



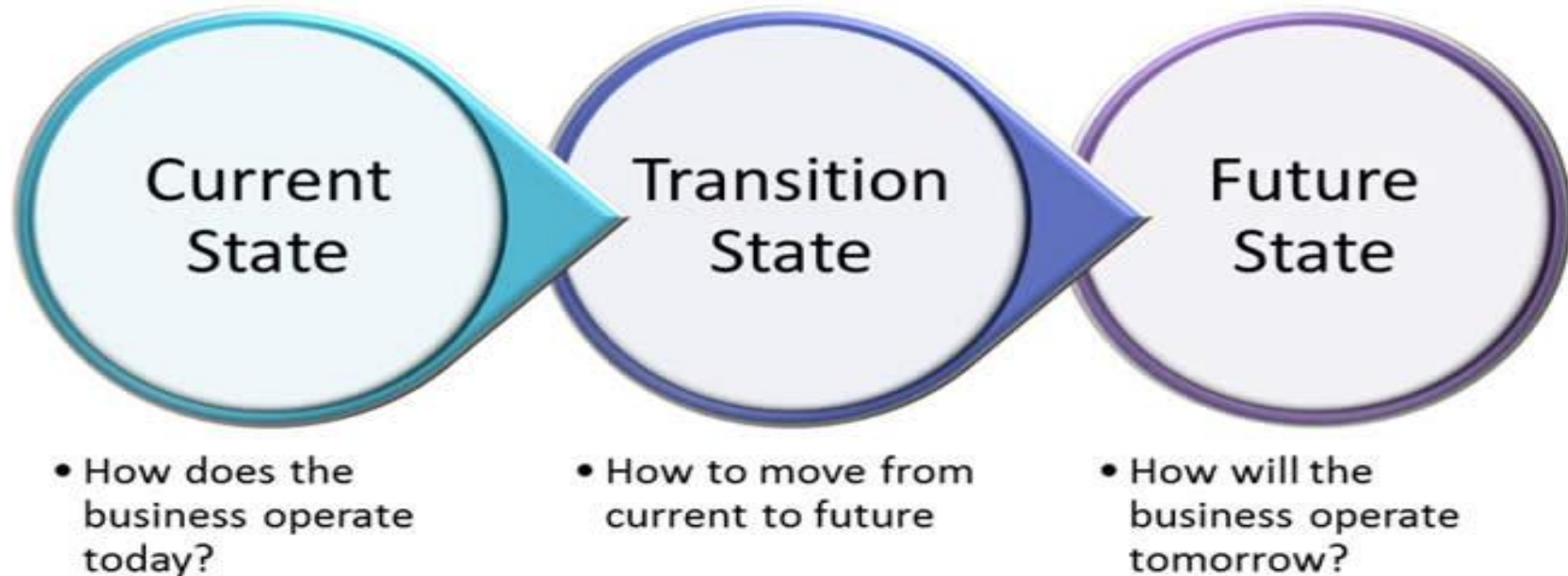
CORE LINEPIPE

Morning meeting.....

Purpose, Message & Agenda

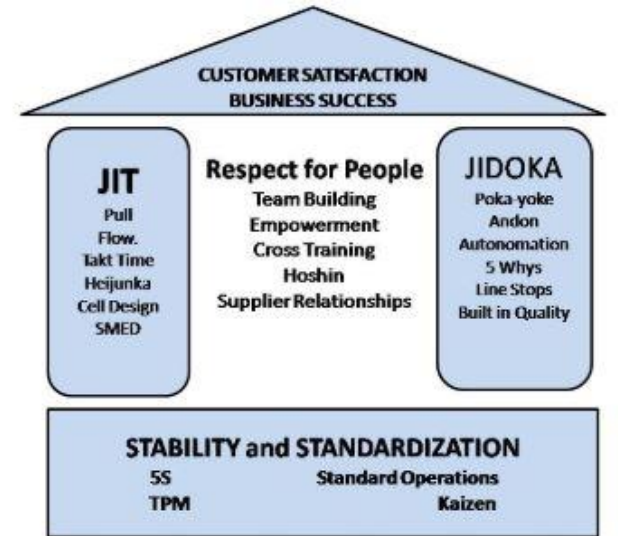
Purpose.....

Communicate the Impact of Transformational Change



Message.....

