

Insights in Project Management Excellence

A Newsletter for BnW Associates' Customers and Prospective Clients Volume 1 Issue 1b

Ted Barth as a Plant Manager of seven plants, discovered most Engineers do not have the appropriate skills on how to manage a project. The ideas and steps he developed to train Project Managers were sorely needed by all manufacturing. This demand started his thriving consulting and training business in Project Management and Problem Solving.

INSIDE:

New Product Development "Phase Gate" - Process improves end Quality

Industry Week 10 Best Plants -- What you can learn from them

Microsoft Project Templates -- Improving scheduling of Engineers

Management Strategies from Industry Week's 10 Best Managed Plants

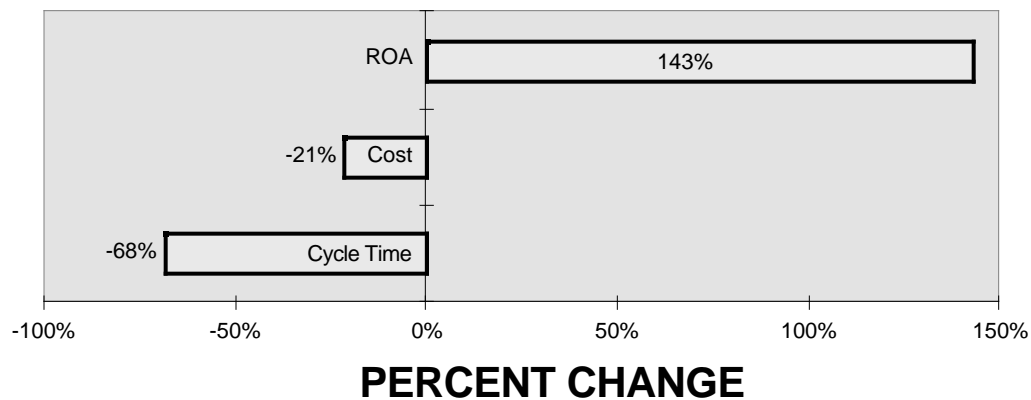
(Reference: Industry Week issue dated October 20, 1997)

Selecting the 10 Best Plants

US Manufacturing today is more competitive globally than it has been in many years. Industry Week Magazine, one of the most widely read manufacturing publications in the US, recently published their "8th Annual Salute to America's Best Plants." Utilizing quantifiable performance indicators ten plants were selected as best from among almost 300 nominations.

Three Major Performance Improvement Areas

A summary of these ten plants reveals that in the last five years they as a group have improved *return on assets (ROA)*, *cycle time*, and *manufacturing cost* as in graph below:



How did these plants accomplish these outstanding improvements? Were there common management approaches used by them? Are there common threads to the best practices that the America's best plants utilized?

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INDUSTRY WEEK'S 10 BEST PLANTS continued from page 1

The Common Threads to the Improvement Practices

An analysis of common threads of I.W. Ten Best Plants reveals the following three major management and improvement practices:

- Supply Chain Management-- includes customer oriented business strategies and supply base initiatives like partnering, certification, and total cost evaluation
- Team Work and Cultural Change-- includes:
 1. Metrics, Measurement, and Benchmarking;
 2. Developing Multi-skilled Work Forces and Self Assessment Mentality
 3. Corrective Action Programs
- Striving for Simplicity-- includes Complexity Reduction Like Process Flow Step Reduction, Kanban and "Kaizen Blitz" Techniques, and Management by Sight.

What are the *two keys to success* to Team Work and Cultural Change?

All ten companies averaged just under 10 training days per production employee per year with two of the plants exceeding 20 days per year. Many companies find the "Team Work and Culture Change" the most difficult type of skills to initiate and produce results. BnW's experience indicates *two keys to success*. First, the change toward empowered teams has only a 25% chance of success if teams are assigned and left on their own to flourish. But teams have more than a 75% chance of success if they are trained and given management "loose/tight" direction. This requires early management involvement like providing preliminary problem alternatives and periodic presentations to management (tight) but allowing each team to make choices in problem selection and how to run their team (loose). Second, developing maturity toward the self directed team is a long term process and management must provide multiple skill training like problem-solving tools and project management. This combination greatly improves the chance that the team will taste success in months rather than years.

