

## Performance Metrics that Matter

### Choosing Information over Data

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Invensys

## Agenda

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- C-Level Perspectives
  - Real-Time finance
  - Real-Time strategic alignment
  - Economic optimization of plant assets
  - Strategies for success
- 



## CEOs Goals

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- Globalization
  - Shareholder Expectations
  - Customer Expectations
  - Resource Availability/Cost
  - Aging Equipment/Workforce
  - Speed of Business
  - Loss of Operational Control
  - Death by Initiative
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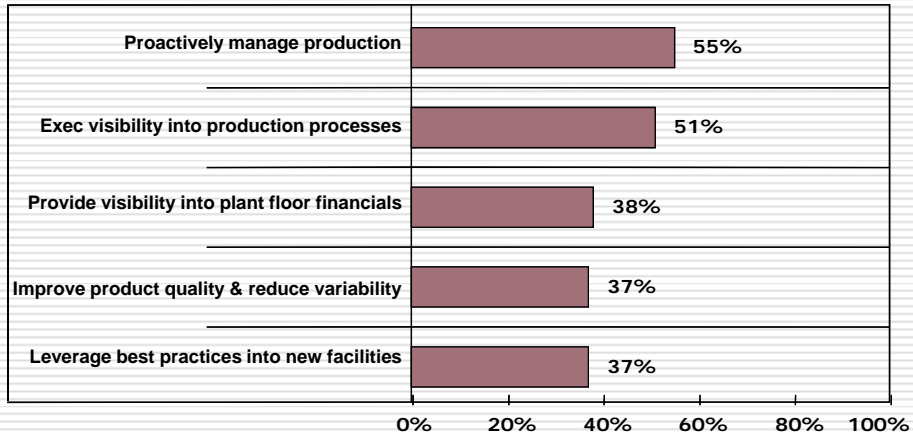
## COO/CFO Goals

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- Strategic Alignment
  - Transparency
  - Ability to Sense & Respond
  - Impact Analysis
  - Ability to 'Close the Loop'
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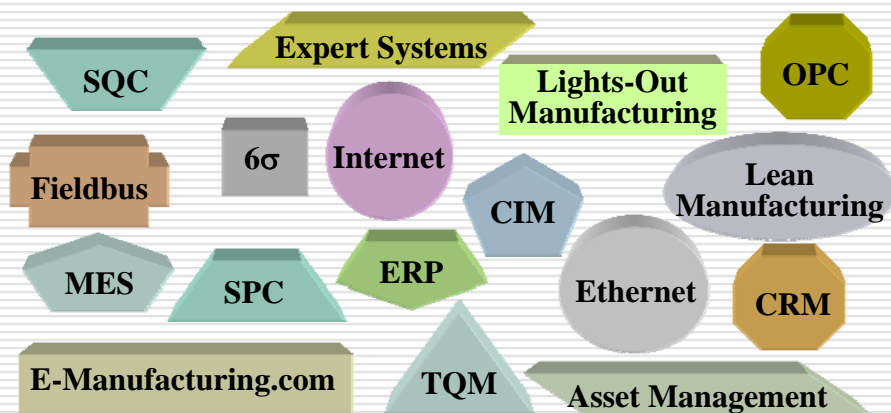