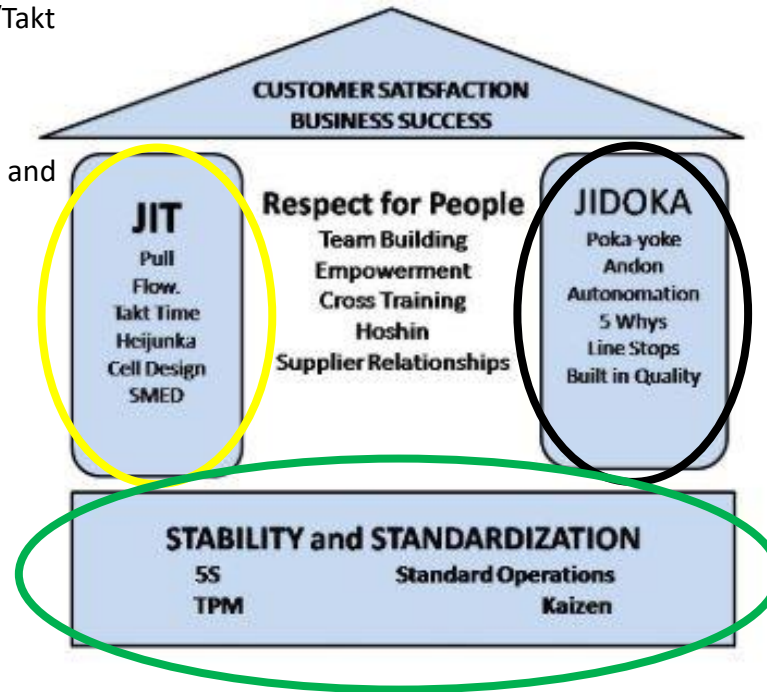
CORE-Linepipe strives to increase customer value through continuous Improvement.



International
Organization for
Standardization

Supply Chain Management

- Just-in-time system employs various tools/process to eliminate waste by receiving goods only as they are needed in the production process.
Focus on Optimized Planning & Scheduling (Heijunka/Takt Time)
- JIT avoids waste such as overproduction, waiting for material, looking for material, inventory holding costs and excess inventory tying up NWC.



Visual Management & Tools that Stabilize a Process

- Visual Management It is a system of information displays, visual controls, labels and signs, color coding and other markings instead of written instructions.
- 5S - It involves many visual activities that can help create a better work environment. It suggests the use of colors and labels to clearly mark storage locations for each item in the workplace
- Standard work visuals help ensuring that tasks are always performed by all in the most efficient and effective way possible. They include procedures, work instructions, check sheets, checklists, flowcharts, schedules, photos and one-point-lessons.

Quality Control/Quality Assurance

- Jidoka – The application of systems and tools that detect an abnormal condition immediately so not to pass on defects or errors on to the next step in the process. Tools- Poke-Yoke (Error Proofing), Andon systems and root cause problem solving.
- Built in Quality - is building quality into a process rather than inspecting at the end.
- Jidoka/Built in Quality Mindset
 - Do Not Accept/Build/Ship a Defect
 - Protect the customer from the cost of poor quality. (Customer means the “internal” as well as the external customer).

Agenda.....

1. First and foremost, congratulations to everyone who has contributed to CORE Linepipe success!! What a wonderful journey!
2. Preparing for the human side of change.
3. CORE Linepipe – Winning the business of tomorrow by creating greater customer value though shorter lead-time, higher quality and lower costs.

Driving Systems

- ✓ Quality Management System-Implementation of ISO 2015
- ✓ Material Management System – Implementation supporting ISO



