



# OpExcellence

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## Upcoming OpEx Events

### Leader Exchange

Jul 12, 2011 4PM – 6PM

Focus: Policy Deployment

Location: Texas State university, San Marcos

### Theory of Constraints Seminar

#### Seminar

Jul 13, 2011

Location: Texas State University, Round Rock Higher Education Center

### Three Seminars in India

Jul 26—Aug 2, 2011

- ◇ Back to Basics of Operational Excellence—Practitioners and Leaders
- ◇ Operational Excellence Integrated Management System—Leaders
- ◇ Total Productive Maintenance – Facilitators and Practitioners

## Key Links

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

## The Association for Manufacturing Excellence Forms Alliance with the CenTex OpEx Consortium

ROLLING MEADOWS, Ill.—May 17, 2011—The Association for Manufacturing Excellence (AME), is pleased to announce its recently formed alliance with the CenTex OpEx Consortium (COC).

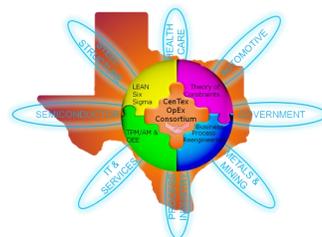
*“Both AME and COC members will experience new opportunities through this partnership, including*



*networking and world-class education,” says Bill Baker, VP of Alliances for AME. “This mutually beneficial alliance is a natural extension of AME’s Rebirth of Manufacturing Jobs campaign, an initiative focusing on growing the manufacturing sector and employment in North America through education, awareness and advocacy.”*

The formalized agreement between AME and COC is the framework for developing a mutually beneficial partnership which will:

- ◇ Facilitate an increased awareness of world-class manufacturing processes, systems and methodologies that maintain and enhance a company’s competitive position in the global marketplace
- ◇ Increase the appreciation for, and understanding of, manufacturing’s positive role in our North American economic growth and prosperity
- ◇ Recognize manufacturing entities for their enterprise excellence in operations and processes focused toward “world-class” accomplishments in quality, cost, delivery and business results
- ◇ Facilitate inter-company collaboration to accelerate the sharing, challenging and leveraging of best practices for continuous business-performance improvement



*“We have had a great informal partnership with AME for many years, and we felt it was time to formalize the relationship,” said Martin Nazareth, COC president. “We are confident that this affiliation will result in significant synergy to support businesses in Texas with their operational excellence needs through benchmarking, seminars and training.”*

This alliance offers support for AME and COC by promoting already-existing events and conferences, organizing joint workshops, sharing articles for publication and developing training materials. These efforts are designed to further the missions of both organizations, providing members with the tools to effect growth in North American manufacturing.

As part of the alliance, COC members receive complimentary membership to AME.



## Applications of TOC That Result In Significant Gains

*Rexford H. Draman, Chair Business Division, Marymount College*

Theory of Constraints (TOC) has been applied in different companies, environments and different applications. In the last two newsletters, we focused on the fundamental steps of TOC and the need for organizational buy-in in order to have a sustainable implementation of TOC.

Having covered the fundamentals and the need for organization buy-in, we are going to present some of the applications of TOC that typically result in significant gains. Key areas of applications are Inventory Reduction, Project Management, Metrics for Selection of Projects and for depicting Savings. These three articles, in the newsletters, are a good pre-cursor to the upcoming TOC seminar scheduled for July 13<sup>th</sup>.

Applying TOC to Inventory issues has rippling benefits. The first question one should ask is: Do we have too much inventory or too much of the wrong inventory and not enough of the correct inventory? ([full article](#))

## Introducing the Newest Consortium Members



Toyota is proud of its newest vehicle assembly plant in San Antonio. Along with its onsite suppliers, TMMTX manufactures the Tundra full-size pickup, and began building the Tacoma pickup trucks last July.

Toyota is currently known for its application of operational excellence through their Toyota Production System (TPS) and is considered the benchmark in the industry.

