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Achieving Operational Excellence With Propel®

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VP Product Strategy & Development

Unlocking potential.
Achieving results.

Cohesive Solutions

Who We Are

- Business solutions and consulting firm
- Enterprise Asset Management & Performance Management solutions
- Business transformation consulting
- Experience in: Oil & Gas, Utilities, Manufacturing, Aerospace & Defense, Public Sector, and Facility Management

Why Cohesive

- We have decades of Industry experience.
- We have a Reputable Name.
- We Are Who We Say We Are.
- We Challenge You.
- We look at the big picture.
- We are responsive.
- We tailor to your organization's specific goals, objectives, and needs.

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Topics

- What is Operational Excellence?

- Key Elements of Operational Excellence

- What is Propel?

- Achieving Operational Excellence with Propel

- Questions and Answers

- Wrap Up

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What is Operational Excellence?

Operational Excellence is an element of organizational leadership that stresses the application of a variety of principles, systems, and tools toward the sustainable improvement of key performance metrics.

-   Wikipedia (source of all internet truth)

Operational Excellence is a state of readiness attained as the efforts throughout the enterprise reach a state of alignment for pursuing its strategies; where the corporate culture is committed to the continuous and deliberate improvement of company performance and the circumstances of those who work there – and is a precursor to becoming a high-performance organization..

-   Operational Excellence Society

Operational Excellence is evidenced by results. Given two companies with the same strategy, the Operationally Excellent company will have lower operational risk, lower operating costs, and increased revenues relative to its competitors, which creates value for customers and shareholders.

-   Management Consulting Firm

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Key Elements of Operational Excellence

- **Corporate Culture is Committed**
  - …more than just reports or dashboards
  - …not individuals implementing analytics or using tools
- **State of alignment for pursuing strategies**
  - …focus on operational and strategic objectives
  - …alignment from objectives and initiatives through to processes and data
- **Key Performance Metrics**
  - …measure performance in order to improve performance
- **Sustainable Improvement**
  - …continuous journey rather than a destination
- **Results**
  - Reduce: Cost, Inventory Valuation, PO Lifecycle, and Downtime.
  - Eliminate: Stock outs, Preventable Function Failure, and Rogue Spending.
  - Improve: ROI, Planning + Execution, Strategic Sourcing, Business Operations

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What is Propel?

Propel is a Performance Management Solution from Cohesive Solutions.

Performance Management is an objective-driven process used by high performing organizations that focus on the health and management of key business processes to ensure organizational alignment and effectiveness in supporting business objectives.

- Business focused application with a low IT overhead
  - Cloud-Based to minimize IT infrastructure and resource requirements
  - On-Premises option available for organizations that require it
- Deploys in days giving immediate value
- Connects to IBM Maximo to extract business process data, but is not based on Maximo
  - Independent of Maximo versions, technology, and licensing
- Can extract business process data from any enterprise system

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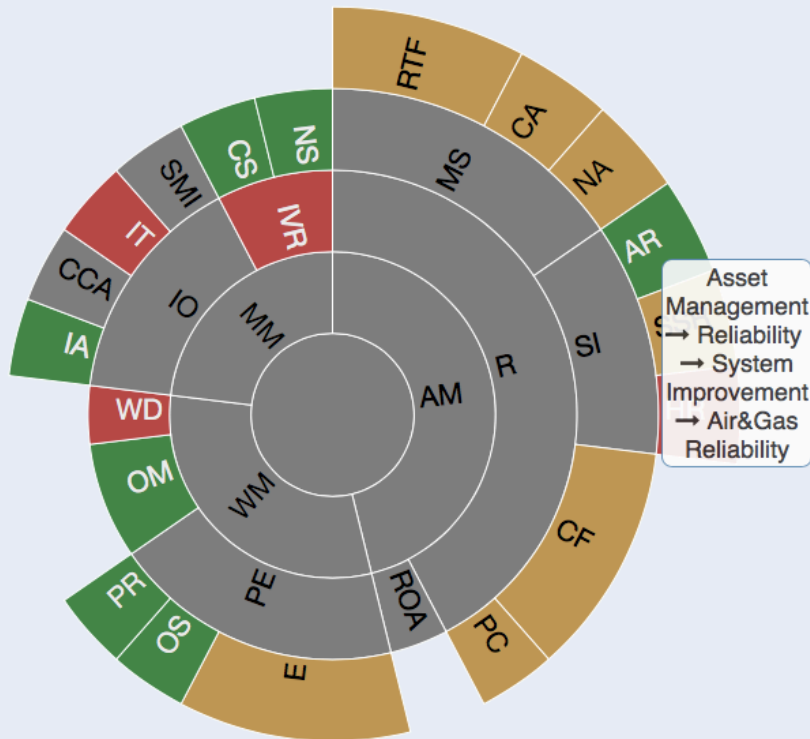
Achieving Operational Excellence with Propel

