

Success Through Effective Plant Operations Metrics

Providing real-time data and metrics throughout a manufacturing enterprise is a significant challenge for many manufacturers. There are some major obstacles to it, which lead to delays and data between multiple systems that is not integrated, connected, or normalized. Julie Fraser, lead analyst and researcher on a Cambashi/MESA study entitled Pursuit of Performance Excellence, discusses how delayed visibility of metrics is a significant issue for many manufacturers in this recent interview with [Manufacturing Business Technology](#) [1].

MBT: Would you say that missing out on the most reliable or clear data is a major issue or hurdle for the majority of manufacturers?



Fraser: That's really what these results show. More than half of the people are telling us that it takes a long time. Most of them do need an analyst to clean up the data, and then it takes awhile to actually do the analysis and set up the information. So apparently it is a major issue. It is possible the results will change when we get the full set of data analyzed, but I doubt it. Realistically, we've always asked how rapidly do you show people information and if it is automated, and we've always gotten this breakdown that most people maybe have it partially automated, but not fully automated and most people are not satisfied with the speed in which they can do things. That's been sort of a constant through this set of studies. This year we really tried to find out why. Apparently, that's a big factor.

MBT: Can you discuss the value of visibility of this kind of data and what it can mean for a company to be able to validate the data and get it processed in such a way that it can be clear and useful?

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Fraser: The people who operate each process are in the best position to actually make improvements. Historically, that's where some of the guys who have been there for 30 years and know how everything works and can diagnose things have come in and be a critical factor. Most companies have a high product mix, a high rate of change and variability, and in many cases, do have some younger people involved. As a result, there is a critical need for the people running each operation to really see how they are doing, so that they can make adjustments quickly. In some industries, the difference of a couple of minutes in changing a setting so that the product is on-spec versus off-spec can be staggering. In some cases it is obvious, where you are making a very high-value product. In some cases it also matters in terms of the high-volume products. But even in some of the lower value product industries, if you have a high volume going through the line, you really need to catch problems very quickly. We found that people can make multi-million dollar savings when they do suddenly have visibility and are able to empower those people at the point where things are happening, to understand when performance is going off-track and especially if they can see trends in advance and see that this is coming down the pike. That really is the most beneficial, because then things don't get off-track. It is really a question of getting it to that next level where the information is better integrated and the process is better automated.

***MBT:* According to your findings, two-thirds of the respondents report that their companies show metrics to operators, line workers, supervisors, and managing plant operations on a daily or less frequent basis, and only one in five always provide line-level metrics to these operators and technicians to make adjustments. From what you hear, do these companies recognize this as a really major issue, or do they assume that this is sort of the way it is and they don't see it as a major issue?**

Fraser: Some companies seem to feel even though they are not really getting line-level metrics down and they are not doing things in really short time periods, it's okay. In some cases, it is those who actually are toward the good end of the range, who really do provide line-level metrics and who do things pretty rapidly, some of them are not satisfied. So I think it is an awareness issue and an education issue, which is of course behind why we do some of these studies in the first place. It's really to help people see if they have opportunities by improving some of these things.

Just fewer than 60 percent of the respondents felt like their staff members do not see operational statistics rapidly enough to actually improve outcomes, act on those metrics and make a difference. But there was a whole 43 percent that felt like it was okay the way it was. So there's always a question, and in some cases it may be. It may be they have some other issues that are far more pressing to address. Until they address those issues, seeing the results faster is not going to be very valuable.

***MBT:* Do you foresee that, moving forward, we're going to see companies make a concerted effort to take action on this and try to find ways to improve on this?**

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Fraser: I certainly think in the industries where there is more competition, a lot of price pressure, they won't have a choice, honestly. If they want to stay in business, they are going to have to figure out how to do this. Actually one of the things we are hoping to do when we get the full set of data is create some trend lines and compare it to the 2010 study and the 2006 study and see whether people are making progress on implementing some of these best practices. Now, it is not a perfect indicator because it is not all the same companies that respond every year, but we are hoping to get a look at how some things are trending.

MBT: Is there anything you've seen with the study that caught you by surprise?

Fraser: I guess I was a little surprised that 43 percent of the people thought that the staff members see the operational metrics quickly enough to act on them and improve their outcomes. That number seems high to me. I think is a little bit of a mismatch, when you say that only maybe half, less than half, of the people even usually show those line-level metrics to operators, let alone always. There are companies still, despite all of the years of Lean thinking manufacturing has gone through, there are still companies that really don't empower their employees and have not really gotten on that path eliminating waste wherever they find it and doing it systematically. It is the systematic part that some companies are still missing. It's not a blame issue. It's a question of maturity. And so we find that in certain industries they are not very mature and certainly certain companies go through a process of learning. Being immature might cause you some problems, but it's not bad. There is just a learning curve with this.

Mesa is currently collecting data from respondents to validate initial data found in the survey. For more information, please visit www.mesa.org [2] or www.cambashi.com [3].

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