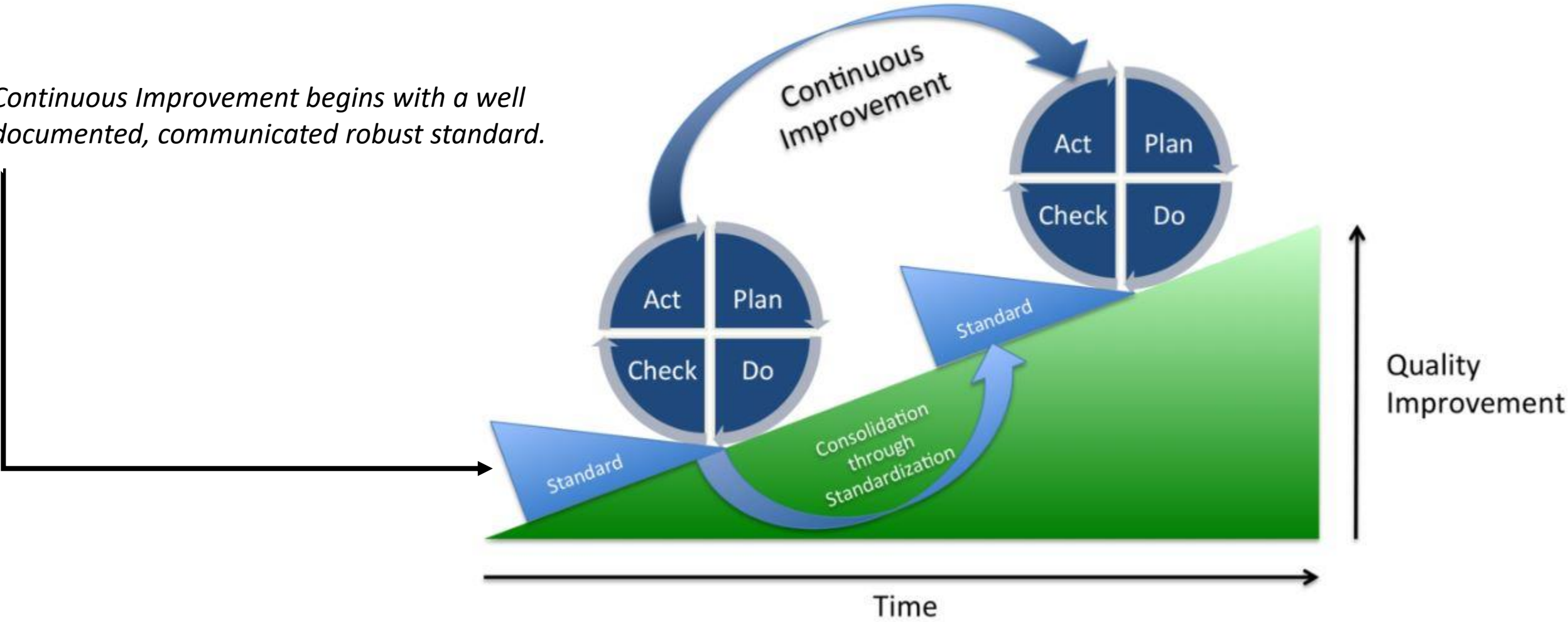
“Respect for People” - Operational Excellence and Transformation.

- 1. *Challenge one another to do better:*** Challenge one another to solve problems at the root cause and implement countermeasures so the process improvement delivers value to the customer.
- 2. *Teaching:*** teaching problem-solving skills and improvement skills.
- 3. *Teamwork:*** Teamwork means being able to solve problems across functional boundaries – it’s the key to successful process improvement.
- 4. *Following the 10 Commandments of Continuous Improvement:*** <https://www.youtube.com/watch?v=I7O8DdcGVR4>

Continuous Improvement is an ISO requirement

- 10. Improvement
- 10.3 Continuous Improvement.

Continuous Improvement begins with a well documented, communicated robust standard.



Change is not easy
and we know it!





Be mindful that all humans fall somewhere within a bell curve of change.