Become Objective Driven
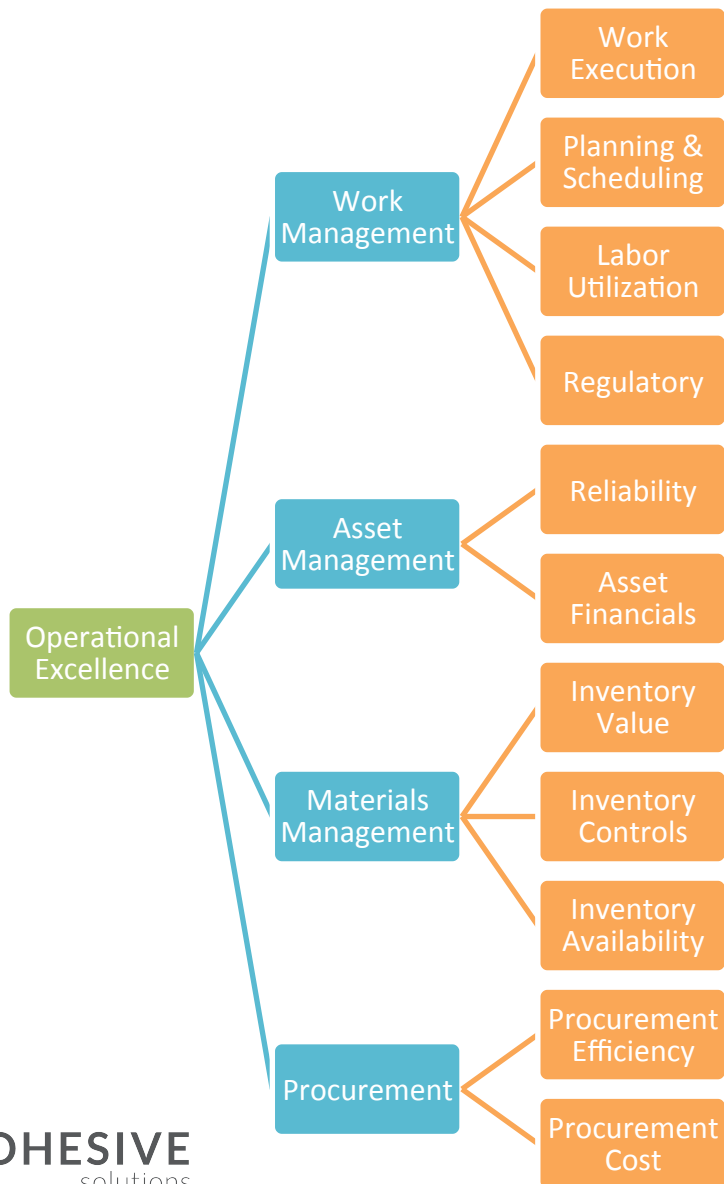
- Define/Capture Operational Objectives in order to drive process and data requirements, rather than the other way around (data-driven)
- Understand relationships (how lower level objectives support higher level objectives)
- Visualize Performance (KPIs), Activities, Planned and Active Initiatives **in an Objective context**

Operational Excellence

Work Management
- Work Execution
- Planning & Scheduling
- Labor Utilization
- Regulatory

Asset Management
- Reliability
- Asset Financials

Materials Management
- Inventory Value
- Inventory Controls
- Inventory Availability

