

## Case Study - Oil and Gas Equipment Manufacturing

# Taking a Different View of Lean

### Client

The Norway division of FMC Technologies, which produces high-tech controllers for wells on the ocean floor.

### Challenges

Reducing lead time in production and improving the Engineering office's ability to meet its commitments, which occurred only 61 percent of the time.

### Solution

Setting a destination of Operational Excellence and designing value streams using guidelines, not brainstorming.

### Implementation

Rather than holding meetings, brainstorming sessions, or kaizens, FMC followed a process consisting of the eight principles of Operational Excellence to create true end-to-end self-healing value stream flow in all areas of the business. "Achieving operational excellence in the oil and gas equipment industry happens by following a specific set of principles." But the goal of Operational Excellence is not just to achieve a lean flow of product from raw material to the customer; the flow must be self-healing and run on its own without management.



FMC created autonomous flow so that everyone (including operators and those in the office) can visually distinguish normal flow from abnormal flow and knows what to do when flow is beginning to break down before it negatively impacts the customer – all without management intervention. Now, management spends much less time handling production issues than it did previously.

### Results

With this approach, FMC was able to achieve tremendous results:

- In less than eight months, the division reduced lead time by 30%
- Designing self-healing flow greatly freed up management to work with Engineering to improve future design variations, an advantage in the industry
- By designing flow through its Engineering office, teams meet their commitments 96% of the time versus 61% previously

Download the case study from SME's *Energy Manufacturing Yearbook* to learn more about how FMC created self-healing flow to deliver business results by [clicking here](#).

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