



OpExcellence

January 2011

Volume # 2

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Upcoming OpEx Events

Total Productive

Maintenance [Workshop](#)

Feb 08–11, 2011

Location: Texas State University,
Round Rock Higher Education
Center

Benchmarking Learning

Event

Feb 16, 2011

Focus: “The TASUS way” having
learned it from the 14 TPS
principles

Host: Tasus Texas Corporation

Location: Georgetown—Austin

Leader Exchange

Mar 09, 2011 4PM – 6PM

Focus: Policy Deployment
Location: Texas State university,
San Marcos

Key Links

[OpEx Solutions](#)
[CenTex OpEx Consortium](#)
[Consortium Event Schedule](#)
[Global OpEx Solutions](#)
[Global OpEx Training Schedule](#)

Controlling Cost in 2011 is Paramount

Martin Nazareth, President OpEx Solutions



2010 was a relatively good year compared to 2009.

- ⇒ The DOW rose 11% when compared to a long term average of 6%
- ⇒ The Inflation rate was 1.64% based on [annual consumer price index](#).
- ⇒ [Salaries increased](#) 2.4 percent compared to a record low in 2009

At OpEx Solutions, 2010 was a good first year of operations. Our achievements include:

- ◇ Supported over a dozen companies including a couple Fortune 500
- ◇ Kicked off the CenTex OpEx Consortium
- ◇ Offered eight seminars in Integrated Management Systems, Theory of Constraints and Total Productive Maintenance (TPM), with an excellent feedback rating of 4.7/5.0
- ◇ Conducted two benchmarking learning sessions for the consortium members
- ◇ Launched our quarterly newsletter, “OpExcellence”
- ◇ Provided consulting and coaching services to four companies
- ◇ Certified as Historically Underutilized Business (HUB) in the State of Texas and Minority-Owned Business Enterprise (MBE) by the City of Austin

The Institute for Supply Management (ISM) expects the 2010 improvement to continue in 2011. It [projects optimism about the U.S. economy](#) :

- ⇒ The U.S. manufacturing sector will grow with manufacturing revenue increasing by 5.6%
- ⇒ Predicts that business investment will increase substantially in the manufacturing sector

However, we are expecting to encounter a few challenges:

- ⇒ Expect commodity and energy prices to go back up and put pressure on the industry
- ⇒ Countries, states and cities are facing threats of bankruptcy
- ⇒ Municipal securities are becoming volatile and the yield is increasing
- ⇒ The [median salary increase budget](#) is expected to go back up to 3%
- ⇒ The [US national debt](#) is \$14 trillion and the clock is ticking at \$4.15 billion/day
- ⇒ [China's Central Bank has been increasing their interest rates to fight inflation](#) through reduced spending and controlling the growth in economy.
- ⇒ [Healthcare spending](#) is projected to double and be 20% of the GDP by 2017

With these challenges, one thing is certain, controlling cost in 2011 is paramount and most of the pay raises are expected to be performance based

At OpEx Solutions, we expect 2011 to be good growth year as well. Our mission will be to help our clients and members meet the performance challenges by enhancing our services, which include:

- ◇ Expand consulting and coaching to non-manufacturing companies
- ◇ Provide twelve seminars/training sessions including four sessions over-seas
- ◇ Introduce a couple additional topics that are most urgent and important for our clients
- ◇ Pursue Registered Education Provider certification enabling participants to earn PDUs
- ◇ Expand the CenTex OpEx Consortium with satellite centers in Dallas and Houston

We believe that the best way to get ahead is by helping others get ahead

Introducing the Newest Consortium Members



TASUS Corporation has established supplier partnerships with the most highly respected companies in the automotive, transportation and communication industries. Through our commitment to and constant practice of the principles of the Toyota Production System, we offer a company-wide focus on quality, productivity, employee respect and customer satisfaction. We measure our customer relationships in terms of decades. We go to great lengths to insure mutual success. We offer a refreshing approach to programs by applying extensive resources to insure cost-effective, on-time product launches. Some of our specialties include dealing with challenging products processes and tools that require a combination of creative and technical input. We often take marginal programs and turn them into successful products through trouble shooting and re-engineering existing tooling, process improvements, and proper use of automation.

