



OPERATIONAL EXCELLENCE

THE VCS WAY



OPERATIONAL EXCELLENCE

THE VCS WAY



OPERATIONAL EXCELLENCE – Table of Contents

Sr.No.	Contents	Slide No
1	Operational Excellence - Why	3
2	Operational Excellence – How it helps	4
3	Operational Excellence – Concept	5
4	Operational Excellence – Definition	6
5	Operational Excellence – Goals	8
6	Operational Excellence – Applicability	9
7	Operational Excellence – Benefits	10
8	Operational Excellence – KRA	13
9	Operational Excellence – MODEL	14
10	Operational Excellence – Tools	21
11	Operational Excellence – Methodology	22
12	Operational Excellence – Journey (Example)	26
13	Operational Excellence – Impact	27



OPERATIONAL EXCELLENCE – Why ?????

OPEXTM is a

Knowledge Based Process

we will use to

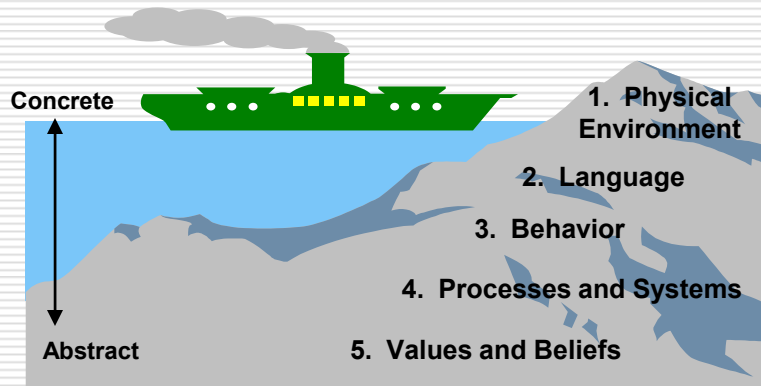
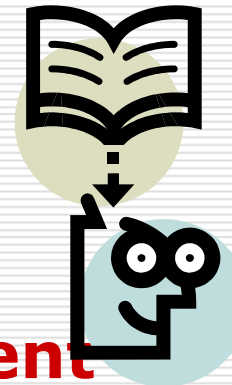
Transform the Culture of client

in order to

Maximize their Customer Value

and

Grow Our Business





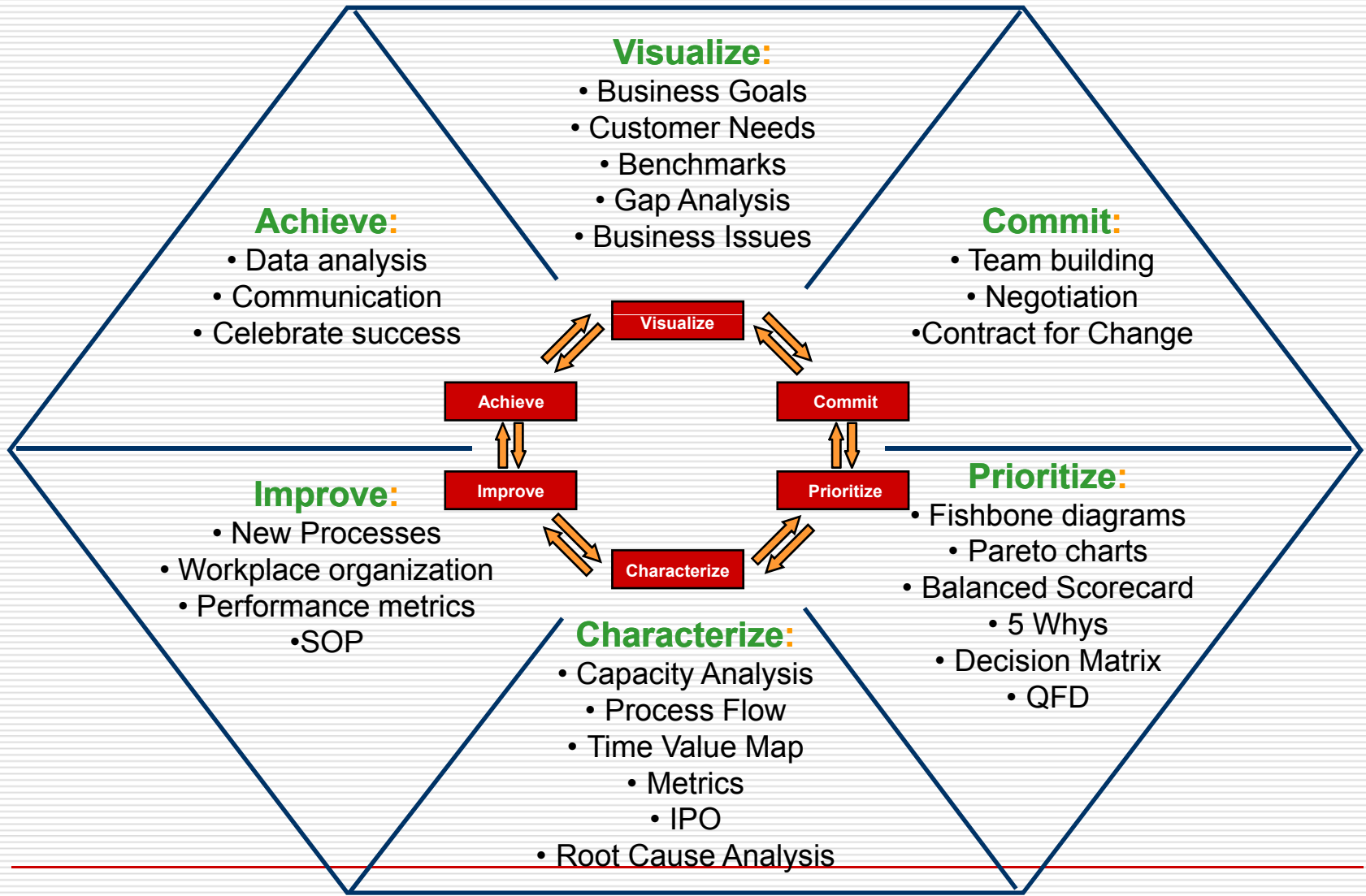
OPERATIONAL EXCELLENCE – The Philosophy

- Tenets
 - Specify value in the eyes of the customer
 - Identify value stream
 - Simplify the steps and eliminate waste & variation along the value stream
 - Make value flow at the pull of the customer
 - Involve and empower employees
 - Continuously improve knowledge in pursuit of perfection