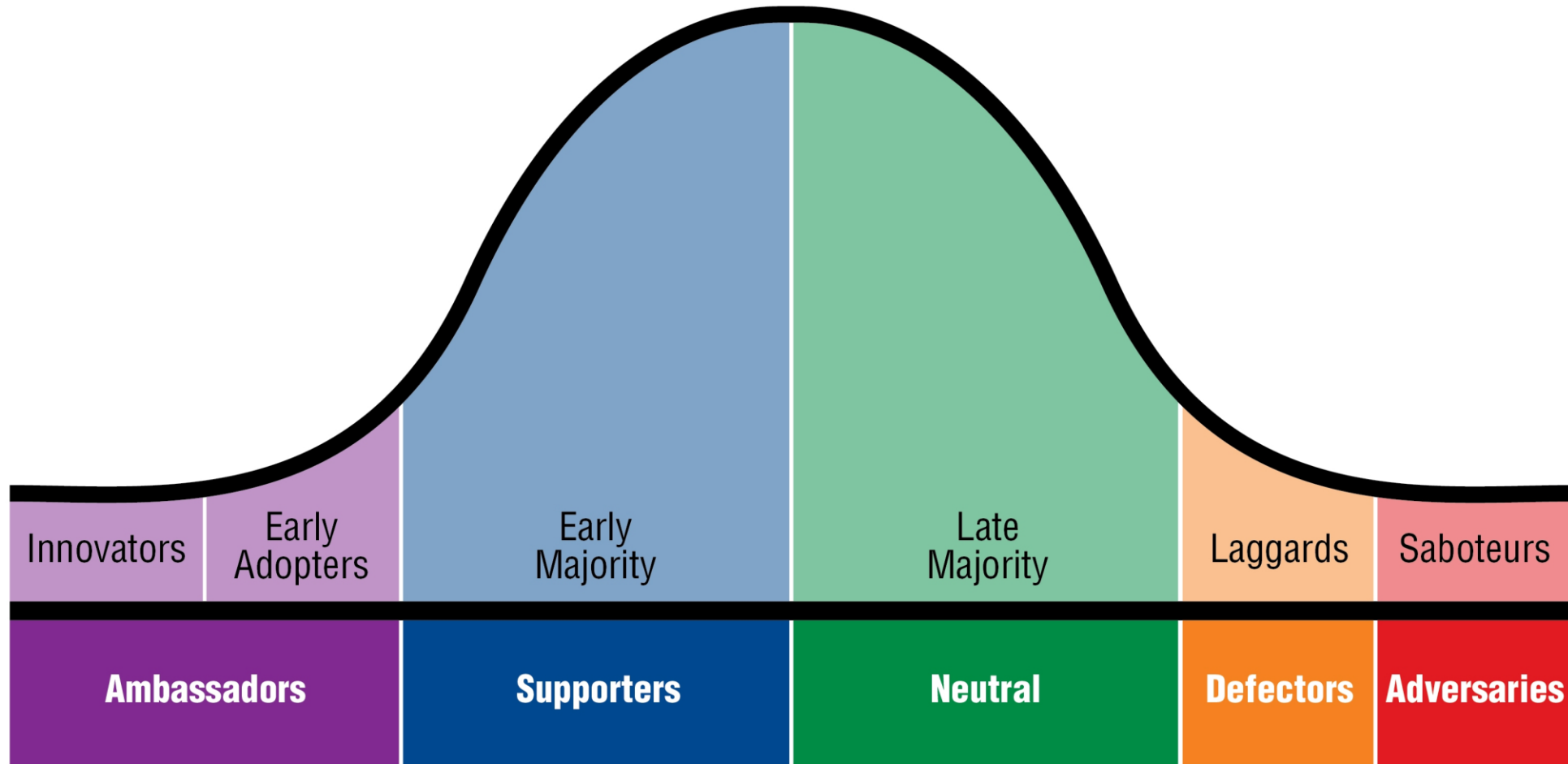
Be mindful that all humans (even the innovators) will experience a series of emotions as they process change.



