

# ENGINEERING RABIT™ CASE STUDY

MARCH 2013

## Visual Management Clears Blockages in Choke Engineering

### New process rapidly removes obstacles to success

#### CHALLENGE

##### Client “choking” on choke outputs

With revenues approaching \$5.1 billion, the client is a leading provider of technology solutions for the oil and gas industries. The company was facing a banner year in 2011, one that was on track to post a 24 percent revenue increase from 2010.

Success, however, presented new challenges to the company’s production capacity. As in-bound orders reached a record high of \$6 billion, the year-end backlog grew to \$4.9 billion. Particular strain was felt in one of the company’s master control stations (MCS), where the client was under pressure to deliver six chokes each month.

Engineering resources in the chokes division found themselves in a high “work in process” environment where they were perpetually fighting fires, immersed in long unproductive meetings, and constantly receiving priority changes from management. This environment resulted in low engineering output, and created further downstream delays in the manufacturing process. Month after month, the client failed to reach its choke output target.

#### SOLUTION

##### Visualize process to remove bottlenecks, improve synchronization

Pinnacle Strategies coordinated a Rapid Analysis and Bottleneck Improvement Team (RABIT™) to remove engineering as the process bottleneck. The Pinnacle-led team developed a visual project management process that became the centralized point of command and conversation for all design activity, helping engineers and their stakeholders set appropriate priorities and make rapid adjustments as customer needs changed.

With the visual process up and operating, the team shifted focus to the development of standard work processes (e.g. short, frequent ‘stand up meetings’) and performance management techniques that would allow management to effectively monitor system health and provide clear and consistent priorities.

## CLIENT OVERVIEW

#### REGION

North America

#### INDUSTRY

Oil & Gas Equipment

#### CUSTOMER PROFILE

The client 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 increase market share was limited by engineering delays.

#### SOLUTION

Working with Pinnacle Strategies, the company conducted a RABIT and built a visual process that removed engineering bottlenecks and increased capacity for success.

## RESULTS AND BENEFITS

# \$4.5 MILION

(USD) ANNUAL REVENUE INCREASE

ENGINEERING OUTPUT **DOUBLED**,  
FROM 3 TO 6 CHOKES / MONTH

**INCREASED CONFIDENCE AND  
PREDICTABILITY** IN DELIVERY  
TIMELINES

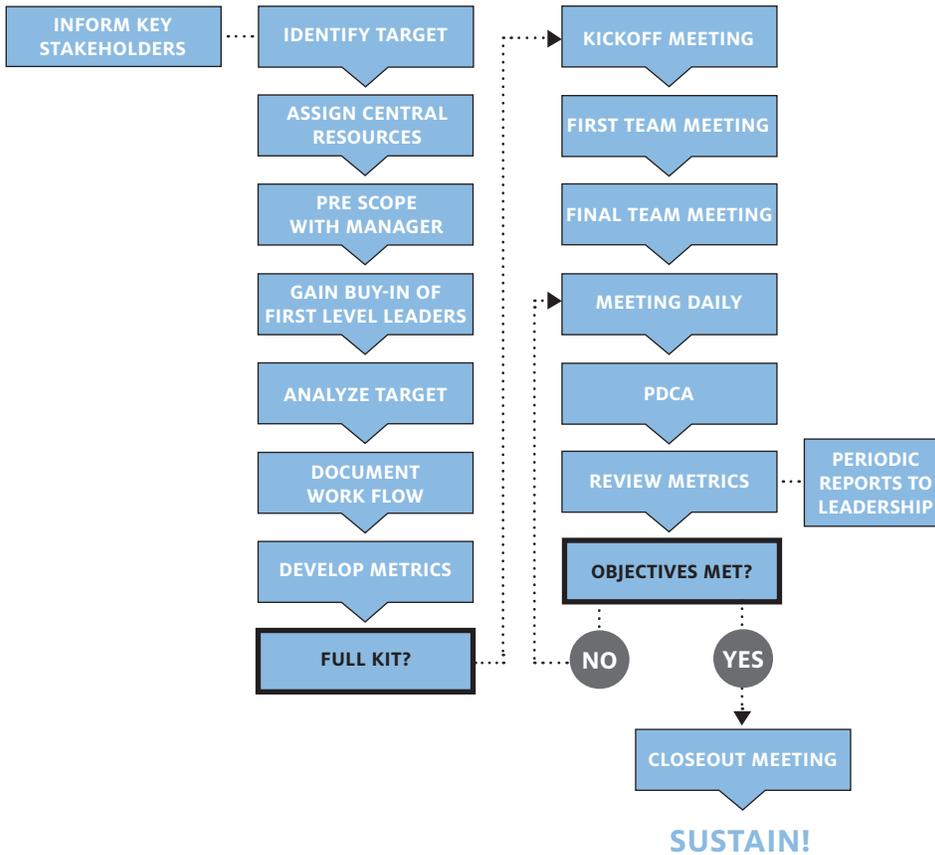
SHORTER, **MORE PRODUCTIVE**  
MEETINGS; STANDARD PROCESSES,  
**CLEAR PRIORITIES; CLEAR METRICS**  
AND UNDERSTANDING OF DESIRED  
MANAGEMENT BEHAVIORS

## RESULTS

### Engineering output doubles!

By September 2011, the choke **RABIT** put engineering production on track to consistently meet its six unit per month output objective. With predictable processes in place and freed from anxiety over its delivery targets, the client's choke engineering team no longer 'choked' the delivery process.

#### RABIT PROCESS FLOW CHART



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



#### 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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