 - Approach
 - Simple standard process
 - Tools to focus on measurements
 - Measures become knowledge
-



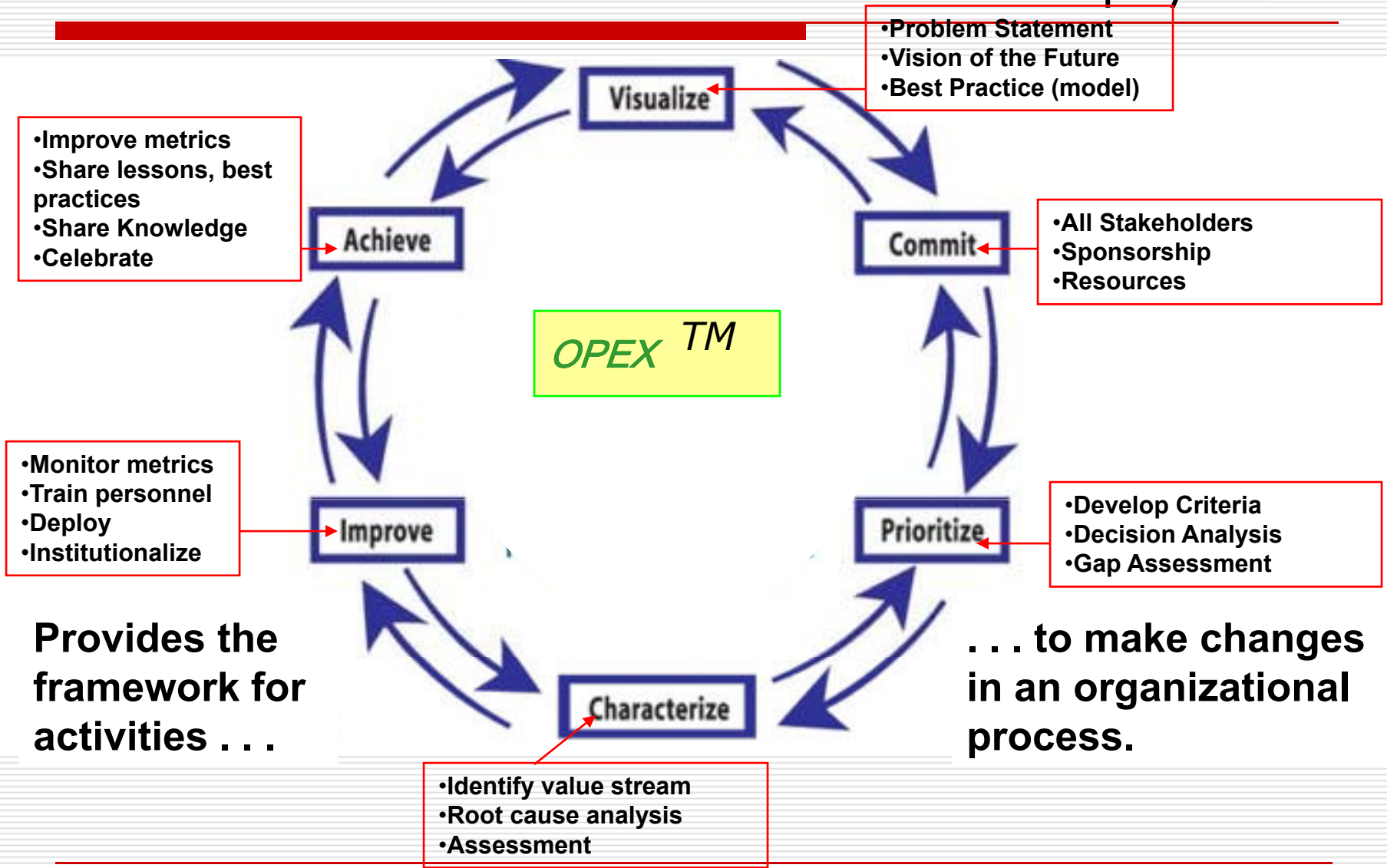
OPERATIONAL EXCELLENCE – The Philosophy



High Value & Customer Satisfaction! Delivered....



OPERATIONAL EXCELLENCE – The Philosophy

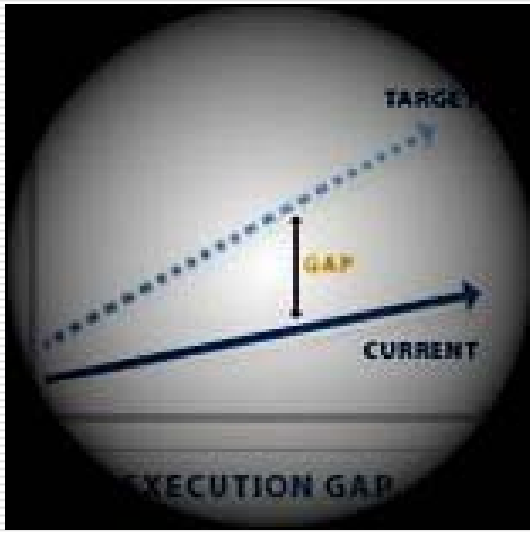


Provides the framework for activities ...

... to make changes in an organizational process.

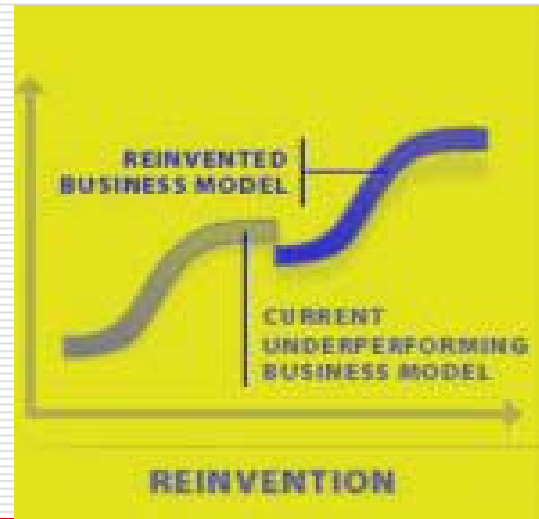


OPERATIONAL EXCELLENCE – Visualization



To reduce the execution GAP of the organizational targets

To support re-invention of the business – Life cycle





OPERATIONAL EXCELLENCE – How it helps?