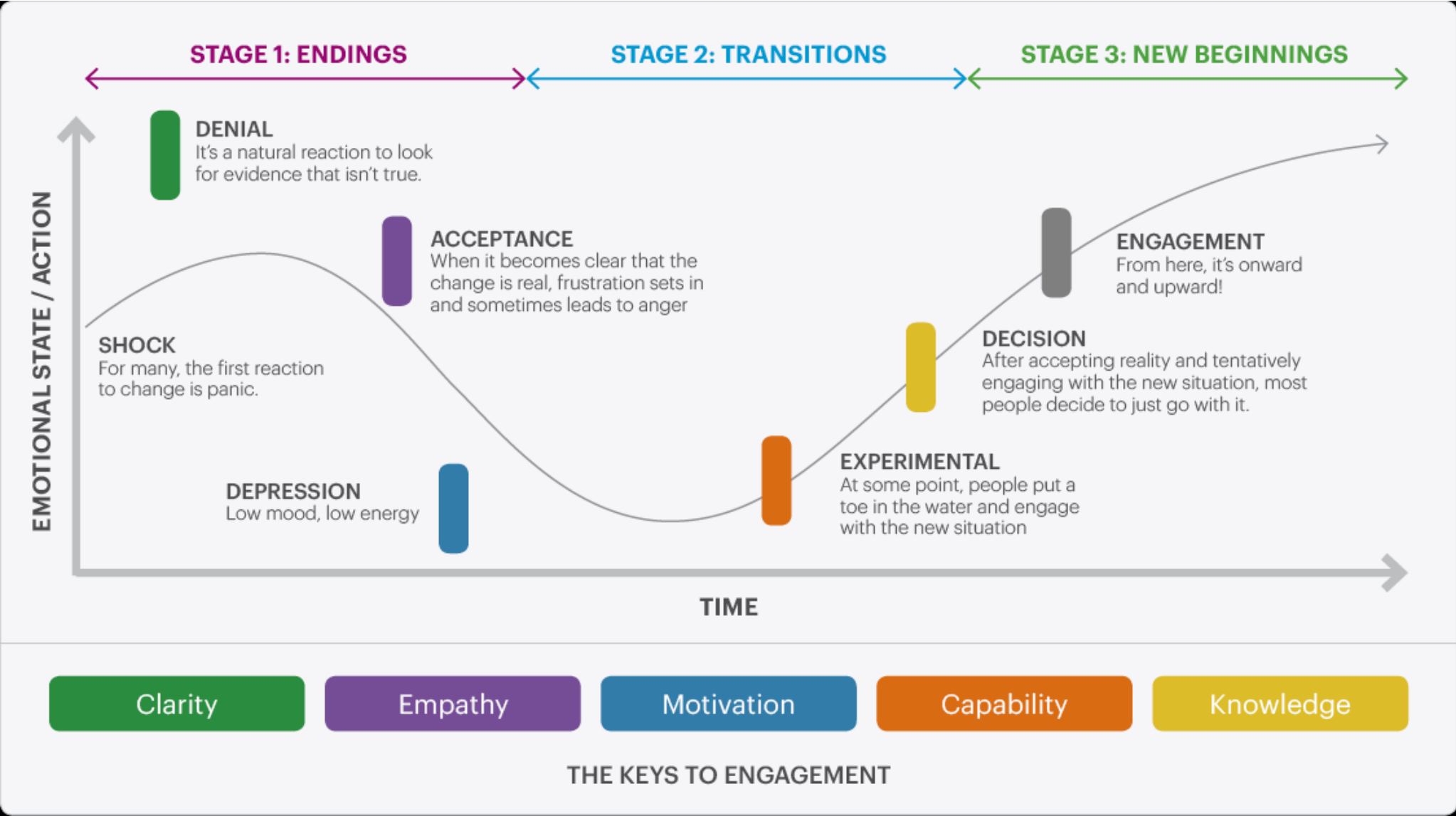
Transformational Change has a greater chance of achieve the ultimate goal if people are set up for success.

Change Management - Tips for Success

Tip 1. Be mindful that all humans fall somewhere within a bell curve of it related to workplace transformational change.



Tip 2. Be mindful that all humans (even the innovators) will experience a series of emotions as they process change.



Tip 3. Transformational Change has a greater chance of achieve the ultimate goal if people are set up for success.

Model for Managing Complex Change



Adapted from Knoster, T. (1991) Presentation in TASH Conference, Washington, D.C. Adapted by Knoster from Enterprise Group, Ltd.

✓ Quality Management System-Implementation of ISO 2015



International
Organization for
Standardization

International Standards Organization (ISO 9001:2015E)

The quality management system requirements specified in this International Standard are complementary to requirements for products and services. This International Standard employs the process approach, which incorporates the Plan-Do-Check-Act (PDCA) cycle and risk-based thinking. The process approach enables an organization to plan its processes and their interactions. The PDCA cycle enables an organization to ensure that its processes are adequately resourced and managed, and that opportunities for improvement are determined and acted on. Risk-based thinking enables an organization to determine the factors that could cause its processes and its quality management system to deviate from the planned results, to put in place preventive controls to minimize negative effects and to make maximum use of opportunities as they arise. Consistently meeting requirements and addressing future needs and expectations poses a challenge for organizations in an increasingly dynamic and complex environment.

