

Guide & Cheat Sheet

Choosing and Measuring the Right KPIs for Your Manufacturing Operations



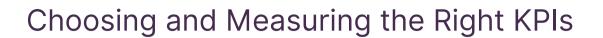






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Crafting Impactful Objectives

On the shop floor, every day is about hitting targets – meeting production goals, minimizing errors, and keeping things running smoothly. But how do you bridge the gap between that high-level vision and the realities of daily operations? The key lies in setting clear and achievable objectives for your team.

Objectives are the roadmap that guides your operations. They define your desired outcomes, map out the path to achieve them, and provide a framework for measuring progress. Whether you aim to boost production, enhance quality, or embrace technological advancements, clearly defined objectives are the cornerstone of success.

This guide goes beyond theory. We'll translate complex goal setting into clear steps, showcase industry's most effective practices, and equip you with actionable tools to make your goals a reality.

Short on time? <u>This practical cheat sheet</u> empowers you to craft impactful objectives for your manufacturing operation.

Lets's start with the basics:

Why is objective setting so crucial for successful operations teams?

- Enhanced efficiency and productivity
- 2 Improved quality and consistency
- Reduced costs and optimized resources
- 4 Innovation and technological advancement

Challenges and Overcoming Them

Crafting powerful objectives is essential, and the path to achieving them is even smoother when you avoid common roadblocks.

Let's explore these challenges and discover strategies to navigate them with confidence

Misalignment between strategic and operational goals:

Challenge: The long-term vision of the C-suite might not translate effectively into actionable daily tasks for frontline workers, leading to confusion and a disconnect between goals and execution.

Solution: Foster cross-functional collaboration. <u>Organize workshops or meetings</u> where different levels of the organization come together to discuss strategic objectives and collaboratively translate them into operational goals. This ensures everyone understands the big picture and their individual roles in achieving it.

Lack of employee buy-in:

Challenge: If employees don't feel connected to the objectives, they might be less motivated and engaged in achieving them.

Solution: Involve employees in the objective setting process whenever possible. Encourage them to contribute ideas and share their perspectives. This fosters a sense of ownership and increases the likelihood of buy-in. Additionally, ensure they understand how their individual contributions directly impact the bigger picture. Regularly communicate progress and celebrate achievements to maintain motivation and engagement.

Difficulty measuring progress:

Challenge: Choosing the wrong metrics or setting unrealistic goals can make it difficult to accurately track progress and assess the effectiveness of objectives.

Solution: Select the right metrics that directly tie back to the specific objectives. These metrics should be SMART (Specific, Measurable, Achievable, Relevant, and Time-bound). Avoid setting overly ambitious or unrealistic goals. Start with smaller, achievable goals and gradually increase the challenge as progress is made.

Additional considerations:

Sustainability: Regulations like the <u>Corporate Sustainability Reporting</u>
<u>Directive (CSRD)</u> are making sustainability objectives crucial for
manufacturers. These objectives can focus on reducing environmental
impact through practices like waste reduction, energy efficiency, or using
recycled materials. Integrating sustainability into your objectives not only
demonstrates a commitment to responsible manufacturing and potentially
attracts environmentally conscious customers and investors, but also
prepares your company for compliance with the CSRD if applicable. This
directive will require increased transparency on environmental and social
impacts, making sustainable practices not just a good choice, but a
strategic necessity for many manufacturers.

Agility and adaptability: The market landscape can change rapidly. Be prepared to adapt your objectives if unforeseen circumstances arise or market conditions shift. Regularly review and revisit your objectives to ensure they remain relevant and aligned with your evolving business needs.

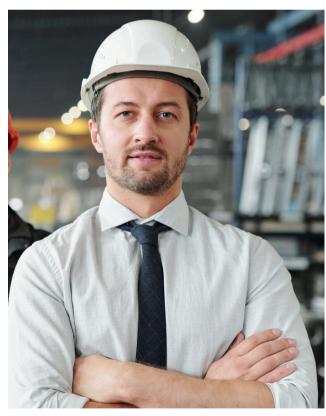


Key Roles in Establishing Objectives Within Manufacturing

Manufacturing thrives on a well-oiled machine, where every cog, from the C-suite to the shop floor, contributes to a shared vision. Let's look at how C-Suite leaders define the strategic direction, how production managers and frontline workers translate it into everyday tasks, and how everyone contributes to continuous improvement.