New Product Development Business Process Improves End Quality

Proof of Need- How do you know when you have a problem?

A \$1 Billion Company needed to develop their NPD Process. Their proof of need was that:

- Focus Business New Product Development Teams formed 3 years earlier had ceased to improve.
- Too many major "things gone wrong" (TGW) happened costing Time, Money, Rework, and excessive Engineering changes. Most of the TGW's showed up at latter stages at manufacturing launch phase-- too late in the process to recover.
- The NPD teams all performed the design & development NPD process in an ad hoc manner.

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NEW PRODUCT DEVELOPMENT continued from page 2

Designing a Process Unique to your Company's Needs is Key to BnW's Method

A "Phase-Gate" Process for NPD was developed. It included:

- Major Phases of NPD Projects. Phases were standardized at the top two levels.
- Important Company specific Sub-Phases.
- A "Milestone" Gate and Gate Review at the end of each Phase. The Gate timing and quality determined the exit from the Gate.
- A specific list of Deliverables or Exit Criteria Requirements were developed to quantify exit of each Gate.
- A "Gatekeeper" role was defined to manage the decision making process to exit the gate. The responsibility level of the person to be the Gatekeeper increased as the investment capital, NPD team resources, and business opportunity of the NPD project increased.

Benefits of the "Phase-Gate" Process Improve Focus and Quality at End

The Benefits were:

1. A standardized way to communicate status, problems, and decisions between Engineering, Sales, Marketing, Management, and the Customer improves the time and quality to market. This improved everyone's ability to focus by exception on problematic areas.
2. Project Manager focused on creative ways on How to deal with project problem areas vs. spending time on Who, What, and When-- these 3 W's were standardized in the process.
3. More focus on timely and quality of Intermediate Deliverables forced the one large Customer Deliverable at the end of the project to be better.
4. More focus on quality deliverables in design and development translated into less time and cost in qualifying the product and the process in the manufacturing launch and less time and cost overall.

Microsoft Project Templates

Accelerate Time to Manage Engineering Workloads

BnW Associates developed several project types into Quote Templates - Phases, Milestones, Tasks, Engineering Manpower, and Timelines for a Design and Build Specialty Machinery and Tool Company with (30) employees. As Customer orders are received Microsoft Project plans are quickly developed using the project type template on the software and Engineering resources are assigned. Multiple Design and Build Project Plans are then consolidated or the entire company using a Standard Resource Pool. Engineering Workloads are then planned, balanced, and managed in future calendar quarters.

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BnW Associates' Biography

BnW Associates is a Manufacturing "Solutions" Company. It specializes in providing solutions to problems and employee internal core competency in New Product Development, Re-Engineering, Capital Investment, and Business Process - IT Projects.

BnW Associates Offers: Assessments; Accelerated Training and Programs; Consulting and Mentoring

BnW Associates Training/Development Programs:

- The Project Manager and Multiple Projects (includes Microsoft Project software skills)
- Production Manufacturing Problem solving
- Problem solving for the Professional Office
- Process Improvement- Mapping, "As-Is; "To- Be; and "Gap Analysis"
- Manufacturing plant scrap, setup, and waste reduction programs

Training Levels: Executives, Managers, Project Managers, Core and Support Team Members

Principal- Ted Barth

- 30 years of Line Manufacturing Management Experience
- Engineering, Materials Management, Distribution, Strategic Planning in US and Europe; Managed seven plants in five states
- Distinguishing Achievements-Largest New Product Program launch in Fortune 200 company history; One of forty most advanced CNC processes in US (Industrial Technology Institute, Ann Arbor)
- Managed hundreds of projects totaling more than \$40 million
- Trained over 2300 manufacturing Executives, Professionals, Plant Managers, Engineers, and shop employees in Fortune 200 and other companies



Call/fax/mail BnW Associates for more no charge introductory information:

Industry Week "America's Best Plants" article reprint
How to develop your Engineers into effective *Project Managers*
BnW's next Project Management Seminar for Executives and Managers
(to be held at a future date)

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