## Top Five Goals

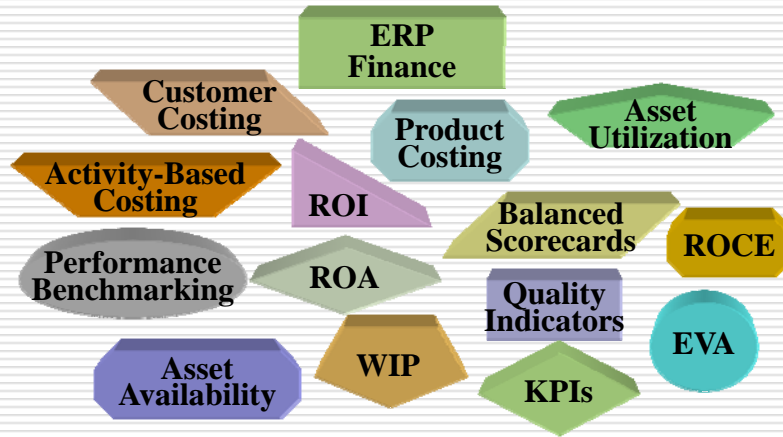


The Transparent Factory  
Aberdeen Group

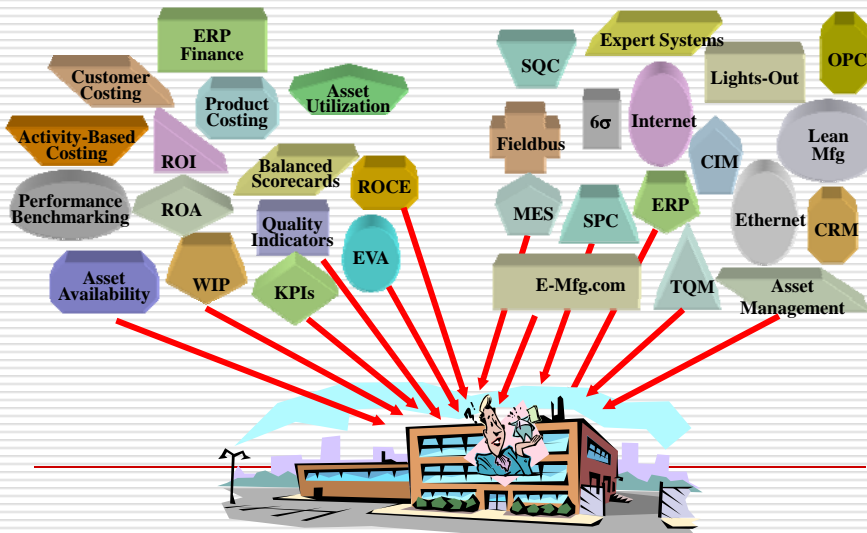
## Performance Improvement Initiatives



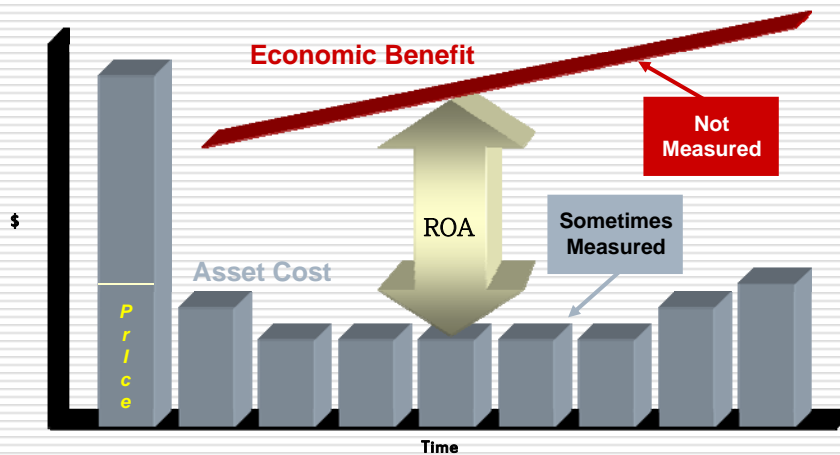
## Performance Measurement Initiatives



## Death by Initiative



## Return on Assets



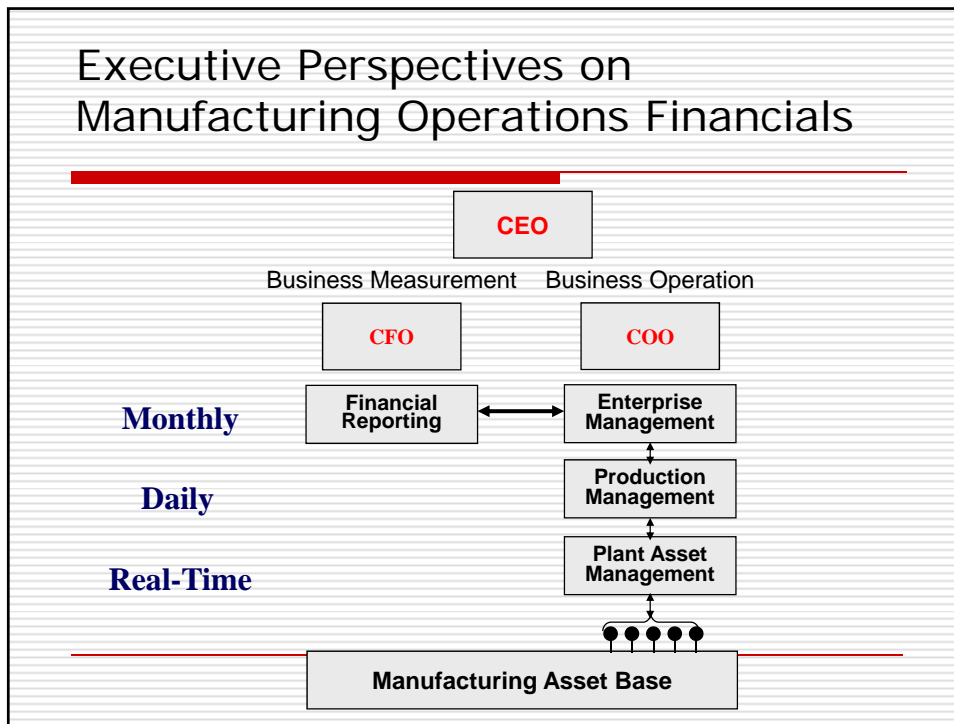
No easy way to measure economic benefit

## Agenda

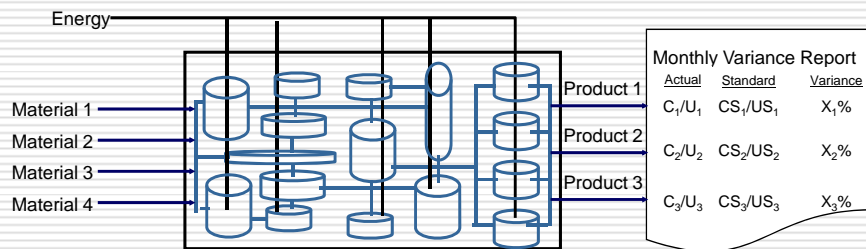
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# Executive Perspectives on Manufacturing Operations Financials