## Alliance Partner Events

### AME Southwest Events

“Metrics That Can Make A Competitive Difference to Your Business”  
Getting Your Metrics Right-What is a Win?  
Sept. 8-9, 2011, Austin, TX

Driving Results Through People  
Leader Powered Lean: Heartbeat  
Leaders First  
San Antonio, TX  
Sept 20-21, 2011

**Consortium Members Are Entitled to 20% Discount**

**AME Annual Conference**  
**Dallas**  
**October 24–28**

**Institute of Industrial Engineers**



September 12-14, 2011  
Westin Atlanta Perimeter North  
Atlanta, GA.

## Key Activities in the Second Quarter

### Back to Basics of Operational Excellence Seminar

The benchmarking visit to the Toyota truck plant in San Antonio around the end of the 1st quarter was followed by a very pertinent seminar on “Back to Basics of Operational Excellence. Participants from six organizations learned the “why”, “how” and “where” of applying five fundamental and connected tools of operational excellence. Unlike, too many organizations that apply operational excellence tools to make their operations look like that of Toyota, the focus was on helping operations operate like Toyota.

We covered five areas fundamental to continuous improvement:

- ◇ Workplace Organization (5S)
- ◇ Standardized Work
- ◇ Daily Visual Management
- ◇ Problem Solving
- ◇ Rapid Improvement Events (Kaizen)

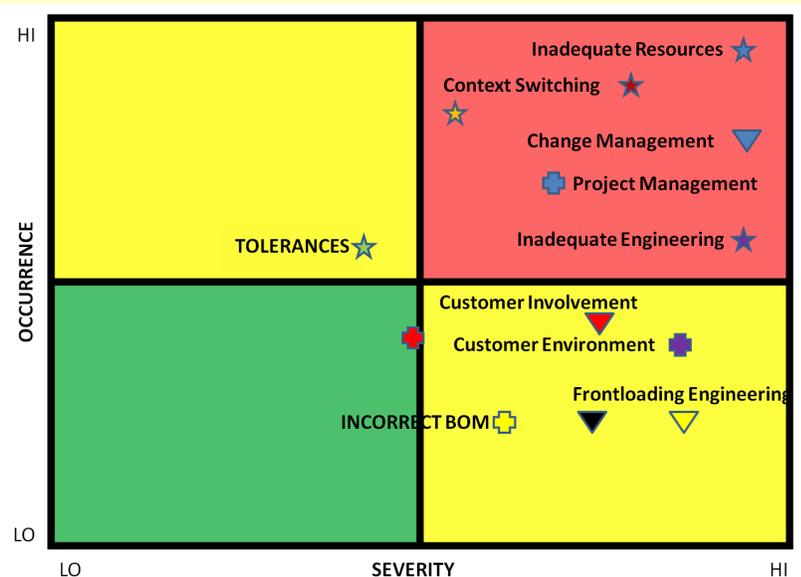
Participants expressed throughout the session as well as in the feedback that they were not aware of the basics of these tools and how these serve as the foundation of any operational excellence journey.

We typically cover the basics of operational excellence along with integrated management systems. However, based on feedback from earlier sessions, we have separated the two so that the practitioners could attend the basics and the leaders could attend both sessions.

### Research on Severity & Occurrence of Engineering Failures

In relation to the rippling effects of drawing errors in custom engineering projects, we often hear from companies “If we cannot be cost effective, we will either out-source or off-shore the job and we can get it done better and cheaper”. In order to guide our members and clients, we performed research using seventeen causes and failures to understand the severity and occurrence of engineering mistakes in drawings by surveying Engineering and Project staff from seven companies.

The attached four quadrant graph shows the significant few failure modes and causes based on the Severity and Occurrence scores from the survey. We can see that they basically fall under two main categories of failure modes and causes, “People” and “Process”:



1. Overburdened Engineering
2. Lack of and not adhering to a standard process for managing the project

With a simple and robust project management process, most companies should be able to overcome majority of the rework and stoppages thereby overcoming the issue of overburdened people.