

# Continuous Process Improvement: The Link Between RMS and PBL

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October 27, 2005

Implementation + Results = *Resultants*<sup>™</sup>

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*<sup>™</sup> (*PVM*<sup>™</sup>)

## 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?**