

Resetting Priorities Rescues Multimillion-Dollar Contract

CHALLENGE

Supplier deliveries were 6 months behind

A leading global provider of complete subsea solutions, FMC Technologies, found itself threatened with liquidated damages when a key subcontractor fell far behind schedule. The contractor had failed to deliver even one unit after six months of effort. With the clock ticking on a \$520 million installation project in North African waters, FMC brought in Pinnacle Strategies to help the supplier meet the now truncated delivery schedule.

SOLUTION

RABIT™

Once on site at the supplier's facilities in Bergen, Norway, they found the context behind the delays: unplanned work. Two years of ownership transition during which, in an attempt to standardize ERP, CAD and other critical IT systems, caused a massive workload; the bulk of the supplier's engineering drawings had to be recreated from scratch. By the time the team was deployed, most of the drawings were completed, but the transition had delayed the ordering of hundreds of parts, fifty of them critical. The supplier's own subcontractors simply could not absorb the sudden demand for all the necessary parts simultaneously.

Using Pinnacle Strategies' RABIT approach, the team focused on the core elements of the process that blocked velocity and on-time delivery, took steps to improve delivery of existing projects, and made recommendations for further actions to improve future projects.

PUSHING THE PRIORITIES The team first disentangled the mass of backlogged parts, establishing as priorities the subset of components required to start production so that assembly could begin. Other parts were scheduled according to their relevance along the build time line.

SYNCHRONIZING THE CONTRACTORS After setting the supplier's internal execution process in order, the team focused on the subcontractors. Analysis showed that the instrumentation sub-assembly was the constraining element, setting the pace for final assembly. They collaborated with the key component subcontractor, who had limited capacity, to connect their production schedule to the supplier, helping them use resources more effectively; in line with the overall final assembly schedule.

IMPROVING WORKFLOW VELOCITY Once the bottleneck in drawings was resolved, the team directed their attention to the supplier's new assembly facility. While the facility was state-of-the-art, workflow was uncoordinated; at too many points, production managers needed to be engaged to move the work forward. They drew up plans that facilitated station-to-station transfers, eliminating the extra work and time-consuming management attention.

CLIENT OVERVIEW

REGION

EMEA

INDUSTRY

Subsea technology for the oil and gas industry

CUSTOMER PROFILE

FMC Technologies designs and produces technologies for the oil and gas industry.

BUSINESS SITUATION

Supplier unable to ship product, running 6 months overdue.

SOLUTION

Client used Pinnacle Strategies' RABIT to identify priorities and coordinate workflow internally and among suppliers

RESULTS IN NUMBERS

INCREASED MONTHLY
SHIPMENTS **300%**

REDUCED PRODUCTION
LEAD TIME **29%**

RESULTS

Products shipped on schedule, production lead times reduced 29%

By focusing the team on the important few elements and improving its ability to execute existing projects more effectively, the supplier was able to increase their rate of production 300%. Production lead time shrank 29%, and the remaining meters were shipped on time, avoiding liquidated damages. With additional steps that Pinnacle Strategies mapped out, the supplier now has a clear path to increase their shipping rate another 20%.

The **RABIT** process, a product of years of practical experience in improving project management processes, consistently produces dramatic increases in process output and productivity. So much so that we can confidently promise 20% more output in two months.

What's a RABIT?

RABIT stands for Rapid Analysis and Bottleneck Improvement Team. **It is the tool you need when you must improve throughput fast.** Our unique approach has been proven in environments ranging from make to stock manufacturing, to software development, to engineering. In fact, every **RABIT** we have conducted has reached or exceeded the goals of our client.

Proven Results of the RABIT process

- Average lead times reduced 28% and output increased 200%
- 20% more output in two months
- Improved communication, collaboration, focus, and prioritization

How RABIT Runs

The process focuses on three aspects of the workflow/project management process:

- 1 Resource task engagement—increasing the productivity of the people who accomplish the work of the project/process
- 2 Proactive scheduling—implementing a single, rational task priority management system
- 3 Performance management—providing clear feedback on process performance so the stakeholders can improve their effectiveness

Collaboration & Communication

The process engages stakeholders and works to align all team members. A **RABIT** team is composed of a cross-functional group of process stakeholders. This team, under the guidance of a Pinnacle Strategies facilitator, then learns, understands, and implements the process improvements.

This alignment provides focus in identifying and opening the bottleneck. The **RABIT** leverages the value of focused people, with focused thoughts, executing focused actions.

To further ensure that all parties are in the loop, a **RABIT** team provides regular reports to senior leadership, thereby creating accountability so results can be measured, modified, and sustained.



Pinnacle Strategies provides project management consulting, training, and resources to help you improve performance and deliver projects on time, every time. We specialize in the application of [Critical Chain Project Management \(CCPM\)](#) and our [ViewPoint](#) Project Management System to dramatically reduce your project lead times and improve productivity. Using our [proprietary project management](#) methodology, we help you to initiate and establish more effective behaviors in project planning, project execution, and project risk management—transforming your project management processes to generate consistently better outcomes. Our behavior-based approach strengthens competency, builds trust, and improves the working relationships within your team.

The Pinnacle Strategies approach:

- Is **simple to use** and **easy to adopt**
- **Delivers significant improvements** in project output, productivity, on-time delivery and lead time in a **very short time**
- **Reduces expediting activity** (shorter, more productive meetings)
- **Improves decision making** (better focus)
- Results in a more **enjoyable project management experience** (higher morale)

Our project [management consulting clients](#) include organizations with engineer to order (ETO), construction, software, and new product development projects.

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

Book a best practices briefing for your management team. Contact Pinnacle Strategies at:

info@pinnacle-strategies.com

or +1 (972) 492-7951

