

# PROCESS MANAGEMENT 2009

## MAIN COSTS MANAGEMENT OF THE ORGANIZATION THROUGH THE IMPROVEMENT INITIATIVES – PROCESS MANAGEMENT X FINANCIAL RESULTS

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## **SETA**

### **Who are us?**

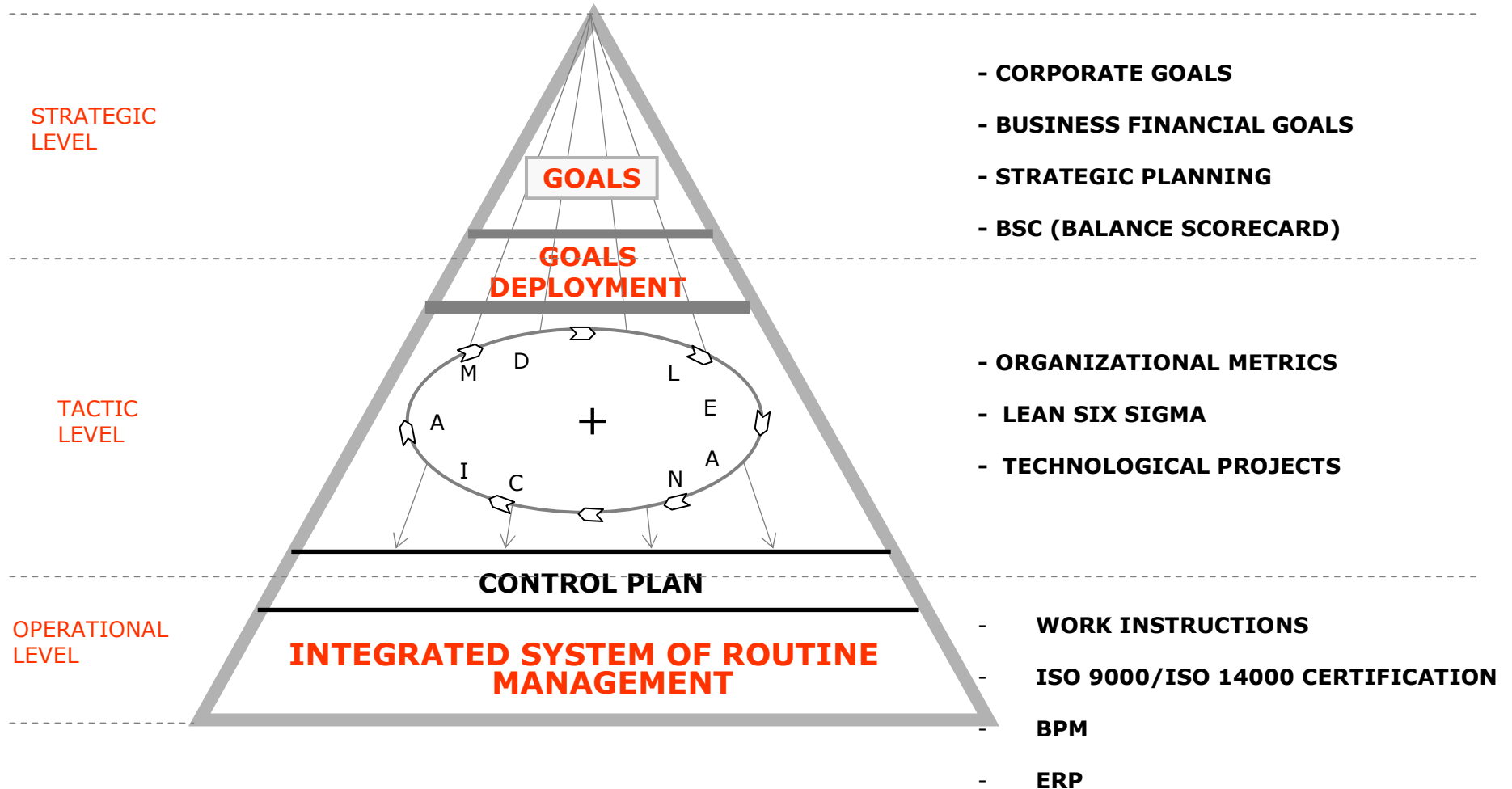
- Founded in 2004 by ex-executives from General Electric
- More than 3000 trained employees in the diverse market segments
- International scope with Portuguese, English and Spanish language trainings
- <http://www.setadg.com.br>