Procurement
- Procurement Efficiency
- Procurement Cost

Propel Objective Wheel

However beautiful the strategy, you should occasionally look at the results

- Winston Churchill

Leverage Preconfigured EAM Data Model and Metrics Catalog

- Preconfigured connection to Maximo to extract data and populate a process-centric data model focused on key EAM processes:
  - Work Planning, Scheduling and Execution
  - Labor Utilization
  - Asset Management and Reliability
  - Outage/Shutdown/Turnaround Management
  - Materials Management
  - Procurement
- Preconfigured EAM metrics based on Cohesive's extensive industry experience

Visualize performance rapidly by avoiding costly and lengthy BI development activities

☑ Understand Maximo Data Model

☑ Design and Architect a Metrics Data Repository

☑ Extract Data

☑ Transform and Load Data

☑ Build Complex Queries (Joins, Criteria, etc.)

☑ Generate Transactional Details (Facts)

☑ Define Measures (Formulas, Flags, Counts, Averages, Sums, etc.)

☑ Aggregate Measures over Time and Relevant Dimensions

☐ Visualize Performance

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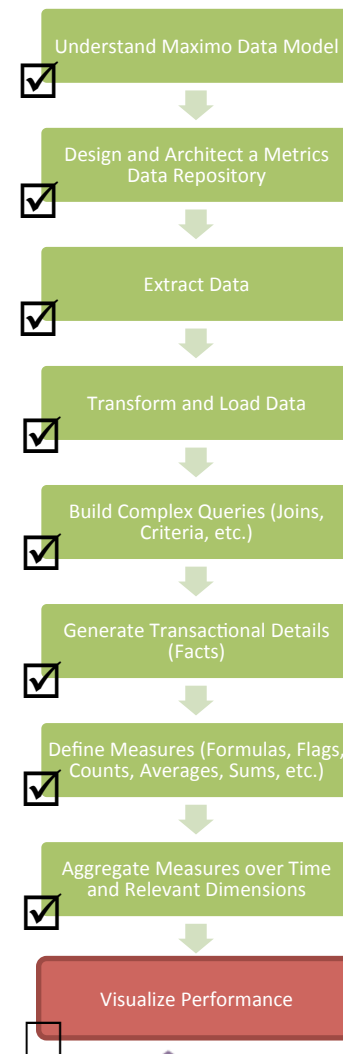
Gain Trust in Data and Processes

In God we trust; all others must bring data
                              - W. Edwards Deming

Measure Alignment **+** Data Quality **+** Data Confidence **=** Trustworthy Information
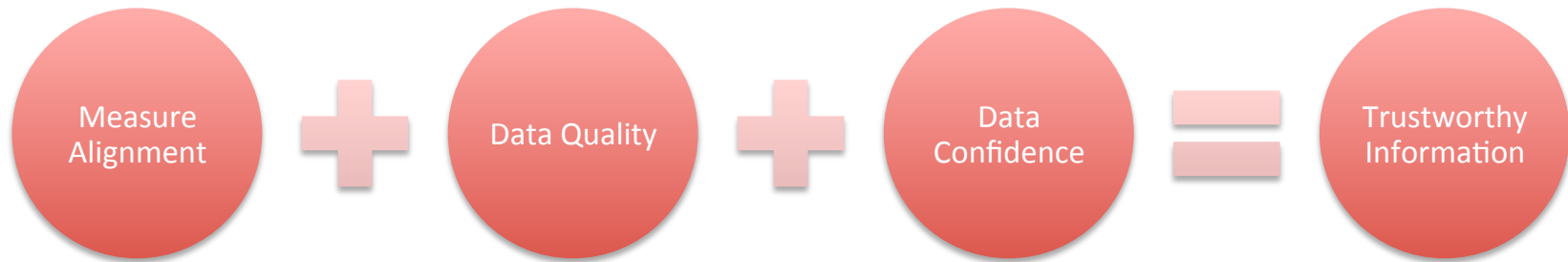
Example Measure: Critical Work Orders Completed On Time

Alignment	Quality	Confidence
• Excludes Non-Maintenance Work Orders • Includes PMs as well as CMs	• Has Scheduled Finish Date • Has Actual Finish Date	• Has Actual Labor Hours • Has Priority