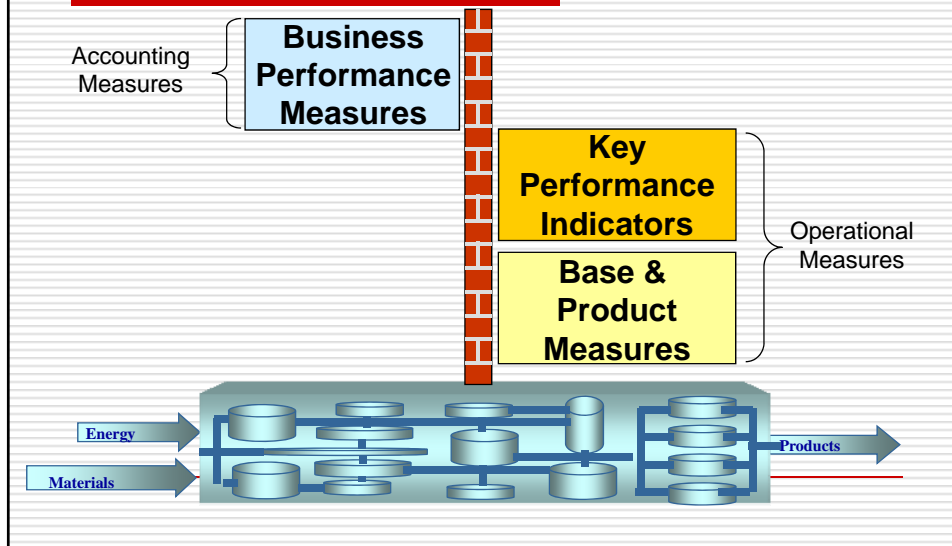
# Plant accounting model



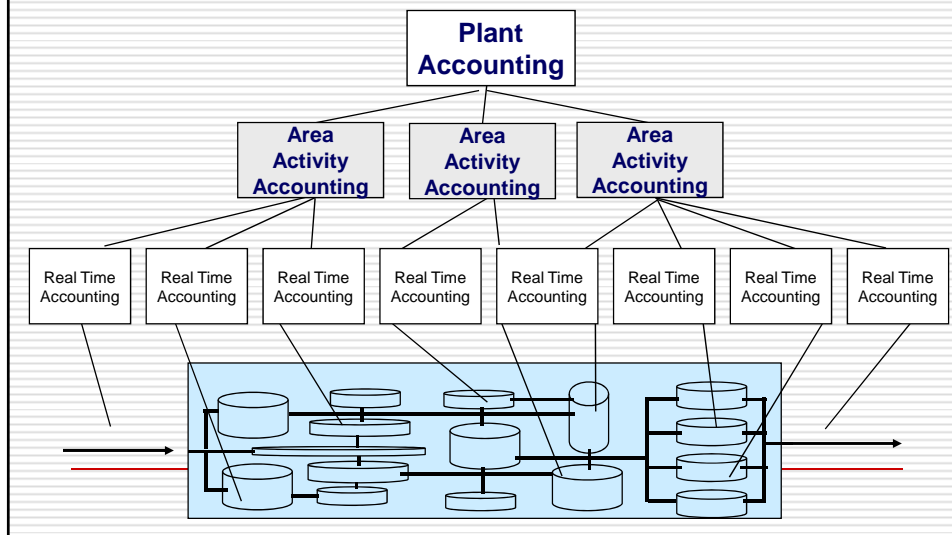
**Cost accounting lacks resolution and timeliness**



## Plant Measurement Separation

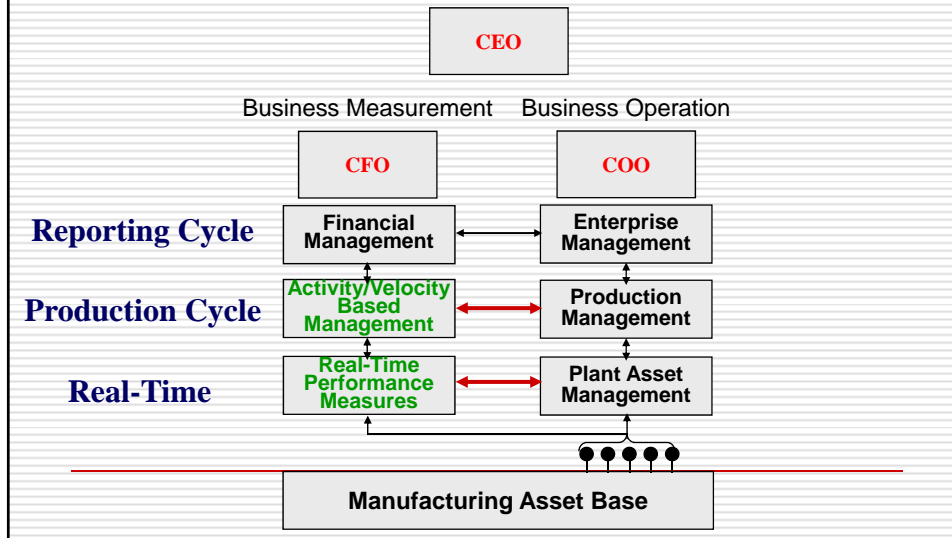


## Accounting decomposition



## Real-Time, Finance