**Educational company engaged in the managerial and executive development and training**

## Main customers



# **FINANCIAL AREA WORKING TOGETHER WITH MANAGEMENT AREA**

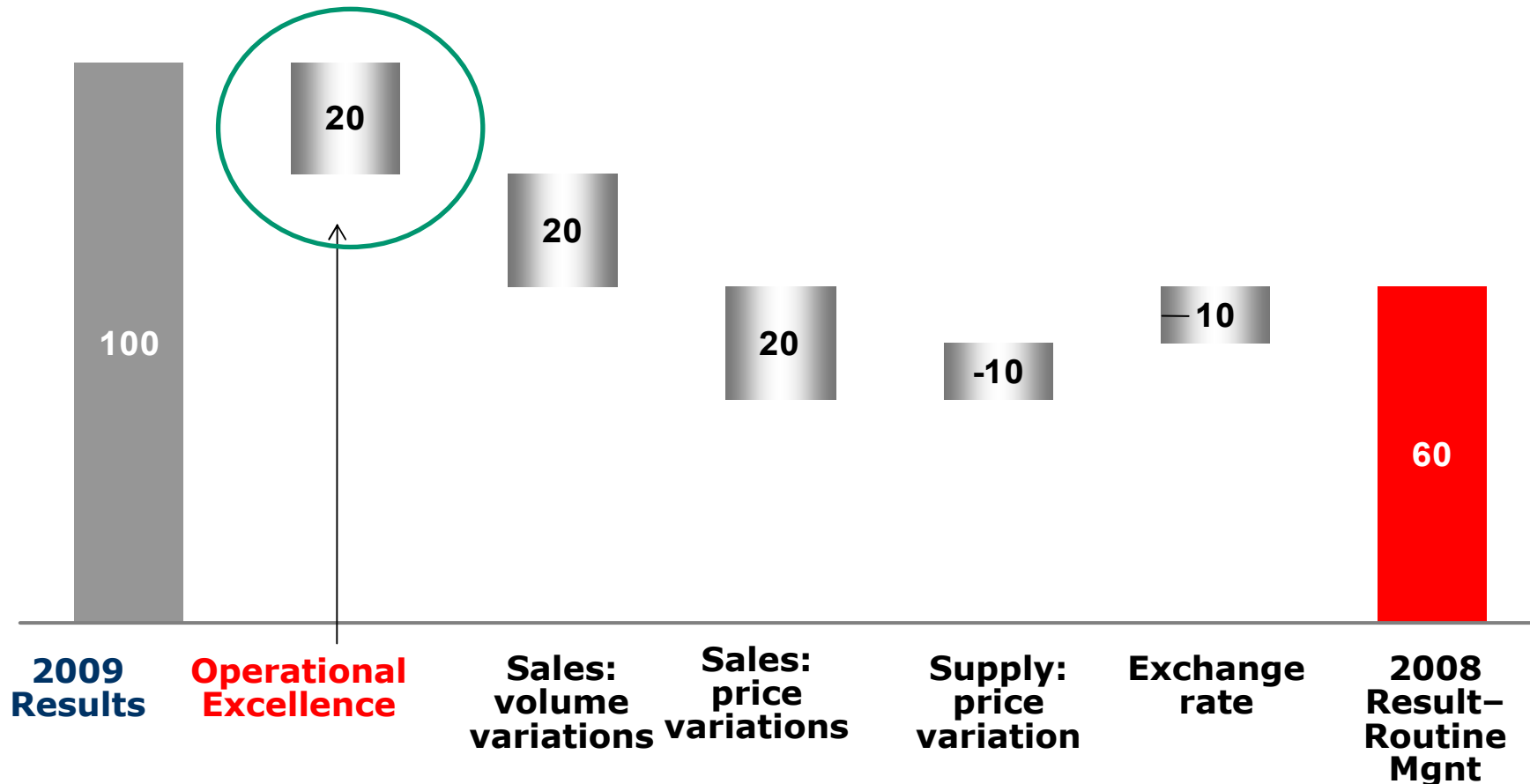


**Generic Model of a Management system of a company**

***The management leader  
and the Financial area  
