and implementing improvements. As a consequence, engineering failed to complete the drawings and designs required for the next steps along the production chain.

Pinnacle Strategies formed a Rapid Analysis and Bottleneck Improvement Team (**RABIT**") that visualized the current process on a wall where everyone could accurately see and assess current project status. The SPFM group targeted three projects in progress; the RABIT team prioritized these by the customer need date, and stopped all non-value-added activities that were interrupting work. In just a couple of days, the engineers released their first SPFM drawing—one of the first visible signs of progress.

Then the **RABIT** went deeper, creating metrics for activities that mattered to engineering, such as design output and drawing lead time. The client was encouraged to allocate more talent to the engineering team, and created a standing electronic visual management system to monitor workflow and sustain increased productivity.

REGION

Norway

INDUSTRY

Oil & Gas Equipment

CUSTOMER PROFILE

The company is a leading global provider of technology solutions for the energy industry. It employs 16,000 people and operates 27 production facilities in 16 countries

BUSINESS SITUATION

Engineering constraints prevented the client from meeting customer demand and seizing new market opportunities with a popular and highly-regarded new product.

SOLUTION

Working with Pinnacle Strategies, the client conducted a **RABIT**™ that identified the bottleneck, prioritized projects, eliminated distractions, and accelerated output while reducing lead times.

RESULTS IN NUMBERS

ACHIEVED **\$1.5 MILLION**IN THOUGHTPUT PER MONTH

PRODUCED FIRST TWO DESIGNS IN JUST **1** MONTH

INCREASED PRODUCTIVITY TO **3** DESIGNS THE SECOND MONTH, **5** IN THE THIRD

REDUCED DRAWING LEAD TIMES FROM **165** DAYS TO A LOW OF **85** DAYS.

REDUCTION IN SCU PROJECT TIME

REDUCED DESIGN DOCUMENTATION FROM **240** DAYS TO **110** DAYS

IMPLEMENTED METRICS AND TOOLS FOR SUSTAINED IMPROVEMENT AND PRODUCTIVITY

Throughput soars to \$1.5 Million

The client did not have to wait long to experience measurable results. Engineering released two crucial designs in the first month after the **RABIT** began; the second month produced three more designs and in the third, the SPFM engineering team released five. Once the **RABIT's** recommendations were fully implemented, productivity soared to more than five units/month with a throughput value greater than \$1.5 million per month.

"The first major success was in bringing the design documentation needed for manufacturing from a start time of 240 days to 110 days," according to a global manager with the company. As productivity soared, project lead times plummeted: durations for drawings dropped from a high of almost 165 days to a low of less than 85 days. "These results in cycle times were accomplished in six to seven weeks," says the manager. "Overall, the **RABIT** process brought structure, methodology and KPI's for long-term success."

The **RABIT** process, a product of years of practical experience in improving projec management processes, consistently produces dramatic increases in process output and productivity. So much so that we can confidently promise 20% more output in two months.

What's a RABIT?

RABIT stands for Rapid Analysis and Bottleneck Improvement Team. It is the tool you
need when you must improve throughput
fast. Our unique approach has been proven in
environments ranging from make to stock
manufacturing, to software development, to
engineering. In fact, every RABIT we have
conducted has reached or exceeded the goals
of our client.

Proven Results of the RABIT process

- Average lead times reduced 28% and output increased 200%
- 20% more output in two months
- Improved communication, collaboration, focus, and prioritization

How RABIT Runs

The process focuses on three aspects of the workflow/project management process:

- 1 Resource task engagement—increasing the productivity of the people who accomplish the work of the project/process
- 2 Proactive scheduling—implementing a single, rational task priority management system
- 3 Performance management—providing clear feedback on process performance so the stakeholders can improve their effectiveness

Collaboration & Communication

The process engages stakeholders and works to align all team members. A **RABIT** team is composed of a cross-functional group of process stakeholders. This team, under the guidance of a Pinnacle Strategies facilitator, then learns, understands, and implements the process improvements.

This alignment provides focus in identifying and opening the bottleneck. The **RABIT** leverages the value of focused people, with focused thoughts, executing focused actions.

To further ensure that all parties are in the loop, a **RABIT** team provides regular reports to senior leadership, thereby creating accountability so results can be measured, modified, and sustained.



"The RABIT process took a stoppage in production and got it moving to its maximum capacity of eight units a month. After five weeks, we had put out the fire and opened the bottleneck. After 10 weeks we had changed our focus from multitasking to building a focused process. It took just two-and-a-half months to see major results and success."

Fredrik Glette, Global Manager,
 MPS Core Components, Subsea
 Systems, FMC Technologies

Pinnacle Strategies provides project management consulting, training, and resources to help you improve performance and deliver projects on time, every time We specialize in the application of Critical Chain Project Management (CCPM) and our ViewPoint Project Management System to dramatically reduce your project lead times and improve productivity. Using our proprietary project management methodology, we help you to initiate and establish more effective behaviors in project planning, project execution, and project risk management—transforming your project management processes to generate consistently better outcomes. Our behavior-based approach strengthens competency, builds trust, and improves the working relationships within your team.

The Pinnacle Strategies approach:

- Is simple to use and easy to adopt
- **Delivers significant improvements** in project output, productivity, on-time delivery and lead time in a **very short time**
- Reduces expediting activity (shorter, more productive meetings)
- Improves decision making (better focus)
- Results in a more enjoyable project management experience (higher morale)

Our project <u>management consulting clients</u> include organizations with engineer to order (ETO), construction, software, and new product development projects.

BEST PRACTICES SOLUTIONS

Pinnacle Strategies is an international management consulting firm focused on operations management excellence. We work with organizations to increase shareholder value by developing high-performance business processes that significantly enhance productivity, reduce costs and time to market, improving profitability and accelerating sustainable growth. Pinnacle Strategies offers results-driven consulting solutions in the areas of performance management, project management, operations management, and supply chain.

ELEGANT SOLUTIONS TO COMPLEX PROBLEMS

Book a best practices briefing for your management team. Contact Pinnacle Strategies at:

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