Based, Performance Management

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## Agenda

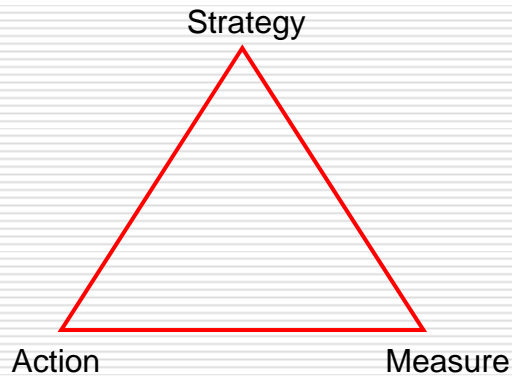
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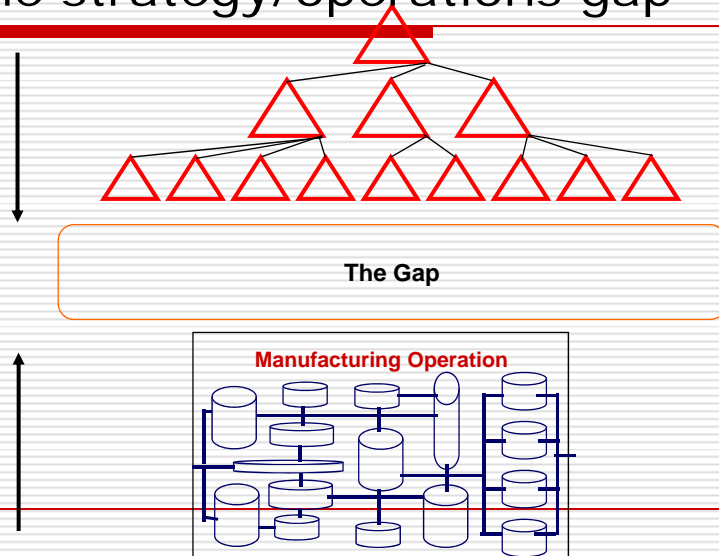
## Identifying strategic performance measures – Vollmann Triangle

