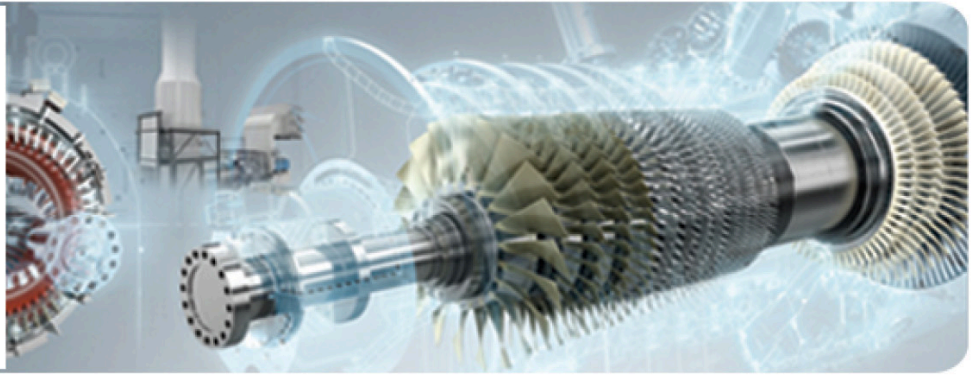


REALIZATION

Execution Intelligence for Complex Projects™

Case Study



SIEMENS

Company

Siemens

Business Challenges

- Resource mismanagement
- Backlog delays
- Manufacturing inefficiencies

Solution

Realization

Benefits

- Balance resources across projects
- Reduced number of projects
- Synchronized execution
- Shift resources to the right tasks at the right time
- Refocused skilled teams to immediate priorities

Results

- Lower number of projects in process by 38%
- Reduce cycle times by 50%
- Increase productivity by 24%
- Additional revenue of \$30.3 M in the very first year

Discover How Execution Intelligence Made Siemens \$30 Million in First Year

BUSINESS CHALLENGES

It's hardly headline news to say Siemens has its fingers in a lot of different industry pies, including the design, production and installation of large gas turbines (LGT) for power generation. In this highly competitive niche, time to market is not everything...it's the only thing.

The development of gas turbines at Siemens includes a wide-range of simultaneous projects that can involve the design of new engines or the modification and improvement of current products; but complicating Siemens' ability to complete projects in a timely fashion was the fact that resources were spread across globally dispersed locations.

Siemens was facing a situation where the increasing number of projects they had to do was overstressing their resources. There simply were not enough engineers and managers to keep up with the project demand — both because it's not easy to find skilled engineers for such complex products and pricing pressures in the industry prevent companies from increasing head count.

Therefore, as the number of projects grew — the amount of work waiting for resources grew as well; unfortunately, resource groups — often working on their own individual projects — were unaware or unavailable to help other teams working on the company's more pressing project priorities.

Sometimes the bigger your company is, the harder it is for one team to hear the cries from other teams scattered across the globe.

Siemens' use of outdated project management tools could not automatically balance resources and adjust schedules across multiple gas turbine projects. The company's archaic manual planning process could not effectively resolve resource conflicts across projects.

The result was suboptimal use of resources and frequent unpleasant surprises for Siemens managers who could not stay on top of all projects. Each team was blind to the needs of others due to a silo'd project management system. Delayed projects, wasted capacity and a routine of firefighting began to stress the organization.

SIEMENS

“The ultimate result was a huge 24% gain in productivity; this throughput gain meant Siemens LGT could deliver new products translating to an additional market value of \$30.3M in the very first year.”

REALIZATION

Execution Intelligence for Complex Projects™

SOLUTION

To overcome the resource mismanagement that was causing a backlog and project delays, Siemens turned to Realization for an execution intelligence solution to balance and schedule resources across multiple projects in real time.

Realization Technologies allowed Siemens' engineering managers to examine the workflow, identifying the resource constraints that prohibited them from doing the most work simultaneously. Project releases were then staggered to accommodate the resources available by the constraints, and schedules were optimized daily, across projects, based on latest status.

One of the key components of the execution intelligence solution was a 2-Tier task structure that allowed priorities to be adjusted in real-time without hurting synchronization for cross-functional teams. Another was automatic, daily recalculation of priorities for managers as well as resources.

BUSINESS RESULTS

Siemens project managers liked the fact that Realization ensured their people were working on the right tasks at the right time and automatically pinpointed potential delays and forecasted imminent bottlenecks.

Realization helped Siemens reduce Work-In-Process by optimizing the usage of constrained resources across all projects; this in turn reduced the total number of projects in process by 38% and helped focus resources on the prioritized projects in motion to reduce the cycle time by up to 50%. Project work was no longer waiting for resources.

The ultimate result was a huge 24% gain in productivity; this throughput gain meant Siemens LGT could deliver new products translating to an additional market value of \$30.3M in the very first year. This gain came at the same time as LGT reduced the workforce by 15% with 100 engineers moved off to work on new development projects that can bring in even more revenue in the future.

In short, Realization ensured that Siemens' Large Gas Turbine engineering group was running as smoothly as a well-oiled turbine.