By reducing the Lead Time

By Excelling in all activities carried out in the organization





OPERATIONAL EXCELLENCE – Philosophy Summary

- ❑ **OPEX**™ is a knowledge based process transforming client’s culture to maximize their customer value and grow business.
- ❑ **OPEX**™ tenets are the combination of “Lean, 6 Sigma, Strategic Management and TOC”
- ❑ Basic **OPEX**™ process (visualize → commit → prioritize → characterize → improve → achieve) provides a framework for organizational process change.
- ❑ **OPEX**™ genesis is to:
 - ❑ Gain business benefits
 - ❑ Leverage improvements across the enterprise
 - ❑ Focus on the company’s value stream
- ❑ **OPEX**™ is an institutionalized process to achieve business excellence
- ❑ **OPEX**™ accelerates process maturation, and it provides a framework to help drive Team efforts across all business areas and disciplines



OPERATIONAL EXCELLENCE – The Concept

- ❑ To make the client strategically competitive.
- ❑ The client gets an edge over competitors by providing:
 - Quality products: Client excels standard expectation of global customer
 - Cost-competitive products and processes
 - Flexibility: Clients' Processes are responsive to rapidly changing conditions
 - Speed and Dependable, capable, repeatable and simple processes.



OPERATIONAL EXCELLENCE – Defined

- Operational Excellence refers to an evolving dynamic process of production / service covering the total enterprise, embracing all aspects of operations (product / service development, manufacturing / service organization and human resources, customer support) and including customer-supplier networks, which is governed by a systemic set of principles, methods and practices.



OPERATIONAL EXCELLENCE – Re-defined

- The term 'Operational Excellence' is used because OE helps client in excelling using *less*:
 - *Human effort* in the organization
 - Manufacturing / Service *space*
 - Capital *investment*
 - *Materials*
 - *Time* between the customer order and the product shipment.

- It uses the concepts and tools of *Lean Manufacturing, 6 Sigma, Theory of Constraints, and Strategic Management* to provide the client a strategic advantage over competitors.



OPERATIONAL EXCELLENCE – Goals

BUSINESS GOALS THAT "OE" SUPPORTS

Turn Sales Orders into Profits as Quickly as Possible

Decrease the time period from buying or fabricating components until you get paid by the customer for the finished product.

Increase Profits

Reduce Costs and Increase Sales.

Use Limited Resources Wisely

People, Equipment, Buildings, etc.



OPERATIONAL EXCELLENCE – Applicability

- There are really five elements to the system.
 - Factory Element
 - Product Development Element
 - Supplier Management Element
 - Customer Support Element
 - Management System Element
- Any organization having one or more elements can be assisted using Operational Excellence.
- OE model supports manufacturing, service, IT, government sector and NGO



OPERATIONAL EXCELLENCE – Achievable Benefits

Percentage of Benefits Achievable





OPERATIONAL EXCELLENCE – Additional Benefits

- Simplified Scheduling
- Less Transactions
- Less Variation, “More” Predictability
- Forecasts Become More Accurate
- Quicker Response To Design Changes
- Quicker Market Response
- Problems Are Visible
- Product Team Organization -
Eliminates Departmental Conflicts
- Facilitates Cross Training

