

VIEWPOINT™ VISUAL PROJECT MANAGEMENT CASE STUDY

MAY 2013

“When teams from different disciplines come and see the same thing on the visual project board, everyone understands immediately what needs to be done. This is a big advantage.”

— Mark Woepfel, President & CEO of Pinnacle Strategies

Focus on Execution Boosts Output by More Than 300%

CHALLENGE

Complex production chain fails to keep pace with customer demand

A leading global provider of subsea solutions for the oil and gas industry found itself the victim of its creativity: their product enjoyed a customer popularity that exceeded the company's projections. Highly engineered, the new product presented a new challenge to the supply chain, one they had not anticipated. Combined, the variety of product designs plus the complexity of the supply chain led to an inability to ship product to the customers. When Pinnacle Strategies first arrived at the client's site, none of products already ordered were expected to be completed on time.

SOLUTION

Design a process to assert control over the supply chain

With multiple subcontractors assigned to key components, final assembly and testing; a tightly engineered product requiring significant collaboration with vendors; rigorous quality requirements; and new employees, vendors, and relationships, the client had a challenging supply chain to manage. Pinnacle Strategies helped the client methodically assert control over the entire chain through its proven 3-step process: Make the invisible visible, focus on the constraint and rebalance resources to maximize flow.

MAKE THE INVISIBLE VISIBLE. LOOK FOR THE DRUM. When projects are failing to finish on schedule, too often the response is to work on improving planning. Our solution focused on improving execution first by looking for the unseen things that were blocking the flow and completion of projects. We identified what was keeping projects from maintaining their schedules, and worked on fixing this. A vendor for a key component was identified as the resource which would control the pace of production. Efforts to pick up the pace on other tasks would only serve to move the queue to this resource faster, without improving the rate of delivery. This key resource dictated the flow of projects like a drum's rhythm. Once Pinnacle helped free up resources by focusing on the essential tasks needed to keep product flowing, the team had time to devote to improving the planning process. As a result, flow and delivery reliability are improved, and resources are used for value-added tasks, thus reducing durations and cost. The first key to improving flow is to make the invisible visible to identify the bottlenecks that establish the tempo.

CLIENT OVERVIEW

REGION

Norway

INDUSTRY

Subsea technology for the oil and gas industry.

CUSTOMER PROFILE

Leading global designer and producer of subsea solutions for the oil and gas industry.

BUSINESS SITUATION

Production was falling short of customer demand for a popular product.

SOLUTION

Pinnacle Strategies organized and implemented a three-part restructuring that restored control through:

- Making the invisible visible (drum and workflow)
- Focusing on the constraint (and follow when it moves)
- Rebalancing resources to maximize flow

RESULTS IN NUMBERS

433% INCREASE IN EFFECTIVE PRODUCTION CAPACITY

326% INCREASE IN NUMBER OF UNITS SHIPPED

ASSEMBLY DAYS REDUCED

FROM **31** TO **8**

REVENUE INCREASED BY MORE THAN **\$4MIO**/MONTH

MAKE THE INVISIBLE VISIBLE. VISUALIZE THE WORKFLOW. To reinforce the focus on execution, ensure alignment, and reduce the negative impact of multi-tasking, Pinnacle introduced a Visual Project Board. This board made the workflow immediately visible to all stakeholders. Together with the associated project management processes, this created one common source of insight, understanding, and action for all the participants in the workflow. The second key to improving flow is to make the invisible visible to focus everybody on removing blockages and increase flow through the bottlenecks.

FOCUS ON THE CONSTRAINT. Using the Visual Project Board as the central element for progress-focused daily meetings, managers worked their projects in priority order based on remaining lead time, delivery date and risk, ensuring that resources were focused on the right tasks at the right time. The third key to improving flow is to focus everybody's activities on the constraint, on removing blockages and increase flow through the bottlenecks. Then, as things improved in one area, the constraint moved. The next bottleneck area was the final process stages. Seeing this was one thing—resolving it was another as it was created by existing assumptions about the work content and about where it would need to be executed.

REBALANCE RESOURCES TO MAXIMIZE FLOW. Pinnacle went on to challenge these existing assumptions. The client needed to gain greater control over the critical final processes to improve shipping reliability. When the rules about materials and suppliers were reconsidered, it became apparent that moving assembly and testing in-house would be a key change to shorten project lead times and to improve on-time delivery. Pinnacle consultants defined the facility and staffing requirements, designed the training program, identified the necessary tooling and technologies, and coordinated the precise documentation for job descriptions and work instructions, all orchestrated towards the goal of fast and efficient flow of projects and work.

RESULTS

Quintupled capacity, quadrupled output, 23% reduction in lead time

Within six months, Pinnacle's flow-focused activities had helped expand production from one-and-a-half units per month to eight units per month. This allowed the client to ship 5.67 units per months in the second half of 2012 compared to 1.33 in the first half, increasing revenues by more than \$4mio./month. The subsequent moving of assembly and testing in-house dropped the number of assembly days per unit from thirty-one to eight, additionally reducing lead times by several weeks.

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**

