

Why choose Financial OEE Education? Picture This:

- 1.) Real-time Performance Monitoring (RPM) such as www.Memex.ca Automatic data collection, can Timestamp events and tag Product ID at each monitored discrete Work Station as a product proceeds through manufacturing.
- 2.) A Plant's ERP reporting system contains the resource usage quantities (product mix, materials, waste, labor, etc.) at each work station for each product.
- 3.) The Financial reporting system contains the expenses and profits by product and Line of Business (LOB) via the Income Statement for specific time periods of production.
- 4.) **Linking these three data sets** of specific product flow line performance, and by product mix by income statement time period would provide a **'Gold Mine'** of information to:
 - a. **Optimize Manufacturing Excellence Improvement Strategy via Profitability!!**
 - b. **Increase Profits over current results!**
 - c. **Lower Customer Prices, Gain Market Share!**
 - d. **Extend the 'Health' and Job Security of your Plant (90% of Users Increased Profits by > \$1 MM)**



Financial OEE Value Stream Analysis 'CONNECTS THE DOTS' between these three databases (Licensed by Site Location by R.C. Hansen Consulting, LLC)

Learn how to use discrete workstation historical OEE information to develop **product flow-line OEE Value Stream Analysis by LOB and link financial information to actual OEE performance.**

- ❖ *Quantifies* Income From Operation (profit) results for current state and future state
- ❖ **Leadership teams can see how much "Hidden Factory" Profits are left on the table every week**
- ❖ Identify the true flow line constraint by product
- ❖ Identifies the true line of business overall constraint relative to product mix
- ❖ Provides *contribution by constraint hour* for product mix optimization
- ❖ Links financial information with shop floor performance by individual workstation
- ❖ Evaluates income from operations impact for improvements by *individual workstation* for quality *or* speed *or* availability.
- ❖ Determines the gap to World Class performance *in terms of profit dollars* (which is the definition of financial OEE).
- ❖ Applies to V, A, T and I categories of manufacturing lines

This methodology applied to your high-value lines of business provides the critical information to set strategic action plans to quickly maximize profits while moving towards manufacturing excellence (examples include to show how to Leapfrog profitability).

Identifies exactly **where** to focus key resources and **when** to include additional targets

All levels of the organization can learn the basic tools to understand "**What** tool, **When**".

Learn to use OEE performance curves to set 'SMART' goals for standard rates by product and Proactively generate individual shift performance goals.

Why? To achieve **Win, Win, Win**.

WIN - LOWER PRICES FOR CUSTOMERS, GAIN MARKET SHARE

WIN - INCREASED PROFITS FOR THE LINE OF BUSINESS

WIN - EXTENDS PLANT HEALTH AND JOB SECURITY FOR EVERYONE IN THE ORGANIZATION.

Profit focused, not cost-cutting. Defines what you did and could do with what you already have.

Data Analysis focuses on 'Current State' versus 'incremental improvement' versus 'World Class'

The base case model can be used to identify and quantify the amount of change in income from operations for both Same Sales and for Sell All Capacity for the following:

- ❖ Improvement by individual workstation and by individual OEE parameter (quality or speed or availability)
- ❖ Improvement in income from operations if world class performance is achieved
- ❖ "What IF?" Product Mix was shifted to take advantage of 'Contribution by Constraint Hour'

Results quantify the number of equipment shifts that the Flow-line can be reduced for a specific increase in OEE for the Same Sales scenario.

Provides strategic information for plant and line of business leadership teams to maximize profits.

Provides critical information to form STRATEGIC TACTICAL ACTION STEPS by Individual Target area, e.g.:

- ❖ **Where to focus improvement projects *first* for Reliability, Availability projects**
- ❖ **Where to focus *first* for quality projects (usually not the same place)**
- ❖ **When the 'Next Constraint' will need to be included for continued progress**
- ❖ Information to Coordinate with Sales and Marketing to optimize LOB asset usage
- ❖ Initiating Proactive Shift Performance Goals based on 'SMART' top quartile performance

The training modules included basic OEE education of all the improvement tools and will provide education for the shop floor through the top floor.

Short (approximately 40 min.) modules are perfect for group or team meetings

Seven subject areas are on separate CD's so that multiple groups can train at the same time.

Site (location) license allows unlimited use throughout a plant site. Multiple sets of training modules can be ordered (\$200.00 US per each).

Formulas, definitions, practice examples for OEE, TEEP, throughput accounting, and financial results in terms of improved Income From Operations (IFO) are provided. Theory of constraints education is applied to manufacturing systems and resources.

The training would be available for OEE orientation of future new employees of all levels of the org.

Follow the links on www.OEE-College.com for information to order **Financial OEE training modules**.