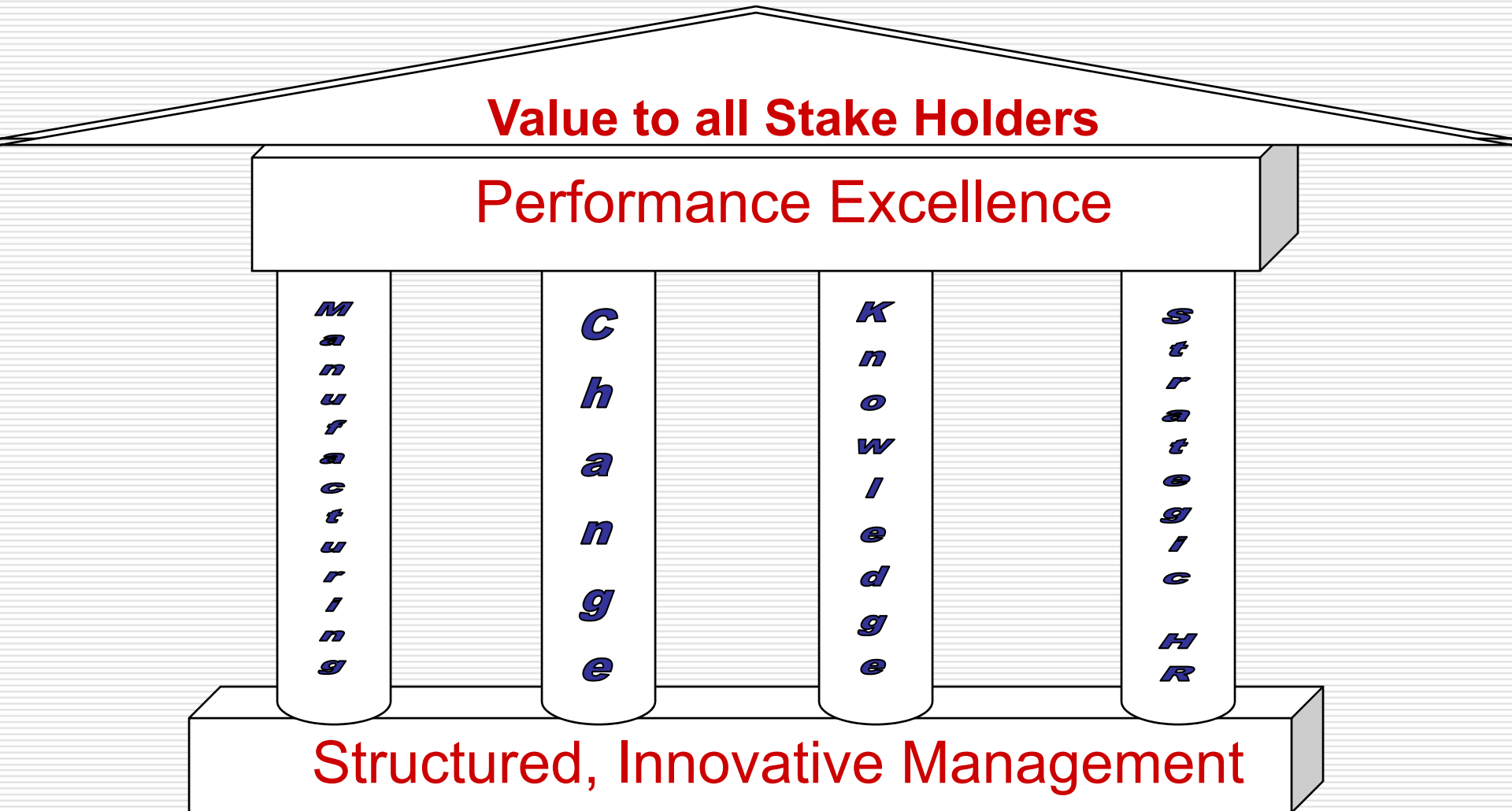


OPERATIONAL EXCELLENCE – Key Result Area / Req.

- Operational Excellence Strategy development with Commitment of Top Management
- Customer Focus
- Waste Identification and Elimination
- Reduction of Variation in all processes
- Proper Management of Constraints
- Team Work – Employee involvement and empowerment
- Horizontal Thinking and Re-structuring
- Throughput Increase
- Recognition and reward sharing