C-suite and Top Management



Production Managers and Team Leads



Frontline Workers and Operators

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Key Roles in Establishing Objectives Within Manufacturing



C-Suite and Top Management (Global Teams)

- **Defining strategic objectives:** They set the overall vision, outlining long-term goals for production volume, market share, and profitability. Their focus is on strategic direction and resource allocation
- Communicating vision and long-term goals: Clearly communicating aspirations and objectives to all levels fosters company-wide alignment and engagement



Production Managers and Team Leads

- Aligning objectives with production efficiency and quality standards: They bridge the gap between strategic goals and daily operations. Their role is to translate high-level objectives into achievable production targets, focusing on efficiency, quality control, and waste reduction
- Implementing objectives: They translate the strategic objectives into concrete, measurable goals for their teams.
- These goals focus on:
 - o Production efficiency: Reducing lead times, minimizing waste, and optimizing resource utilization
 - **Quality standards:** Maintaining consistent product quality, reducing defects etc



Frontline Workers and Operators

- Executing objectives to optimize manufacturing processes: Operators are the backbone of the manufacturing process. They directly implement production standards, procedures, and improvement initiatives. Their input and feedback are crucial for continuous improvement
- Their key contributions include:
 - Following established procedures: Ensuring consistent quality and efficiency
 - Identifying and reporting issues: Proactively addressing problems that could impact goals
 - Suggesting improvements: Contributing to continuous improvement initiatives by sharing on-the-ground insights

Collaborative Action for Success

Effective Communication and Collaboration Are Key:

- Transparent communication: All levels should have access to relevant information about strategic objectives, production goals, and progress updates
- Collaborative setting of objectives: Engaging various levels in objective setting fosters ownership and commitment
- Regular feedback and reviews: Continuous feedback loops between team leads, operators, and managers ensure clear understanding, address challenges, and celebrate successes

Remember!

- Alignment is critical: All levels must understand how their roles contribute to achieving the overall objectives
- Empowerment fosters engagement: Encourage frontline workers to share ideas and participate in improvement initiatives
- Recognition motivates: Highlight individual and team contributions towards achieving objectives, fostering a culture of continuous improvement

By adopting a collaborative approach, manufacturers can create a shared vision, translate strategic objectives into actionable goals, which leads to sustainable success.

Strategic Objectives: Setting, Achieving, and Optimizing Goals

Objectives guide decisions, drive progress, and ultimately determine the future trajectory of the organization. But in the complex and ever-evolving world of manufacturing, setting the right objectives is just the first step.

Understanding manufacturing-specific objectives:

Manufacturing objectives differ from generic business goals due to the inherent complexities of the production process. They require consideration of factors like resource optimization, operational efficiency, quality control, regulatory compliance, and technological integration.



Efficiency and production targets:

- Setting objectives: Establish goals for production volume, lead times, and delivery timeliness. Consider quantifiable metrics like "increase production by 10% within Q2" or "reduce lead time by 20% within 6 months"
- Lean manufacturing principles: Objectives can align with lean principles like eliminating waste, streamlining processes, and optimizing inventory management. Examples include "reduce material waste by 5%" or "implement a Kanban system for just-in-time inventory management"
- Operational efficiency: Focus on maximizing output with minimal resources. Set objectives for machine uptime, defect reduction, and energy efficiency. Examples include "achieve 95% machine uptime" or "reduce energy consumption by 15% per unit produced"



Information and technology objectives

• Technological advancements: Integrate technology to optimize processes, enhance productivity, and gain a competitive edge. Set objectives for automation implementation, data analytics adoption, and digital transformation initiatives. Examples include "automate 20% of repetitive tasks through robotics" or "implement real-time production monitoring systems to increase overall visibility"



Quality and compliance

- Quality control and assurance: Objectives here encompass defect reduction, consistent product quality, and adherence to internal quality standards. Set goals like "achieve a 99.5% first-pass yield" or "implement Six Sigma methodology to reduce defects by 30%"
- Regulatory compliance: Ensure adherence to industry regulations and safety standards. Define objectives for regulatory compliance audits, risk management procedures, and employee safety training. Examples include "achieve zero regulatory violations in the next fiscal year" or "implement a comprehensive safety training program for all employees"

Remember, the journey to success is a continuous one. Regularly review and optimize your objectives to ensure they remain relevant and aligned with your evolving business goals.





Real-World Examples of Successful Objective Setting



About the Manufacturer and Their Challenges

Cara Partners, part of the Schwabe Group in Germany, is a bulk pharmaceutical manufacturer based in Cork, Ireland. They specialize in producing a standardized extract of ginkgo biloba, which serves as an active pharmaceutical ingredient (API). Cara Partners strives for continuous improvement and efficient scaling of their GMP-compliant production. However, manual data collection and reactive maintenance practices were their biggest challenges, hindering their ability to optimize processes.