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Gain Trust in Data and Processes

PM Analysis - 2010-11
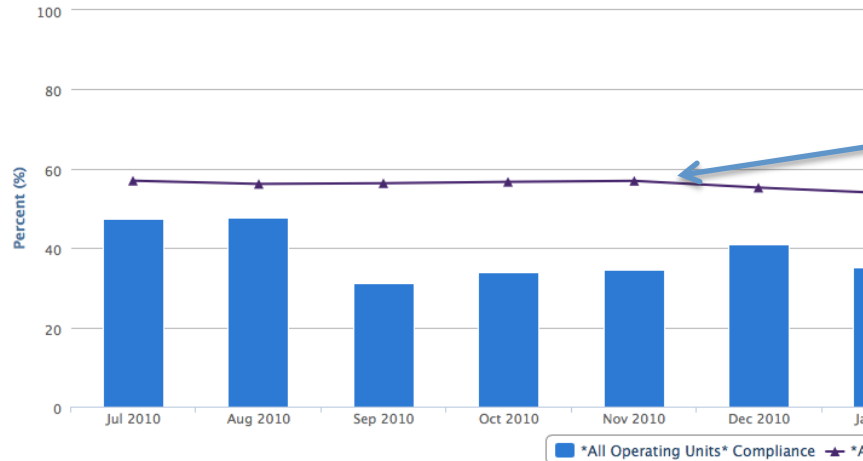
Data Quality and Confidence Lines indicate a level of Trust that can be given to underlying measures

No KPI

No Activities Found

Data and Process Anomalies can be counted and weighed based on severity, providing a path forward to improve integrity

Work Close Out Effectiveness - Lexington - 2012
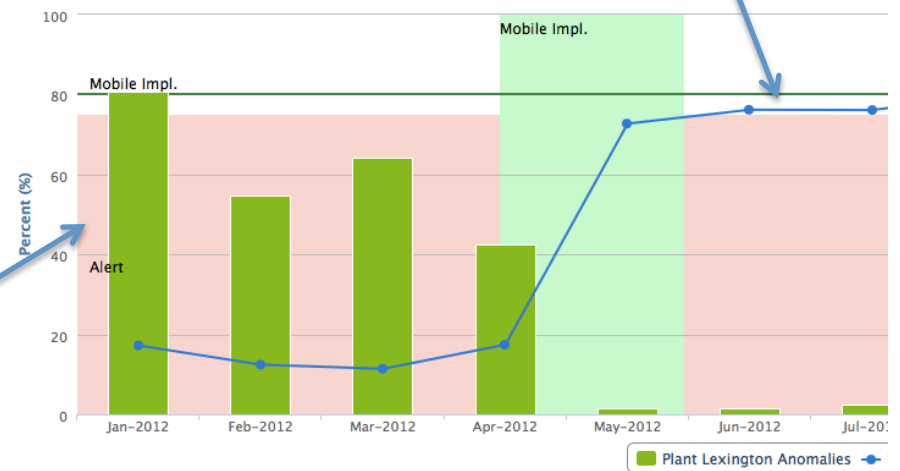
KPI: Work Close Out Effectiveness - Lexington - 2012

No Activities Found

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Establish Key Performance Indicators

- Metrics are numbers that, while informational, lack context.
- Key Performance Indicators are a management tool that measures performance relative to an objective.

KPIs are metrics with management context:

- Objective Driven – associated with an Objective

- Time Driven – performance is measured during a given time period

- Dimensionally Driven – associated with an area of the business or process

- Expectation Driven – evaluated against target, warning and alert levels

Establish Key Performance Indicators

Bands

ID	Lower	Upper	Raise Event?	Period Subtype	Period Offset	Color	Icon	
Alert	0	65	☑	Prior ✕ ▾	0	🟥 Red ▾	☹ Frown ▾	🗑
Warning	65	90	☐	Prior ✕ ▾	0	🟨 Yellow ▾	😐 Meh ▾	🗑
Target	90	100	☐	Prior ✕ ▾	0	🟩 Green ▾	☺ Smile ▾	🗑

Expectations of Performance are represented as horizontal bands (green, yellow, and red for example)