should understand how to  
impact the financial results  
of the organization***

## EBTIDA Deployment

## Operational Management



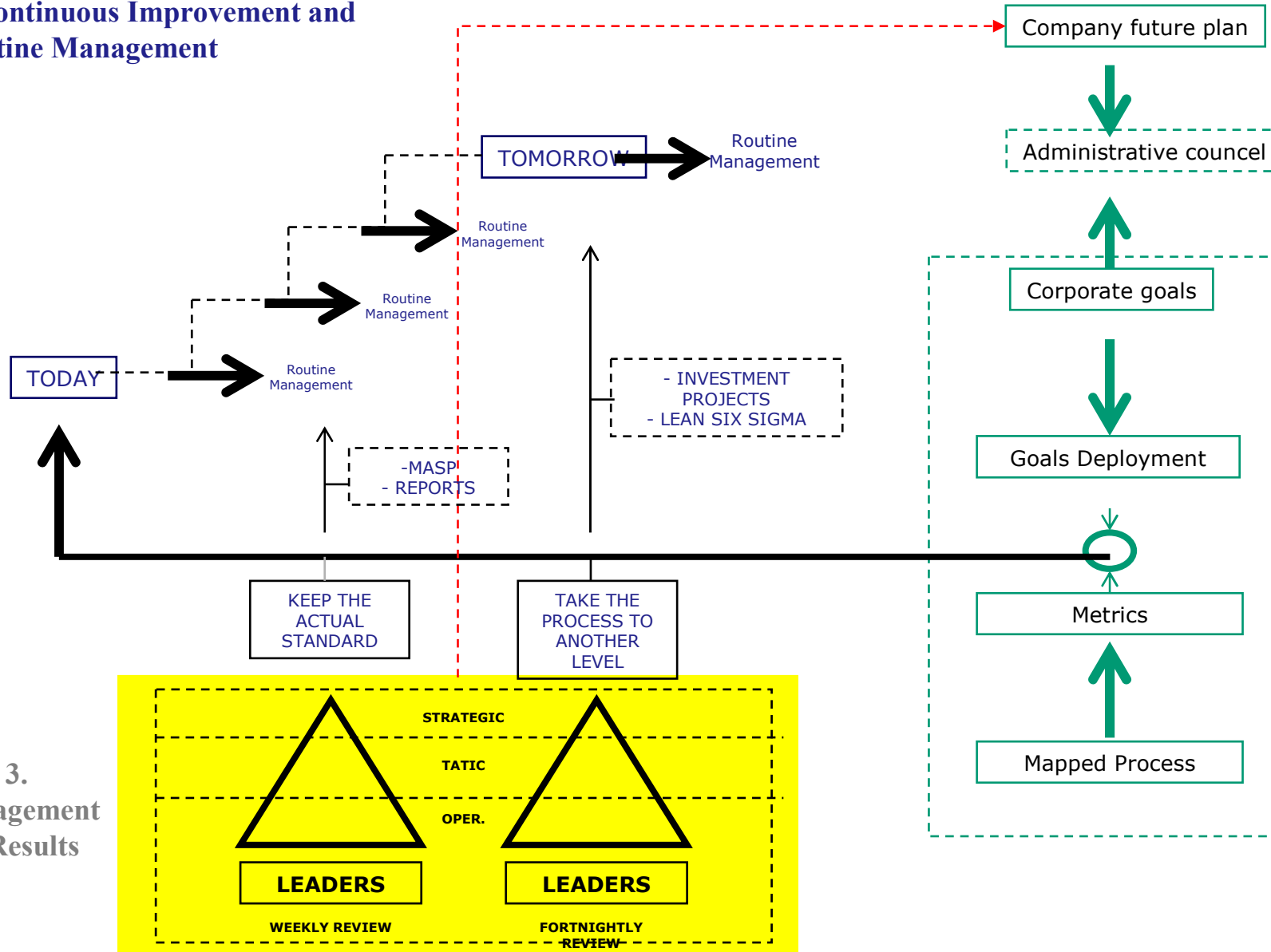
**Management strategy must be explained by financial performance**

