

KNOWLEDGE WORK RABIT™ CASE STUDY

JULY 2013

Innovative FMC Energy Product Wins Race to Market While Saving \$400,000 in Manpower Expenses

CHALLENGE

Deliver first eleven units of promising (and promised) product by end of year

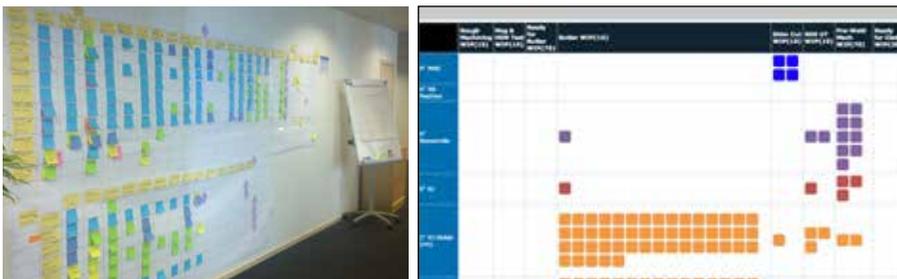
Already recognized by Fortune magazine as the “World’s Most Admired Oil and Gas Equipment Service Company,” FMC Technologies, a worldwide enterprise employing more than 16,000 people in 27 production facilities in 16 countries worldwide, was poised for yet another breakthrough success. Their newly designed Electric Actuator, or e-Actuator, was generating significant pre-release interest because of its revolutionary design, and was anticipated to make a tremendous splash in the growing subsea actuator market. By February 2012, FMC had presold 69 e-Actuator units through its pilot program, and promised delivery of eleven by the year’s end. That was the great news. The bad news? FMC was making little progress and now had just ten months remaining to complete development, engineering, tooling and set-up production for its initial promised units.

Worse, the e-Actuator project was stymied by design and delivery delays that stressed the responsible engineering team, and put delivery managers and customers in a “wait and see” mode, restricting FMC’s opportunities for expanded market share.

SOLUTION

Improve team collaboration, focus the teams efforts, and aggressively attack all bottlenecks

Pinnacle Strategies assembled a Rapid Analysis and Bottleneck Improvement Team (RABIT) to create a design-to-delivery pathway that was transparent, measurable, predictable and, most of all, repeatable: while the urgent demand was for the initial eleven e-Actuators due by December 31, 2012, the overall goal was to deliver 100 e-Actuators per year.



Pinnacle Strategies developed a visual tracking board along a conference room wall (left), and online (right), for collaborate project management.

“An “outstanding” achievement.”

— FMC Technologies e-Actuator RABIT team

CLIENT OVERVIEW

REGION

Norway

INDUSTRY

Oil & Gas Equipment

CUSTOMER PROFILE

FMC Technologies is a leading global provider of technology solutions for the energy industry. It employs 16,100 people and operates 27 production facilities in 16 countries.

BUSINESS SITUATION

Opportunity to bring new product to market was limited by increasingly unpredictable design and delivery times.

SOLUTION

Working with Pinnacle Strategies, FMC Technologies in Norway conducted a **RABIT** and created a transparent, repeatable design-to-delivery pathway that resulted in rapid success.

RESULTS AND BENEFITS

OVER **\$400,000** SAVINGS
ON MANPOWER

PROJECT LEAD TIME
REDUCED BY **20%**

100% ELIMINATION OF MAJOR
ISSUES REQUIRING ESCALATION

SYNCHRONIZATION IMPROVED BY
22% ACROSS ENTIRE PROJECT

PENALTIES ASSOCIATED WITH A
NINE-WEEK DELAY AVOIDED

RESULTS

FMC avoids a nine-week project delay, improved their team performance, and fulfilled their promises at lower costs

By May 25, 2012—in only 12 weeks—RABIT reached its goals. FMC team members were “overwhelmed” by the amount of work they had accomplished in such a very compressed time period, expressing appreciation for the way the Visual Tracking Systems allowed them to prioritize tasks and bring focus to their team’s efforts. In what they described as an “outstanding” achievement, the e-Actuator RABIT group completely eliminated unexpected and unresolved major issues. In the area of greatest concern, industrialization, FMC overcame all the critical bottlenecks that had previously obstructed the construction of their required production facility, avoiding a nine-week delay and saving \$400,000 in manpower expenses alone. The eleven promised e-Actuators would now be able to be delivered on time, the team improved supplier delivery synchronization across the entire project by 22% ensuring all required elements would finally be available when needed, and FMC now had a process that would meet the 100 units/year target. While the Product Manager called the solutions developed “Simple but Elegant” he stated that “we could never have made this much progress without Pinnacle Strategies”.

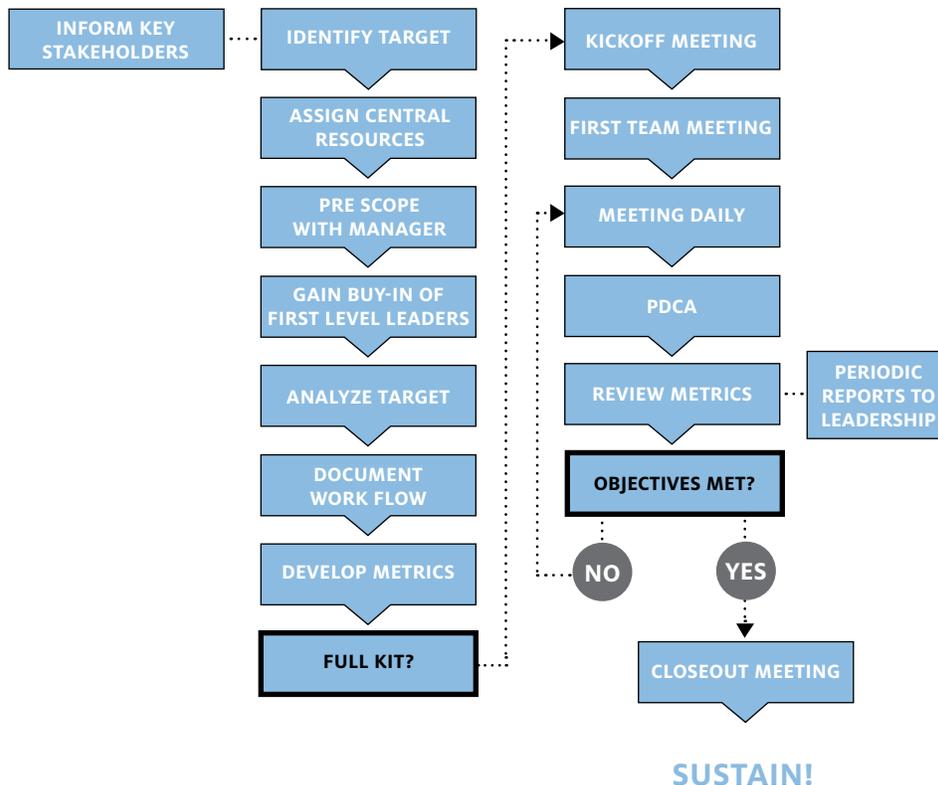
The **RABIT** approach identifies process bottlenecks and implements a strategy that relieves them quickly, usually within a matter of weeks. It uses a proven, built-from-within, “focused team” approach to make an immediate, significant impact on production processes.

Clients who have used the **RABIT** process report rapid results that include:

- Production increases of at least 20% in two months without additional costs
- Labor productivity increases and associated reduction in costs
- Improvement of on-time delivery performance



RABIT PROCESS FLOW CHART



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

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info@pinnacle-strategies.com
or +1 (972) 492-7951

