

The OEE Deficit

Activplant releases white paper that explains why it can't deliver the results you require

Activplant Corp., a leader in performance management solutions for the world's leading manufacturers, has announced its latest white paper: [The OEE Deficit: Why it can't deliver the results you require \[1\]](#).

The paper is based on manufacturers' experiences and research conducted by Activplant Chief Product Strategist Dennis Cocco. In this body of work, Cocco introduces an evolution in thinking: the most efficient way to increase productivity is to focus on product flow through the process.

The paper challenges the status quo by introducing the notion that not all performance metrics are created equally. While overall equipment effectiveness (OEE) is an accepted standard of measurement, it doesn't go beyond data collection. Instead, plant management needs to understand the meaning behind the data so that better business decisions can be made for the enterprise. Management needs to be able to assign accountability and pinpoint the specific areas for improvement that will generate the largest and most immediate returns.

The white paper indicates: "In today's complex manufacturing environments, OEE doesn't go far enough. OEE can measure how well a process is doing at achieving its desired target of quality products. However, OEE cannot tell you which step in the process is constricting the output of the line and why."

Global competition is demanding more from manufacturers; producing more with fewer resources and at a lower cost. The sooner that problem areas are identified and focused on, the quicker manufacturers will experience performance improvements.

"Manufacturers are looking for a way to make better production decisions quicker. Having this confidence and clarity in the data is an evolution from traditional production metrics," says Chuck Frosst, president of Activplant Corporation. "Today's leading manufacturers realize that with more complex processes and products there is a need for better measurement and understanding of operations. Striving for excellence is more important than ever. Activplant has provided this next level of clarity with the Throughput Analyzer application."

The white paper goes on to explain through several customer case study examples how a new performance metric called *Throughput Capability* goes much deeper in defining the impact that each resource has on the overall performance of a given manufacturing value stream; focusing continuous improvement teams to where critical inefficiencies are happening and helping to prioritize and systematically improve manufacturing performance.

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“Total Productive Maintenance (TPM) programs are central to the success of lean manufacturing. Flow is only as good as the strength of individual processes,” says Dr. Jeffrey Liker, professor of Industrial and Operations Engineering, University of Michigan and author of [The Toyota Way](#) [2]. “The key to TPM is not the tools but the opportunity for maintenance and workforce to continually improve equipment. The *Throughput Analyzer* can provide a metric to focus problem solving activity on the true constraint. In the end what will matter is how people are developed to become problem solvers at the source on a daily basis.”

[Click here to download the complimentary whitepaper from the Activplant website.](#)

[1]

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[1] <http://www.activplant.com/Campaigns/OEE.aspx>

[2] http://books.google.com/books?id=9v_sxqERqvMC&dq=the+toyota+way&pg=PP1&ots=g6KU8DuIEC&sig=MKWnP4dihzmbfGrC3_uiQVpt130&hl=en&prev=http://www.google.com/search?sourceid=navclient&ie=UTF-8&rlz=1T4SUNA_enUS232US233&q=The+Toyota+Way&sa=X&oi=print&ct=title&cad=one-book-with-thumbnail