

CASE STUDY 2

*Example of Improved Efficiency in
Management System*

COMPANY AND ENVIRONMENT

✓ Company engaged in the maintenance and assembly of engines for the aeronautics industry and for industry in general.

✓ The company has 11 work centres distributed in Europe and America.

✓ Group details:

Turnover: 379,292 thousand Euros

EBITDA: 84,737 thousand Euros

R&D investments: 81,754 thousand Euros

Tangible and Intangible investments: 94,371 thousand Euros

Workforce: 2244 employees (31-12-2004)





INITIAL SITUATION: Indicators

Following a first diagnostic stage, the starting point of the Company was defined, basically in the *Efficiency* indicator they used.

$$\text{Efficiency} = \text{Performance} \times \text{Availability} \times \text{Quality}$$

The average values for the year 2004 were taken as the starting point for each of the sections, as well as the general value of the plant:

Average value 2004= 93.25%



INITIAL CONSIDERATIONS

In the preliminary diagnosis, the following aspects, which characterise the initial situation, were detected:

- ✓ Faulty deployment of strategic objectives
- ✓ Low level of participation in controlling the development of indicators
- ✓ Diluted responsibilities
- ✓ Operating personnel strongly influenced by trade unions
- ✓ Lack of strict criteria in allocating time to tasks
- ✓ Low level of participation by operating personnel in improvements

The aim of the Company for 2006 was an average consolidated value of 95%, but following the initial analysis, the Company was told that a value of 100% was attainable (and under favourable conditions, could even be bettered)



LINES OF WORK

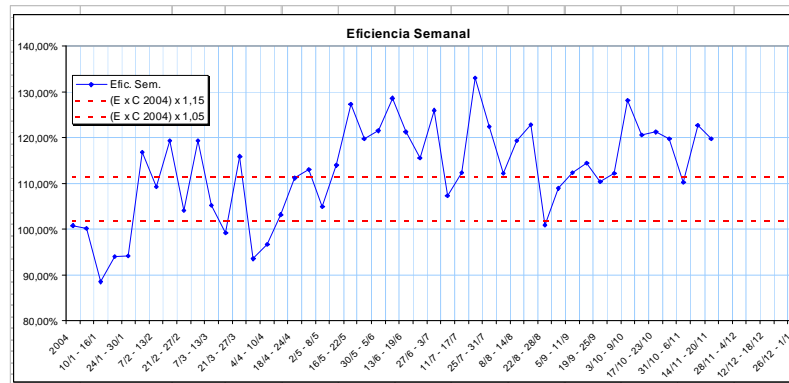
In each work area, the following lines of work were opened in sequence:

1. Deployment of objectives
2. Definition of functions/responsibilities
3. Education/Publication of indicators
4. Standardisation/Monitoring of task/time management
5. Improvement groups
6. SMED



RESULTS: Indicators

At the end of the project, the improvement was quantified by means of the indicators defined at the beginning of the project.



Weekly development

Average value 2005= 104.61%

Accumulated annual development

Average value 2004= 93.25%