PM Compliance - Lexington - 2011-12

KPI: PM Compliance - Lexington - 2011-12

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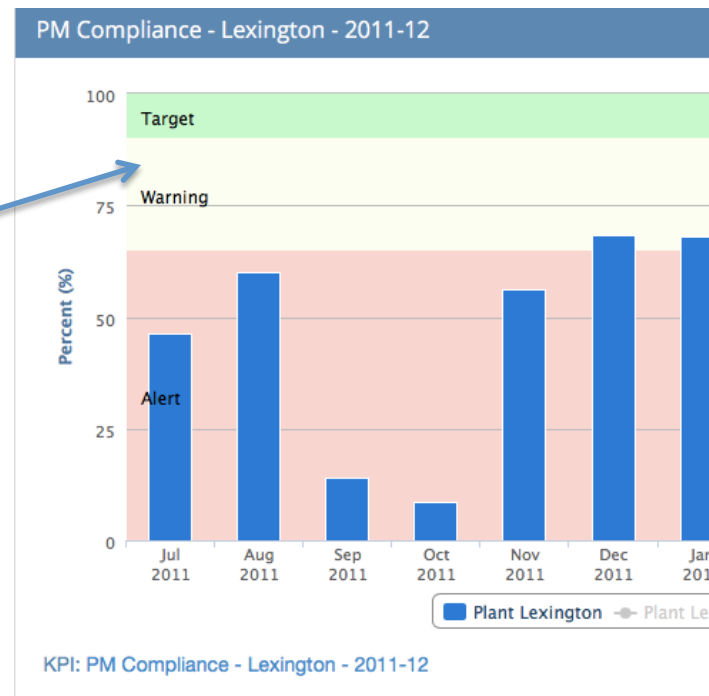
Measure Results of Initiatives

1 Identify Opportunity to Improve

2 Plan Initiative and Identify Expected Results

3 Measure Actual Results

Things do not just happen; things are made to happen.