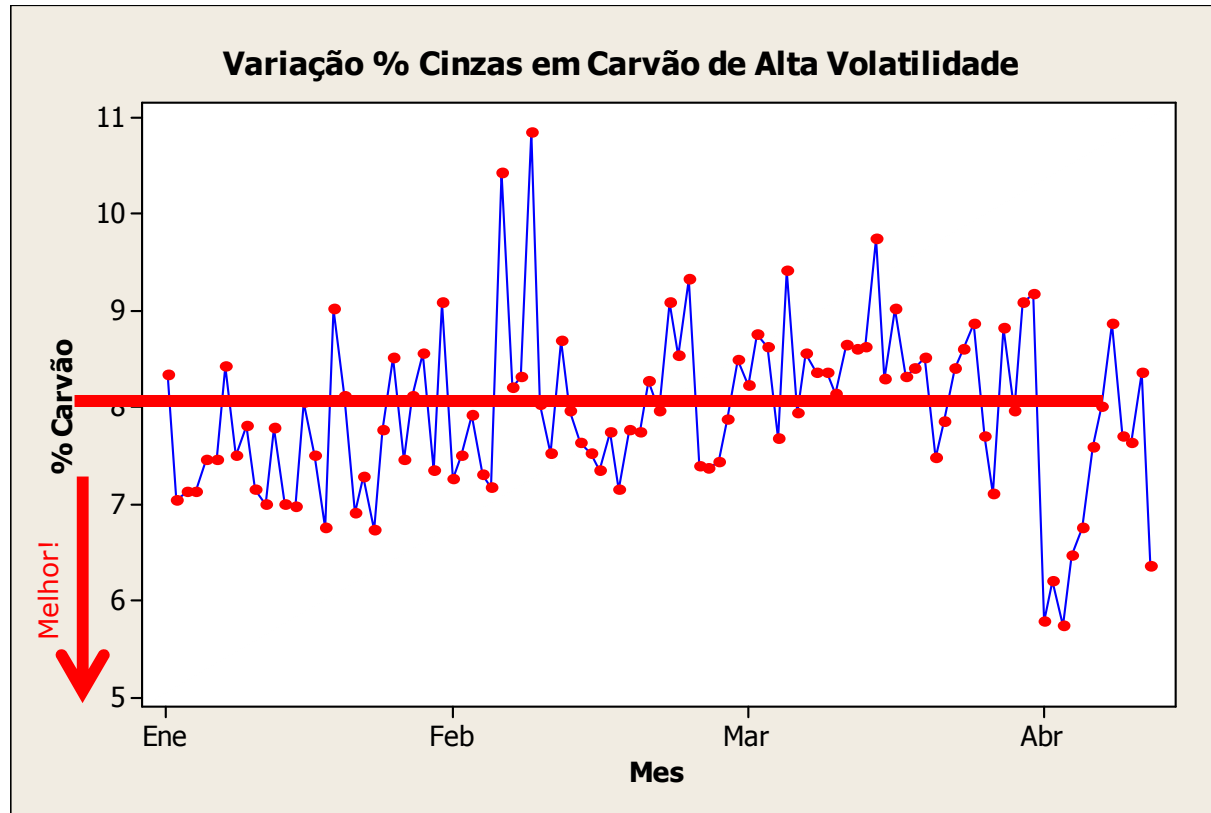
# **METRICS MONITORING BY THE PROCESS OWNERS**