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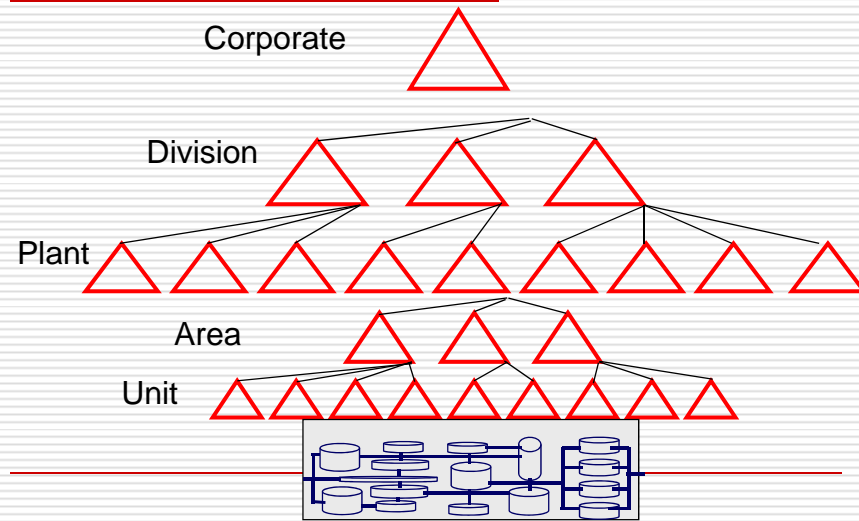


## The strategy/operations gap

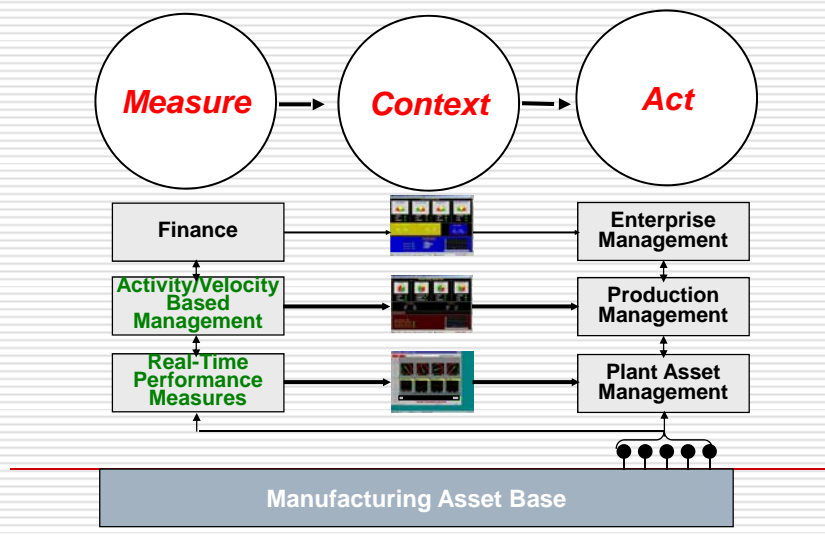
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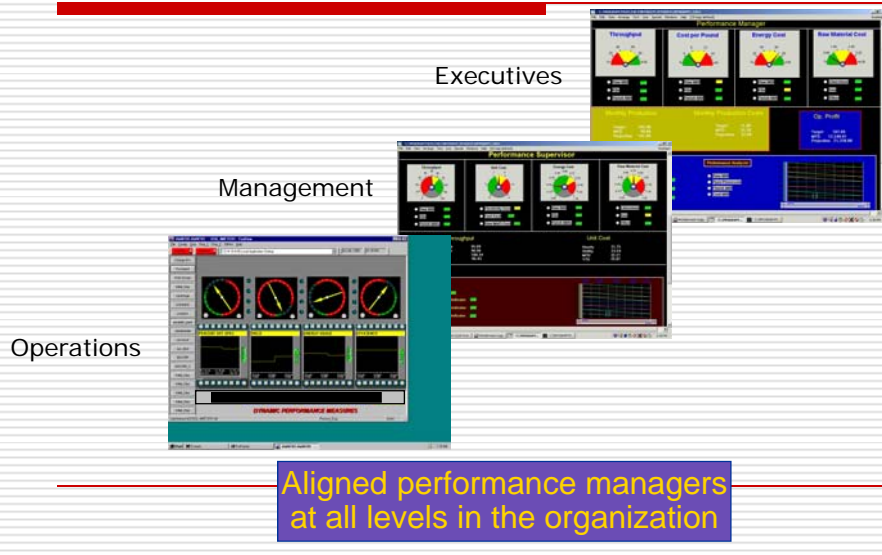
## Strategic Alignment & Decomposition for Manufacturing Facilities



