

Continuous Process Improvement: The Link Between RMS and PBL

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Implementation + Results = *Resultants*[™]

Even our name *implies* our promise.

Overview

- **RMS – *How do you get buy in?***
- **PBL – *The wave of the present and future***
- **CPI – *The measurement of effectiveness***
- **Summary – *Questions & Answers***

Reliability, Maintainability, Sustainability (RMS)

How Do You Get Buy-In?

- All three “ilities” are interdependent
- If you don't have good reliability, maintainability and sustainability suffer
- Buy-in is required from designers, users and supporters
 - Designers – Requirements, systems engineers and specialty engineers
 - Users – Operations
 - Supporters – Maintainers and suppliers
- All three groups are incentivized differently and RM&S is rarely the top priority
- You get buy-in by making the business case that rewards exceptional performance and penalizes the unreliable, unmaintainable and unsustainable.

Performance Based Logistics (PBL)

The Wave of the Present and Future

- **OSD has been driving PBL's for several years as the preferred acquisition strategy**
 - **Services are adopting – Navy in the lead**
 - **Mid – 917 creates pilot programs for systems in each service**
 - **JSF is the most complex**
 - **Trend will continue as long as PBL demonstrates cost savings for the government**
 - **GAO report (Sep '05) criticized DoD for not demonstrating cost savings or performance improvements**
 - **Recommended that DoD develop procedures to track business case decisions and verify cost/performance data**

Continuous Process Improvement (CPI) or *Process Value Management*[™] (*PVM*[™])

The Measurement of Effectiveness

- **Looks at systems from a Life Cycle Perspective**
- **Relies on metrics to drive change and achieve results**
- **Includes LEAN, Six Sigma, Theory of Constraints and actions in progress management**
- **Requires top management's active involvement**
- **Is critical for measuring effectiveness of RMS and PBL**

Summary

CPI (*PVM*) is necessary to develop the methodology to measure the effectiveness of both RMS and PBL

Questions?

- **How do I change the current paradigm to reflect continuous performance over spares sales?**
- **What risks must suppliers take?**
- **How do you convince the CEO that you are not going to bankrupt the company?**
- **What incentivizes suppliers to improve reliability to unprecedented levels?**
- **If you build the perfect business case, will both your company and your customer buy it?**