OPERATIONAL EXCELLENCE – The Pillars

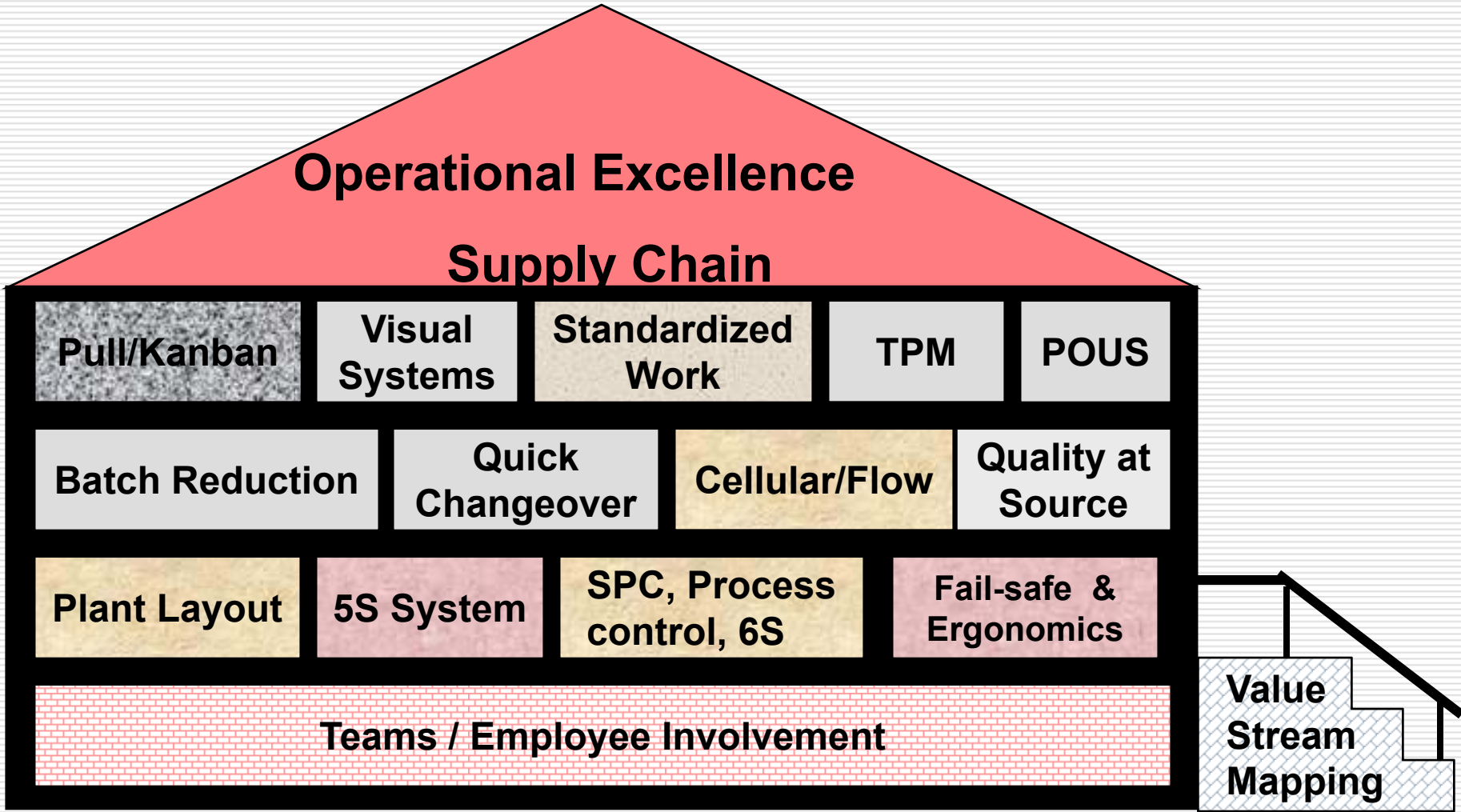




OPERATIONAL EXCELLENCE–The House

Operational Excellence

Supply Chain



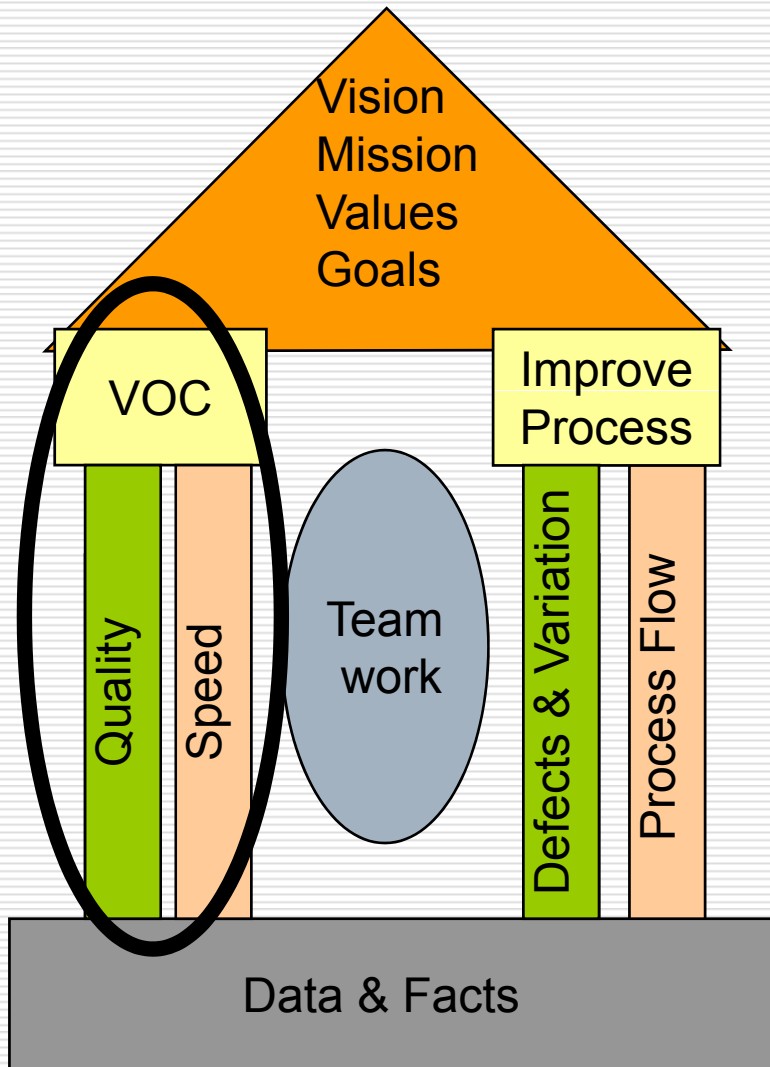
Teams / Employee Involvement

Value Stream Mapping

High Value & Customer Satisfaction! Delivered....