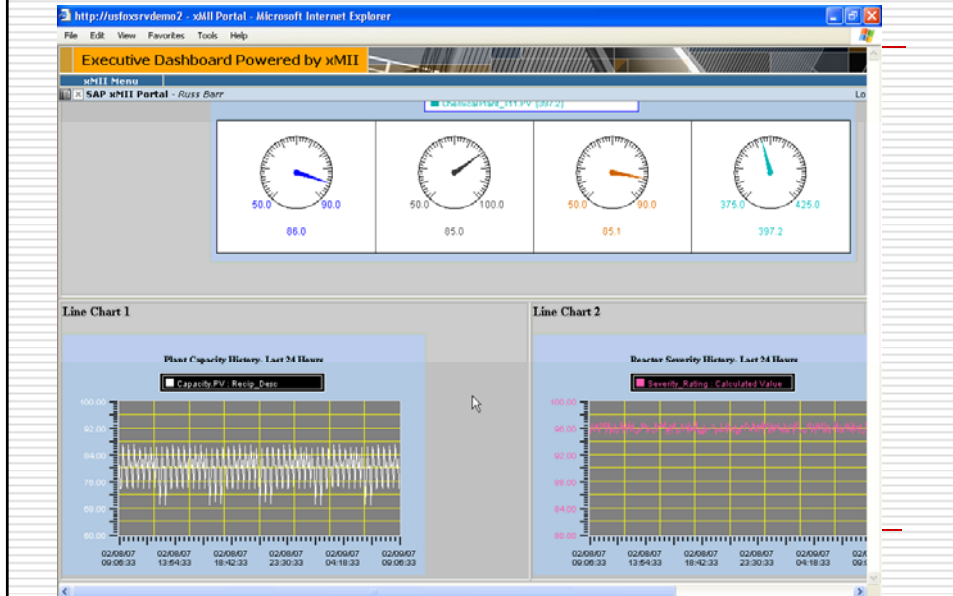
## Enterprise Manufacturing Intelligence = Plant + Business Intelligence