Download the case study

Objectives

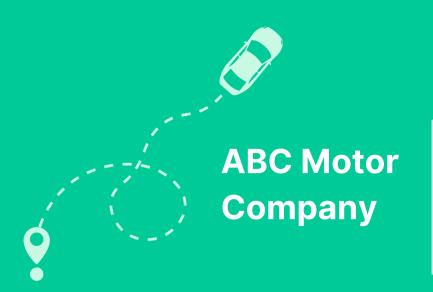
- Improve production efficiency and reduce waste (material, time) in their GMP-compliant manufacturing process
- Identify bottlenecks and delays hindering smooth production flow
- Gain real-time insights into machine performance for proactive maintenance

The Solution

- Utilized EviView's data visualization tools to pinpoint bottlenecks (material and time), delays, and waste opportunities in the production flow
- Process mapping functionalities streamlined workflows and eliminated non-value-added activities
- EviView's continuous monitoring of key metrics helps Cara Partners identify improvement opportunities in waste reduction, leading to data-driven adjustments and progress towards their goals
- EviView's continuous improvement features empower employees to report waste and suggest improvement ideas directly within the solution

The Result (In Year 1)

- Increased uptime by 10% by moving from reactive to preventative maintenance
- Achieved higher levels of efficiency, rather than having to focus solely on reacting to challenges (5% gain in OEE)
- Leveraging valuable insights, Cara Partners achieved significant operational efficiency gains, including substantial time savings and the elimination of manual calculations



About the Manufacturer and Their Objectives

For over a century, ABC Motor Company has been synonymous with German engineering excellence. The company recognized the need to tackle production waste and elevate overall efficiency. To achieve their ambitious goals of a 12% reduction in material waste and a 16% decrease in energy consumption within a year, they implemented a multi-pronged solution focused on lean manufacturing principles.

The Solution

- EviView's data visualization tools mapped production flow, pinpointing bottlenecks, delays, and potential waste (material, time, etc.) The company also analyzed machine performance data to identify equipment issues contributing to waste
- Streamlined production workflows to easily identify and eliminate non-value added activities using process mapping functionalities
- Continuously monitored key metrics in EviView to identify areas for further improvement. Track progress towards waste reduction goals and adjust strategies as needed
- Facilitated continuous improvement initiatives and employee engagement by empowering them to report waste and suggest improvement ideas directly through EviView's collaboration features

The Result

ABC Motor Company, a titan of German engineering, tackled inefficiency head-on. By embracing lean manufacturing principles and leveraging EviView's data tools, they achieved a remarkable 15% reduction in material waste and a 18% decrease in energy consumption within a year. This not only boosted their bottom line but also minimized their environmental impact. The newfound efficiency enables them to meet customer demand with greater agility.



Pharma company X

About the Manufacturer and Their Challenges

Pharma Company X, a leading global CDMO, sought to leverage technological advancements to improve operational efficiency. Despite their research and development focus on cutting-edge treatments, their existing processes relied on manual, time-consuming tasks and lacked real-time production insights. This hindered their ability to optimize resource allocation and production planning, impacting efficiency and potentially delaying life-saving treatments.

Objectives

Improve production planning, resource allocation, and overall operational efficiency by:

- Automating repetitive tasks: reduce the workload on staff by automating manual and time-consuming processes
- Integrating data analytics: gain real-time production insights by implementing data analytics tools

The Solution

Pharma Company X implemented EviView's data visualization and analytics modules to address their key objectives:

- Streamlined workflows by automating repetitive tasks such as data collection, report generation, and data analysis
- Integrated their existing systems, allowing Pharma Company X to visualize real-time production data and gain valuable insights into their operations

The Result

- Increased efficiency and productivity: Pharma Company X successfully automated 25% of repetitive tasks, freeing up staff time and resources
- Improved production planning: Real-time data provided by EviView enabled Pharma Company X to make data-driven decisions for production planning and resource allocation. This resulted in improved process optimization
- Enhanced visibility and control: Instantaneous access to data through EviView provided Pharma Company X with a clear picture of their production processes. This transparency allowed for better decision-making and tighter management of margins



About the Manufacturer and Their Challenges

Project M-7, a global leader in science and technology, operates a 24/7 manufacturing environment across various disciplines like healthcare, life science, and electronics. Ensuring smooth knowledge transfer between shifts and maintaining consistent information capture were critical challenges. Additionally, data resided in disparate sources (paper, Excel, emails, Teams, OneNote) hindering real-time access for leadership and data-driven decision making.