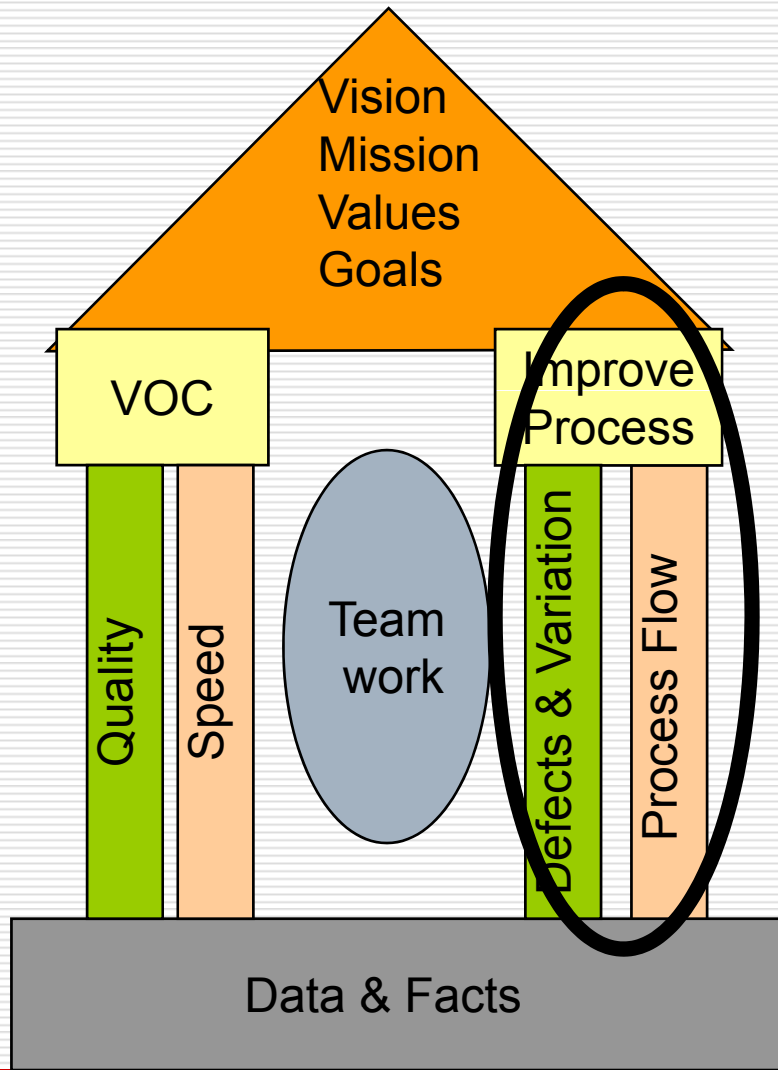
OPERATIONAL EXCELLENCE –The 5 Keys



1. Delight your Customers with Speed and quality



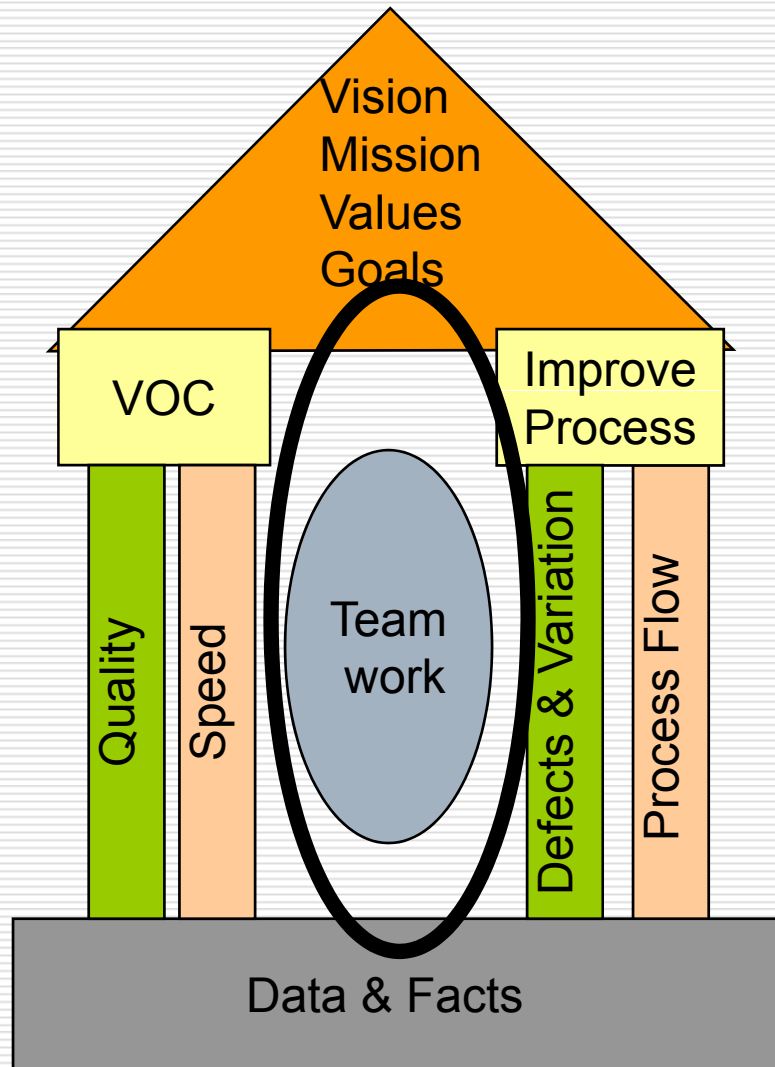
OPERATIONAL EXCELLENCE–The 5 Keys



- 2. Improve your process by eliminating variation, improve process flow and speed and eliminating waste in process.



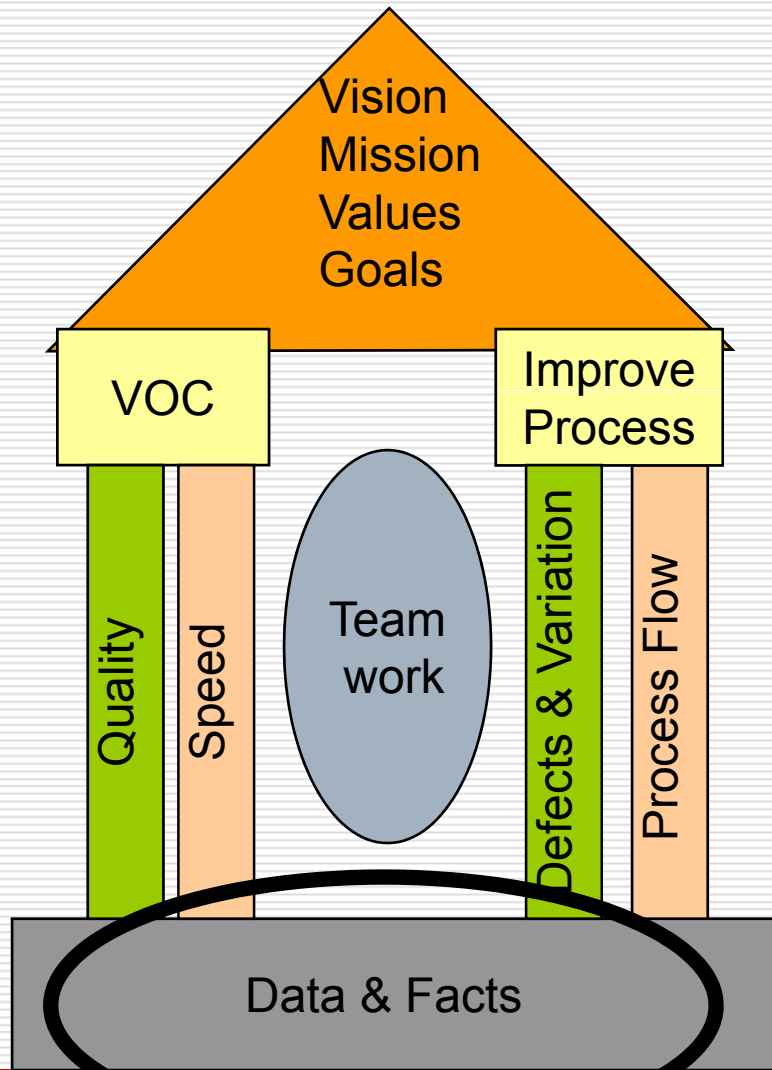
OPERATIONAL EXCELLENCE –The 5 Keys



- 3. Engage team through taking responsibility and accountability for Quality, Speed, Cost effectiveness and People (Safety & Morale) .