# Real-Time Plant & Business Intelligence



# Real Time Finance



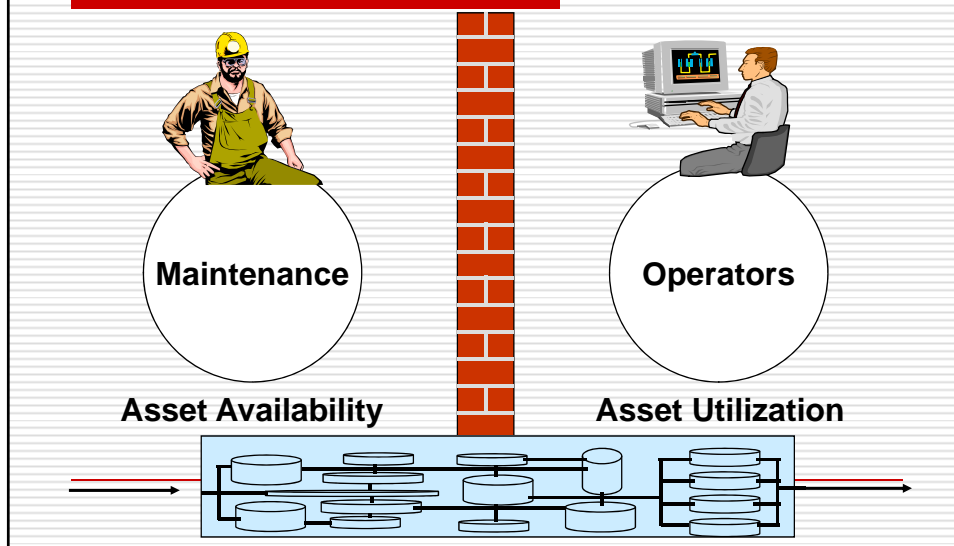
# Agenda

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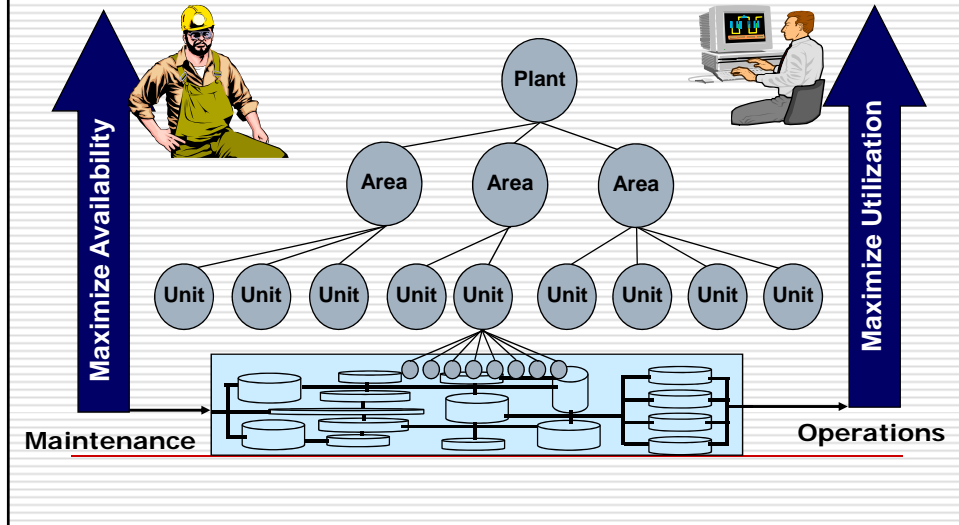
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## Traditional plant functional separation

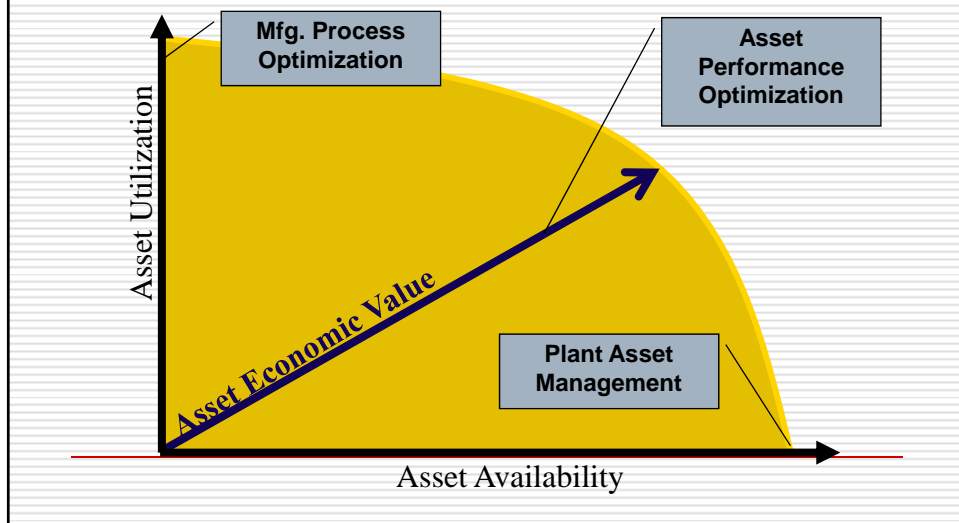
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## Traditional Facility Optimization Conflicts



## True Economic Optimization: Asset Economic Value Vector



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## Alignment of Plant Measurements

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### Business Performance Measures