- John F. Kennedy

Performance

Time
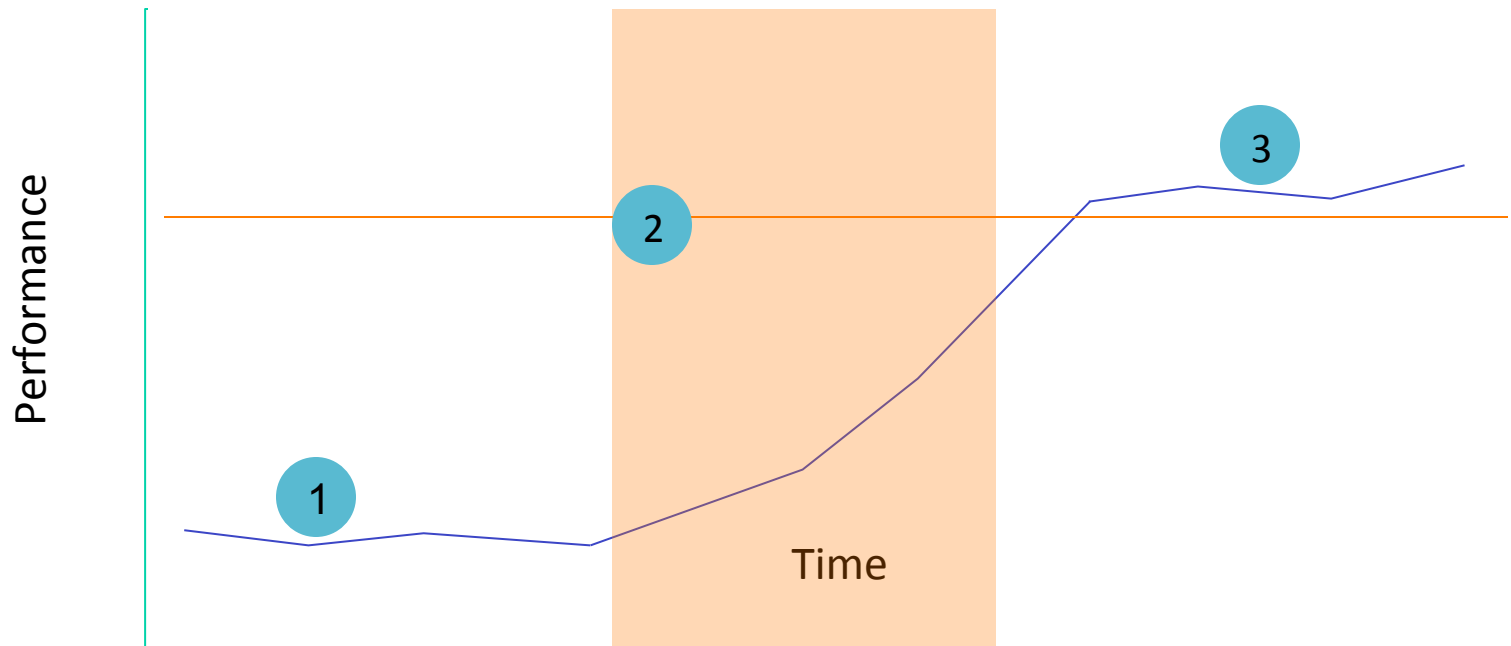
Measure Results of Initiatives

Initiatives are registered in Propel and associated with the KPIs they are intended to improve or aimed at mitigating the risk of missing expectations.

Expected Results are described narratively as well as explicitly quantified.
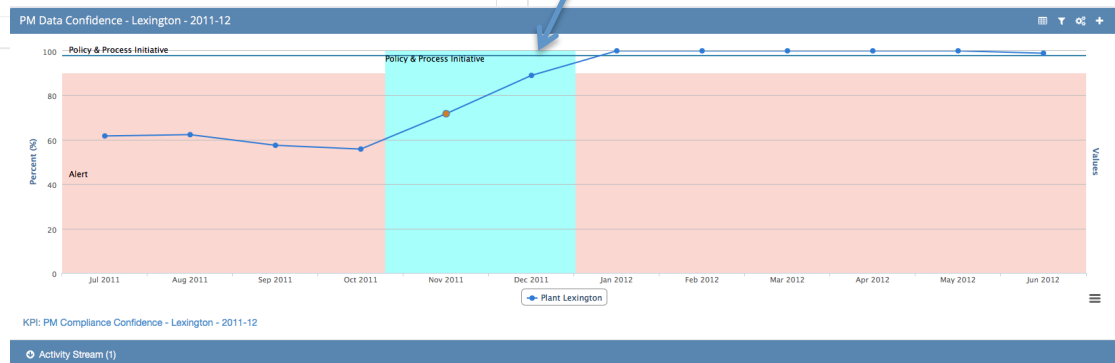
Plan Responses

By failing to prepare, you are preparing to fail.
- Benjamin Franklin

Propel Response Plans provide a means to plan an organizational response to performance.

What should happen when a KPI goes yellow or red?

Response Plan | Main

ID: PM Compliance - Lexington 2011-12 Alert

Description: PM Compliance - Lexington 2011-12 Alert Band Response Plan

Target Close Days: 14

Actions

ID	Description	Target Finish Days
10	Research Compliance Failure Data	7
20	Present Findings to Operations Review Board	10
30	Implement Proposed Countermeasures/Mitigation	14

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Monitor Business Conditions

Events can be manually created by users or automatically created by Propel based on performance results versus expectations – consider it *Business Condition Monitoring*