✓ Material Management System – Implementation supporting ISO



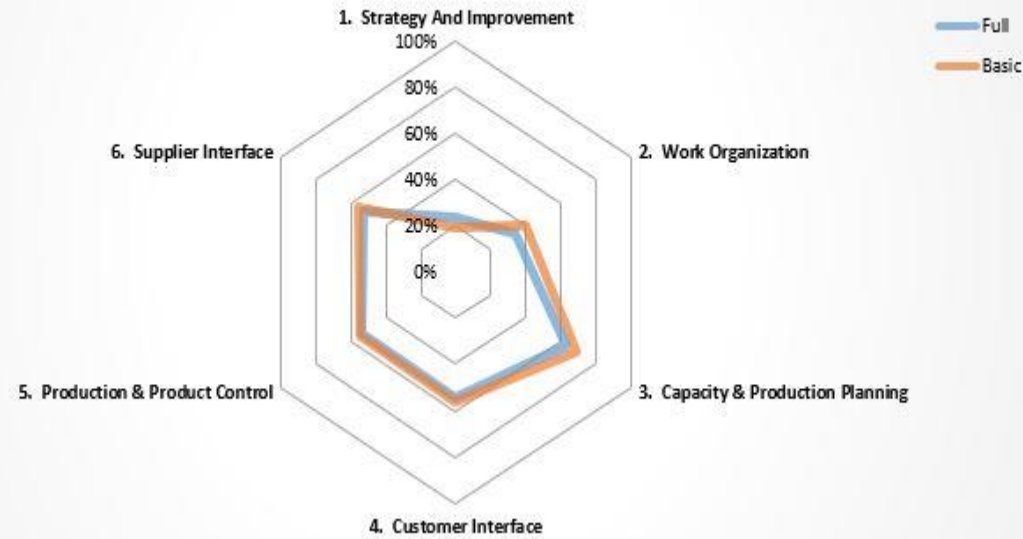
Global Materials Management Operations Guidelines/Logistics Evaluation (MMOG/LE)

MMOG/LE also known as just MMOG, is the global standards for supply chain management processes that provide industry best practices. It is intended to establish a common definition of materials practices to facilitate effective communication between trading partners.

The tool can be used by both supplier and customer throughout the entire product life cycle, including early product development and pre-production phases, and the post-production aftermarket/service phases. Through implementation of the MMOG/LE standard, suppliers have seen up to an 85 percent reduction in premium freight costs and an 80 percent reduction in obsolete materials. Reducing line stoppages, inventory carrying costs, premium freight, rework, and shortening lead times mitigates supply chain risk.

Core Linepipe /MMOG Assessment Summary

MMOG/LE Radar Chart - by Chapter



MMOG/LE Radar Chart - by Chapter	Basic	Full
1. Strategy And Improvement	19%	24%
2. Work Organization	40%	34%
3. Capacity & Production Planning	69%	63%
4. Customer Interface	56%	54%
5. Production & Product Control	55%	54%
6. Supplier Interface	55%	53%

C	<p>1) Non-compliance to any F3 criterion</p> <p>2) Non-compliance to 16 or more F2 criteria</p> <p>3) A total score less than 75%</p>	<p>The organization is deficient in one or more key areas of supply chain management. This situation creates a high risk of disruption to customers and demonstrates a lack of efficiency and control of internal processes within the existing supply chain strategy. Management commitment will be required to create, prioritize and implement action plans in a timely manner to avoid serious or prolonged issues with the customer.</p>
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Weighting:	F1	= 1 pt	A Supply Chain Management (SCM) process that demonstrates an additional level of control of operational processes, contributing to the organization's overall competitiveness. Complying with F1 criteria contributes to the organization's long-term sustainability and/or competitiveness.
	F2	= 2 pts	A Supply Chain Management (SCM) process that demonstrates control of operational processes and has significant importance to the efficiency and effectiveness of the organization's operations. If an F2 criterion is not met, the organization's performance and/or customer satisfaction may be seriously affected.
	F3	= 3 pts	A key Supply Chain (SCM) process that is a fundamental requirement of the organization's operations. If an F3 criterion is not met, there is a high risk of interruption and/or incurring increased costs to the organization's and/or customer's operations.

The Opportunity

The organization is deficient in one or more key areas of supply chain management. This situation creates a high risk of disruption to customers and demonstrates a lack of efficiency and control of internal processes within the existing supply chain strategy. Management commitment will be required to create, prioritize and implement action plans in a timely manner to avoid serious or prolonged issues with the customer.