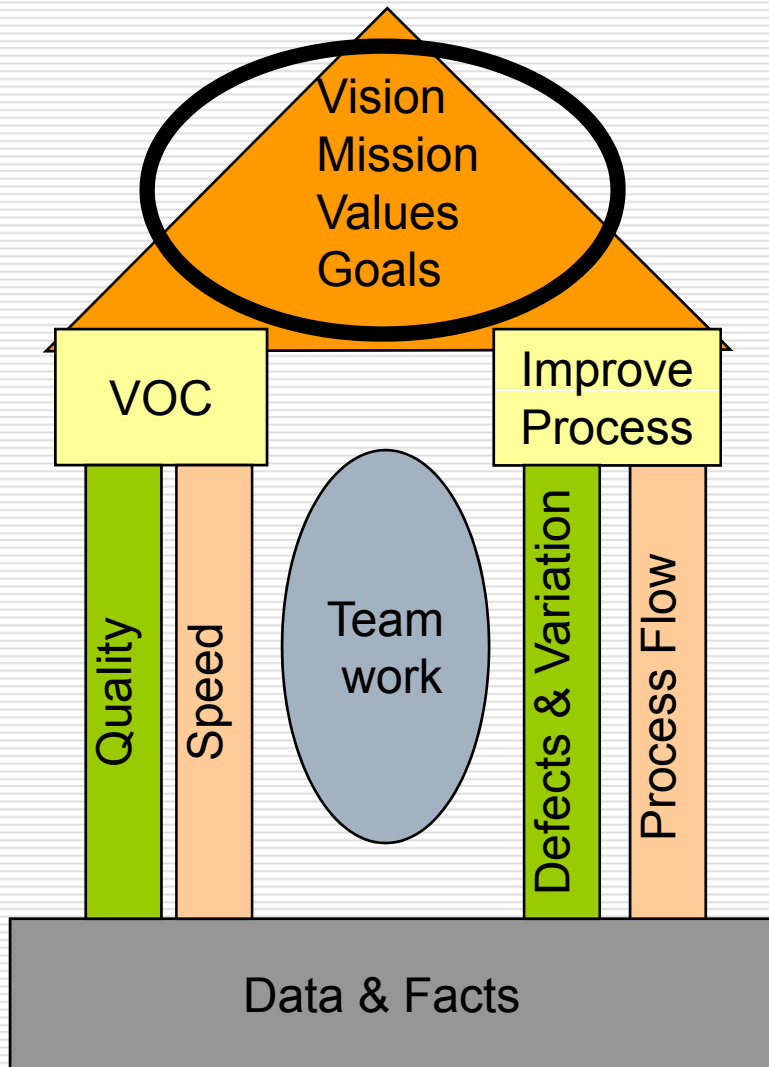
OPERATIONAL EXCELLENCE –The 5 Keys



4. Decisions based on data and fact



OPERATIONAL EXCELLENCE –The 5 Keys



- 5. Purpose driven organisation living Vision, Mission, Values and Goals



OPERATIONAL EXCELLENCE – Tools (DMAIC way)



- Benchmarking
- FMEA
- IPO Diagram
- Kano's Model
- Knowledge Based Mgt
- Project Charter
- SIPOC Model
- Quality Function Deployment
- Voice of Customer
- Task Appraisal / Task Summary
- Value Stream Mapping

- Confidence Intervals
- Measurement System Analysis
- Nominal Group Technique
- Pairwise Ranking
- Physical Process Flow
- Process Capability Analysis
- Process Flow Diagram
- Process Observation
- Time Value Map
- Value Stream Mapping
- Waste Analysis

- Affinity Diagram
- Brainstorming
- Cause & Effect Diagram
- e-test, F-test
- Fault Tree Analysis
- FMEA
- Histogram
- Historical Data Analysis
- Pareto Chart
- Reality Tree
- Regression Analysis
- Scatter Diagram
- t-test
- Thematic Content Analysis
- Tukey End Count Test
- 5 Whys

- DFSS
- DOE
- Kanban
- Mistake Proofing
- PF/CE/CNX/SOP
- Standard Work
- Takt Time
- Theory of Constraints
- Total Productive Maintenance
- Visual Management
- Work Cell Design
- 5S Workplace Organization

- Control Charts
- Control Plan
- Reaction Plan
- Run Charts
- Standard Operating Procedures



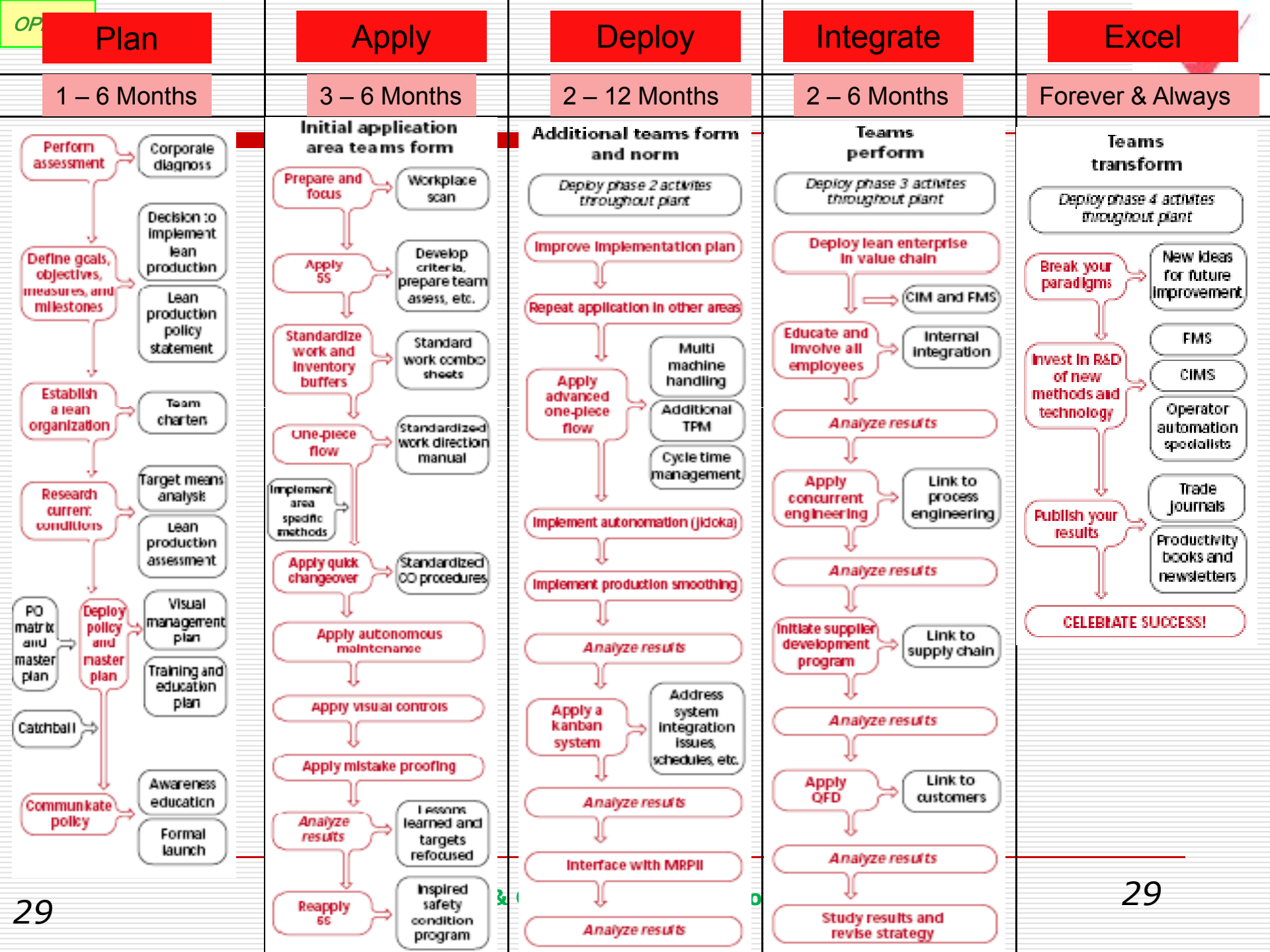
OPERATIONAL EXCELLENCE – Execution Methodology