Objective Owners are assigned Events and Response Plans are automatically applied
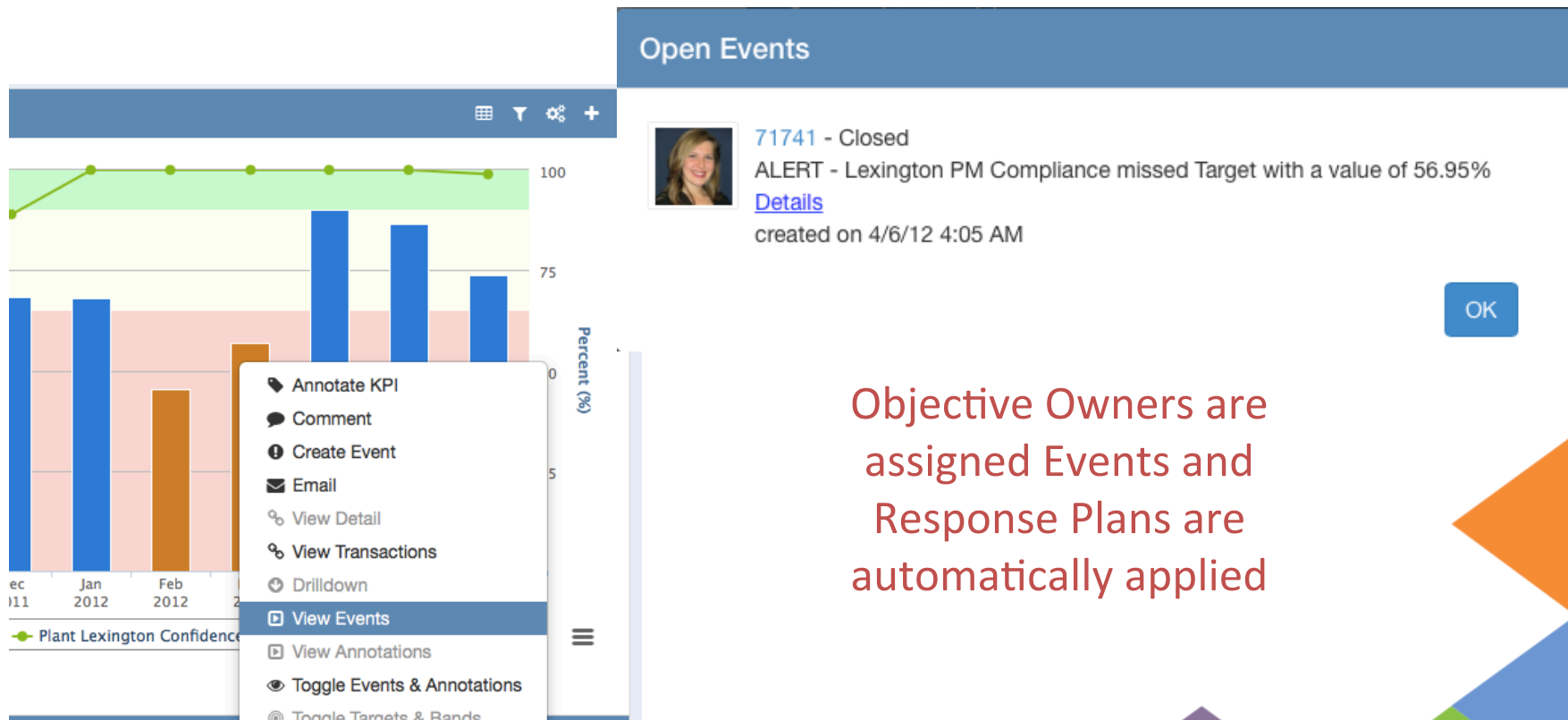
Collaborate

- Operational Excellence isn't achieved through the individual actions of managers or business analysts.

- A committed corporate culture is necessary to maintain sustained improvement.

- Propel's collaboration framework allows all stakeholders to participate, stay informed and drive performance management.
    - Comments
    - Annotations
    - Status Updates
    - Email Notifications
    - Activity Subscriptions
    - Daily or Weekly Activity Digests

Achieving Operational Excellence

Questions?

Become Objective Driven

Leverage Preconfigured EAM Data Model and Metrics Catalog

Gain Trust in Data and Processes

Establish Key Performance Indicators

Measure Results of Initiatives

Plan Responses

Monitor Business Conditions

Collaborate

Learn More about Performance Management

If you are interested in learning more or finding out how Propel can help your organization achieve Operational Excellence, go to:

http://go.cohesivesolutions.com/propel

Stay tuned for future Propel Webinars, such as:

- Establishing Trustworthy Information: Measuring Data Quality and Data Confidence
- Establishing KPIs that Work
- Measuring Performance in:
    - Work Planning, Scheduling and Execution
    - Maintenance Strategy and Asset Reliability
    - Outage/Shutdown/Turnaround Planning
    - Materials Management
    - Procurement Lifecycle
    - Contract Coverage and Utilization
- …. and more

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