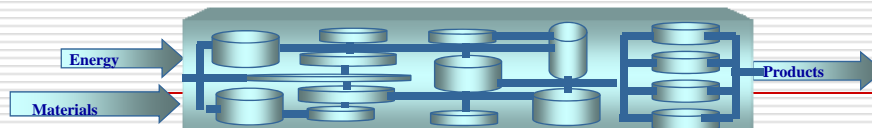
(DPMs and Other Accounting Measures)

### Key Performance Indicators

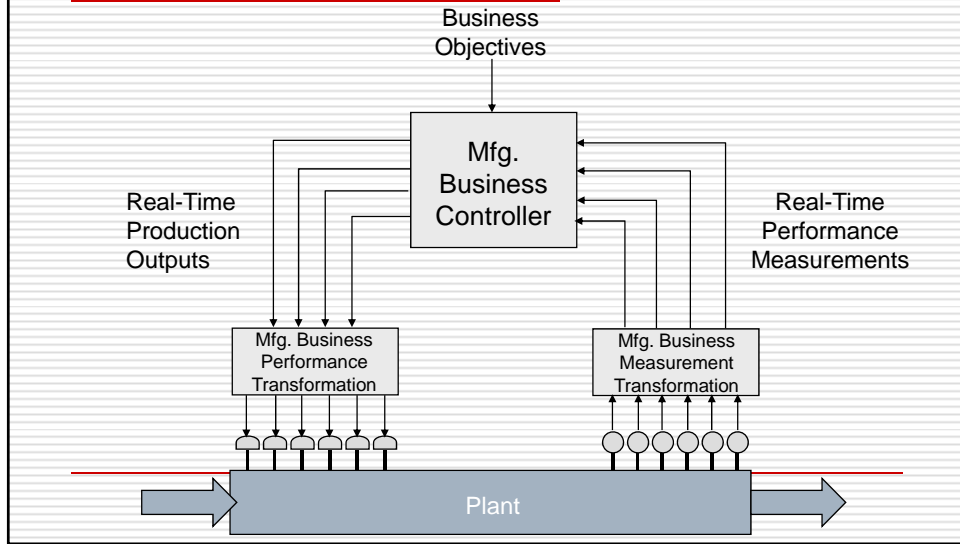
(Asset Availability, Asset Utilization, EA, EU ...)

### Base & Product Measures

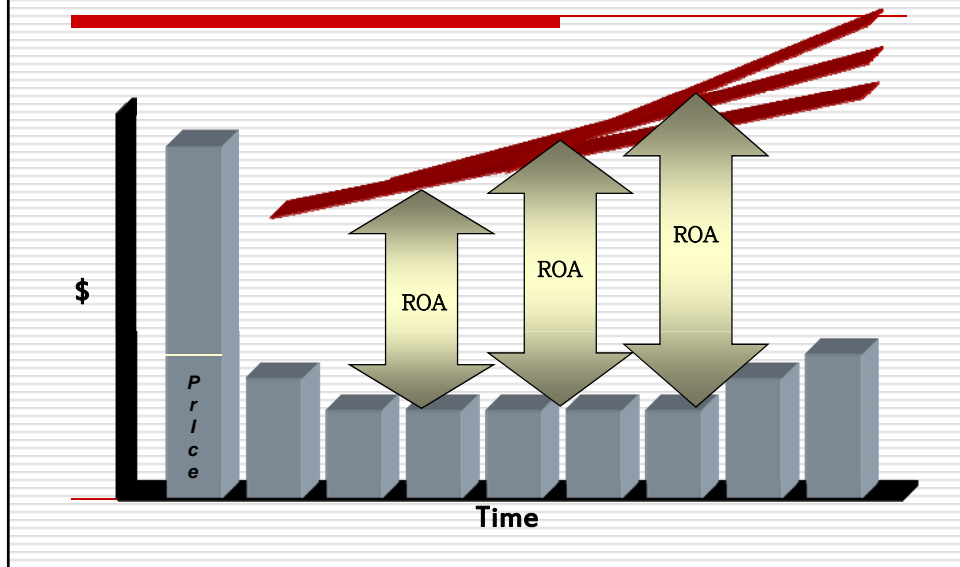
(Flow, Level, Pressure, Temperature ...)



## Closed Loop Business Control



## Continuously Improving Return on Assets



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# Thank You!

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