Alliance Partner Events

AME Southwest Events

Mastering Lean Product Development [Workshop](#)

Feb 28—March 1, 2011

San Antonio, TX

[Benchmarking and Performance Metrics](#)

April 20—21, 2011

Austin, TX

Institute of Industrial Engineers

[61st Annual Conference and Expo](#)

May 21—25, 2011

Reno, Nevada

Symbiosis of Operational Excellence and Project Management Improves Medium Size Project Execution

Execution
Alex Gutierrez, PMP

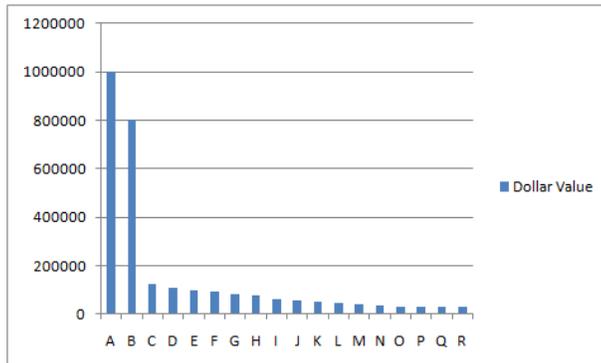
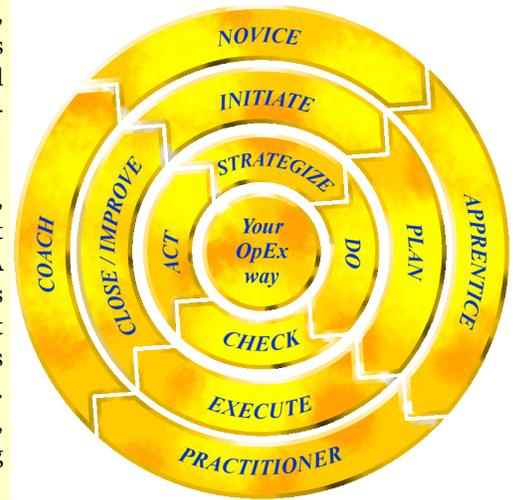


A strong mutualistic and symbiotic relationship exists between Project Management and Operational Excellence. Unfortunately, this relationship has not been recognized widely, leaving a huge potential for synergy untapped.

The process cycle of Project Management, Initiate-Plan-Execute-Monitor-Closedown, is very similar to the Scientific Change and Continuous Improvement cycle, Plan-Do-Check-Act (P-D-C-A).

Although these two cycles are very similar, their focus is different. Project Management focuses on large projects and the P-D-C-A focuses on continuous improvement. This disconnect between the project management and continuous improvement cycles is predominant in medium size projects. Medium size projects include, major surgery, hosting events, workshops, manufacturing custom equipment, equipment overhauls, ...

The larger projects like new vehicle program, starting up a new factory, starting up a new hospital, ... justify dedicated project management. The really small projects or better still, day to day activities like problem solving, restoring flow, emergency and routine surgeries, rely on standard operating procedures and may not justify any project management while the mind-set of project management would still be beneficial.



At any business location, the large projects are typically just a couple. However, the medium size projects are few with a fairly significant overall impact. In terms of the 80-20 rule, 20% of the projects have 80% of the impact. However, 20% of the projects include the large and medium projects. If we apply the 80-20 rule, just for the significant few, one more time, the large

projects are 4% of the total that make up 60% of the impact, the remaining 16% are medium sized projects with 20% impact. Unfortunately the neglected medium size projects often create havoc, such as:

- ◇ Poor quality and rework
- ◇ Slippages in cost and time
- ◇ Blaming and employee conflicts
- ◇ Mediocrity instead of excellence

A simplified and watered down version of project management combined with operational excellence tools like daily management systems and standardized work, is a good approach to manage the medium sized projects.

Simplified project management includes work-breakdown-structure and scheduling of concurrent activities. Daily visual management includes daily live team reviews of visual charts for key performance indicators, status of key leverage points, and problem solving activity. Combining the two, enhances team involvement and commitment that creates a synergy to achieve common and clearly defined goals, resulting in on-time and within budget execution.