- ❑ **A change agent.** This could be anyone of the organization: the key is that this must be a leader preferably from management who will take personal responsibility for the Operational Excellence transformation.
- ❑ **Get the OE knowledge.** Train Change agents to master OE to the point where it becomes second nature. And always implement OE techniques as part of a system, not as isolated programs.
- ❑ **Find or create a crisis.** Unfortunately, few if any firms will take the necessary steps to adopt OE across the board unless they are facing a crisis.
- ❑ **Forget grand strategy for the moment.** Start by simple steps – like identifying and eliminating waste everywhere possible.
- ❑ **Map the value streams,** beginning with the current state of how material and information flow now, then drawing a leaner future state of how they should flow and creating an implementation plan with timetable.
- ❑ **Begin as soon as possible** with an important and visible activity.
- ❑ **Demand immediate results.**
- ❑ **As soon as you've got momentum, expand your scope.** Link improvements in the value streams and move beyond the shop floor to office processes. Practice kaizen, or constant improvement, relentlessly!



OPERATIONAL EXCELLENCE – Implementation Phases

- Plan
 - 1 - 6 Months
- Apply
 - 3 – 6 Months
- Deploy
 - 2 – 12 Months
- Integrate
 - 2 – 6 Months
- Excel
 - Forever





OPERATIONAL EXCELLENCE – The Process

- Commitment from Top Management
- Map the Value Stream
- Identify Waste
- Team Formation
- Define and measure the impact with team about various Opportunity Areas
- Prepare Project Charter for Each Opportunity
- Train the Team on the tools
- Assist the team to Apply tools
- Measure the results
- Move to next opportunity

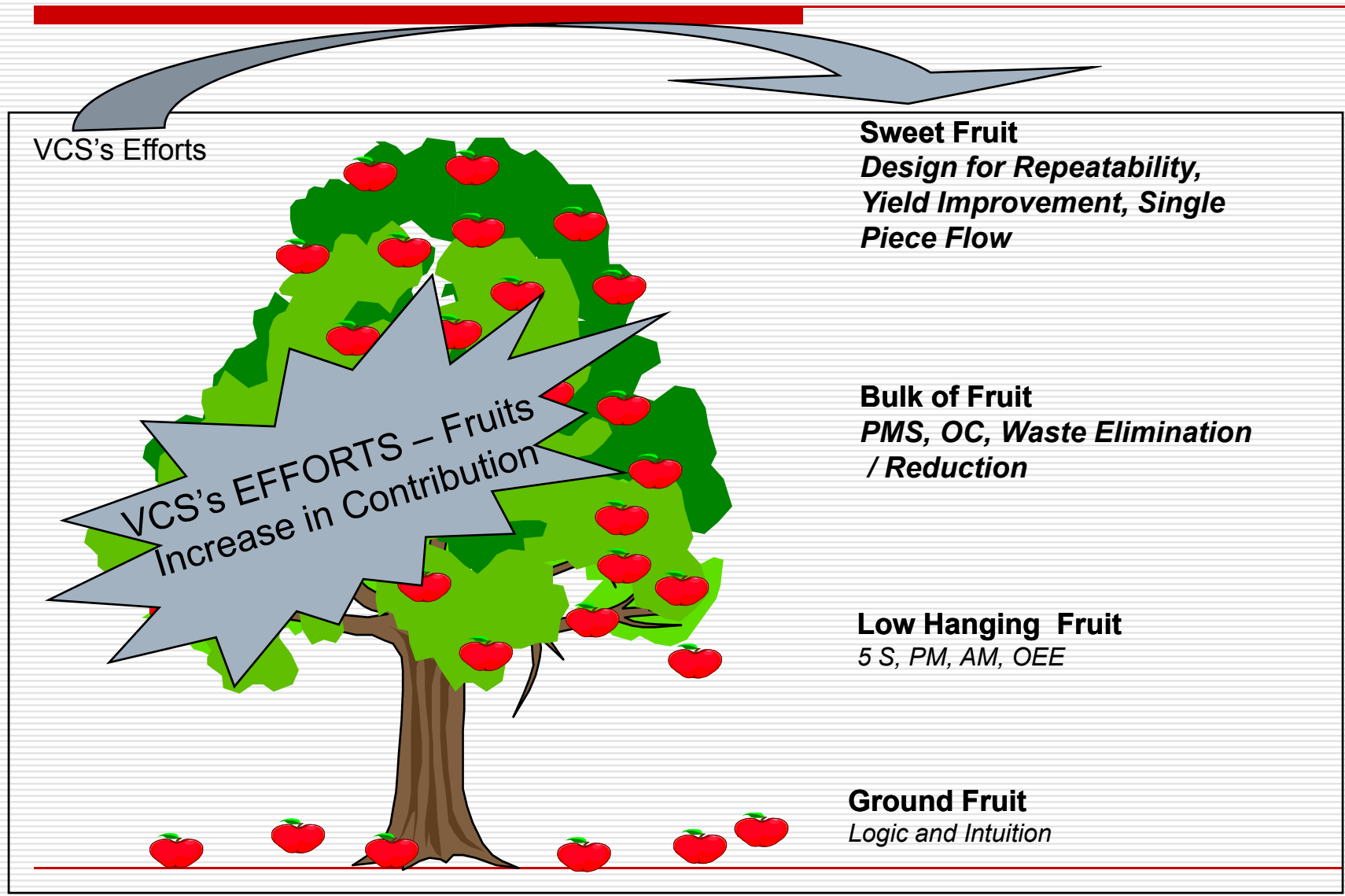


OPERATIONAL EXCELLENCE – The Impact

- Waste identified
- House keeping (& Culture) improvement
- Team Working Culture
- Root Cause of the problem attacked and removed
- Productivity increased
- Lead Time reduced
- Inventory reduced
- Moral High
- Paradigm Shift
- Continuous Improvement
- Throughput increased



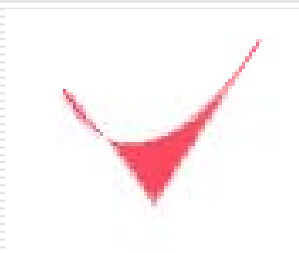
OPERATIONAL EXCELLENCE – Harvesting the Fruits



High Value & Customer Satisfaction! Delivered....



□ THANK YOU.....



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