Action

- Prioritize F3 Items and Other Known Opportunities
- Create Documentation to Bridge of Existing Gaps
- Train Key Personnel on SCM Best Practices as it relates to Critical Processes
- Train Key Personnel on Operational Waste and Problem Solving Skills
- Create Goals , Objectives and Track Goals, Objectives and Key Performance Metrics

Measurement

Track Goals, Objectives and Key Performance Metrics

Management Review

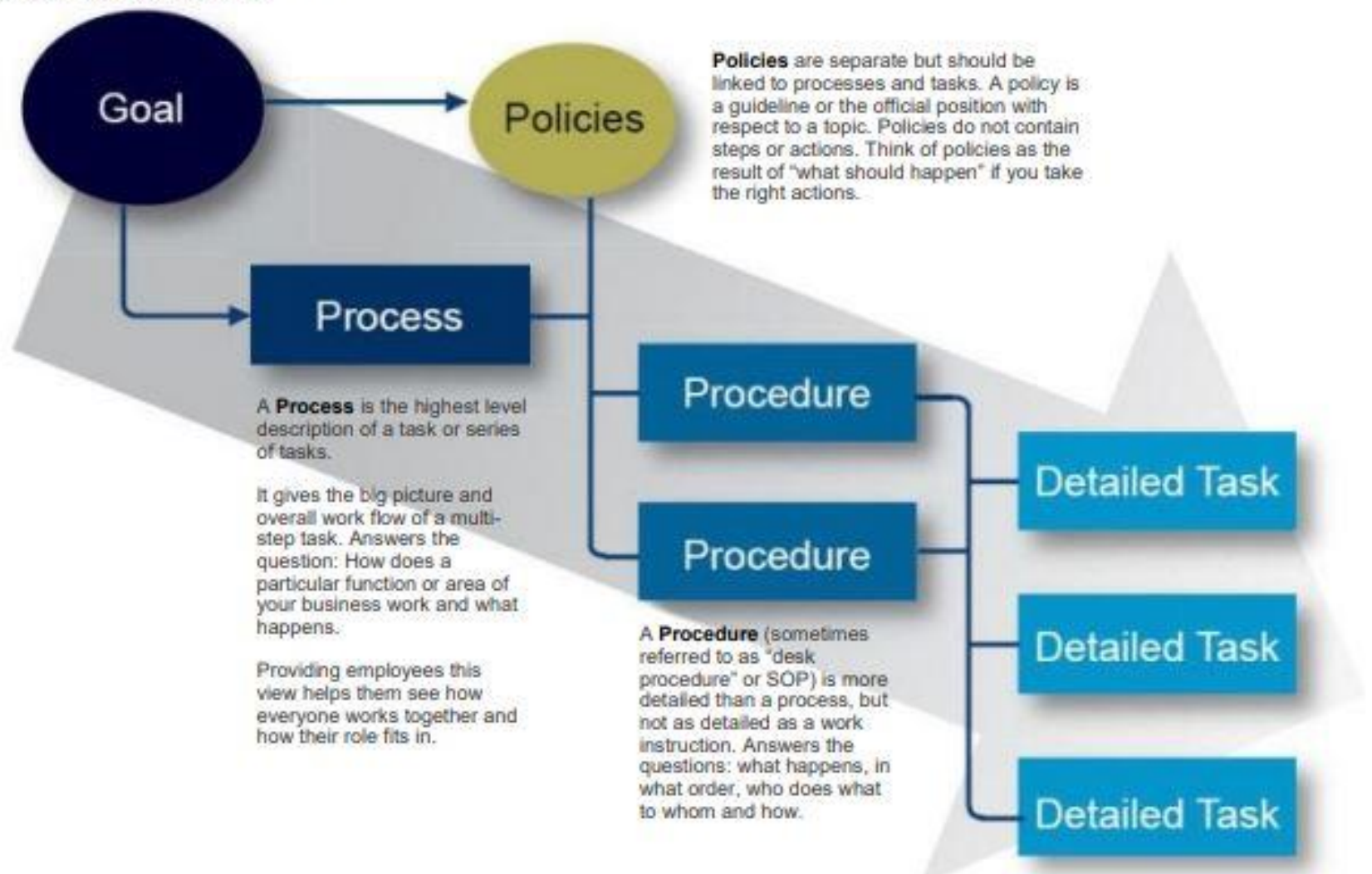
Management to review KPI's to a set schedule to understand if the organization needs to adjust the plan for improved performance.



Controlled Document Framework



A **Goal** is a measurable business outcome such as % error reduction, reduced time, etc



The Model for a Good Process-Procedure-Policy "System" (Drill-down)

Operations Mapping Methodology © COMPROSE 2017
Implemented with Zavanta Software

<https://www.slideshare.net/comprose/what-is-a-good-process-and-procedure-system-17170920>