Objectives

- Standardize knowledge transfer: Ensure consistent information handover across shifts to minimize errors and downtime
- Centralize data management: Unify data from disparate sources into one platform for easy access and analysis
- Improve data accuracy: Enforce consistent and complete information capture throughout production
- Enhance real-time visibility: Empower leadership with immediate access to all critical production data
- Optimize operations: Leverage data insights to identify process bottlenecks and improve overall production efficiency

The Solution

- Utilized digital shift handover tools, checklists, and task management features to ensure critical information is documented and readily accessible
- Data integration: Integrated with various data sources to centralize information and facilitate easy retrieval
- Automated data capture with digital forms with pre-defined fields and validation rules to ensure consistent and complete data capture
- Utilized interactive dashboards showcasing key production metrics for leadership to gain real-time visibility into operations

The Result

- 30% reduction in downtime through streamlined knowledge transfer and efficient shift handover procedures
- 40% increase in communication effectiveness between shifts and departments, measured by a reduction in rework due to miscommunication
- 10% improvement in manufacturing absorption rates due to data-driven insights that helped optimize resource allocation
- Enhanced accountability: Implemented automated task tracking and action tracking to ensure clear ownership and completion of critical tasks



Final Thoughts...

Mastering the art of objective setting in manufacturing

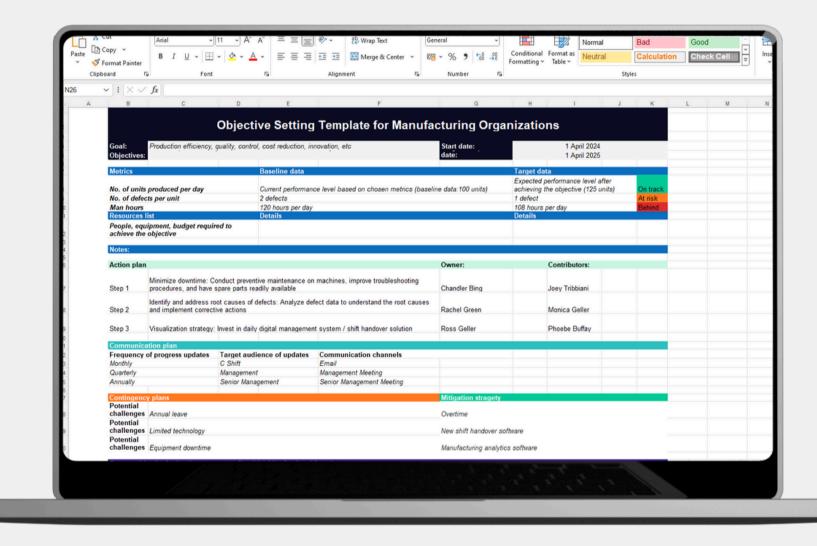
Forget wandering aimlessly. Well-defined objectives are your manufacturing GPS. They chart the course, guide critical decisions, fuel progress, and ultimately steer your organization towards a thriving future. This guide has empowered you to navigate the complexities of objective setting in manufacturing.

By delving into the intricacies of crafting effective goals, exploring industry best practices, and understanding the key roles within your organization, you can set yourself up for achieving impactful and sustainable success. Remember, the journey is continuous. Regularly revisit and adapt your objectives to ensure they remain relevant and aligned with your evolving business needs. Embrace a collaborative approach, foster clear communication, and empower your team members at every level. By doing so, you'll cultivate a culture of continuous improvement and navigate your manufacturing operation towards a brighter future.

It's Time to Craft Your Objectives

Download and utilize our free, easy-to-use template to translate your vision into concrete goals.

Download your copy



- O1 Empower your people: Set clear objectives and unlock your full potential
- O2 Download this objective setting tool to help streamline your journey to success
- Make it happen: Turn your vision into reality, one objective at a time



About EviView

In today's manufacturing world, where every second counts, it's surprising to see whiteboards still managing critical shift handover information. EviView, founded in 2015, saw this gap and created an advanced analytics platform to eliminate these inefficiencies.

EviView takes a holistic approach. Our cutting-edge daily digital management solution centralizes crucial metrics and statistics, empowering ambitious operations teams. This fosters seamless collaboration and equips them with real-time data to make smarter decisions.

EviView empowers thousands of users across the globe in industries like pharmaceuticals, biotechnologies, and food & beverage. From chemical giants to renewable energy leaders, our software helps medium-to-large-sized manufacturers optimize their processes. Every day, users capture essential metrics and gain real-time insights, transforming data into actionable intelligence.

A system like EviView will lay the foundation necessary to create an environment that empowers collaboration and communication among all team members and will help you manage, monitor, and optimize your operations and production assets.

For all plant operations, regardless of the level of automation, knowledge can be pulled for analysis from any human contact point in a process. With empowered and connected teams, process-driven information sharing will ensure safe and efficient operations.

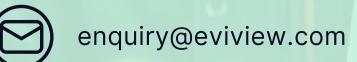
Schedule a call with one of our experts, and we'll show you how our platform can be tailored to address your unique needs and challenges.

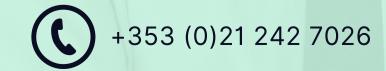












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