# Seta – Business Process Management

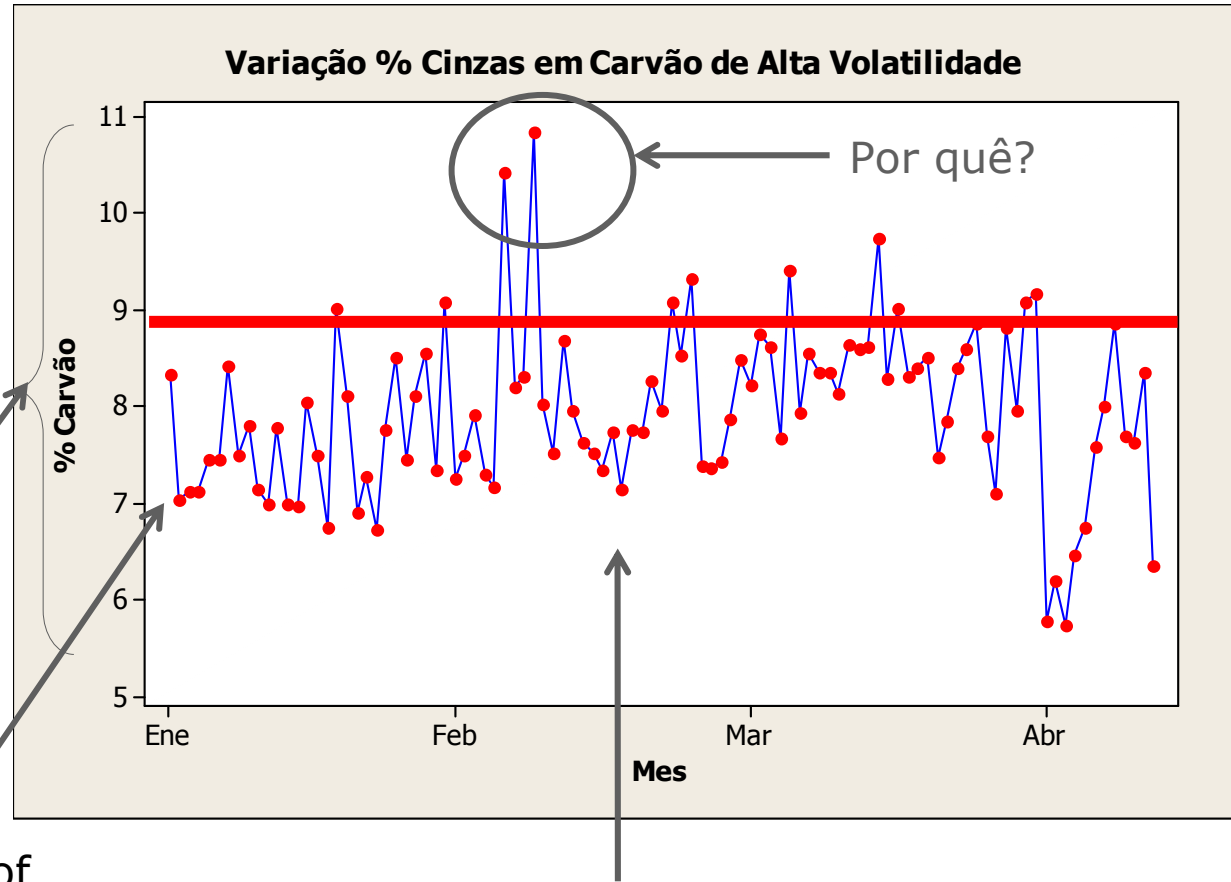
## 1. Strategic deployment

## 2. Continuous Improvement and Routine Management





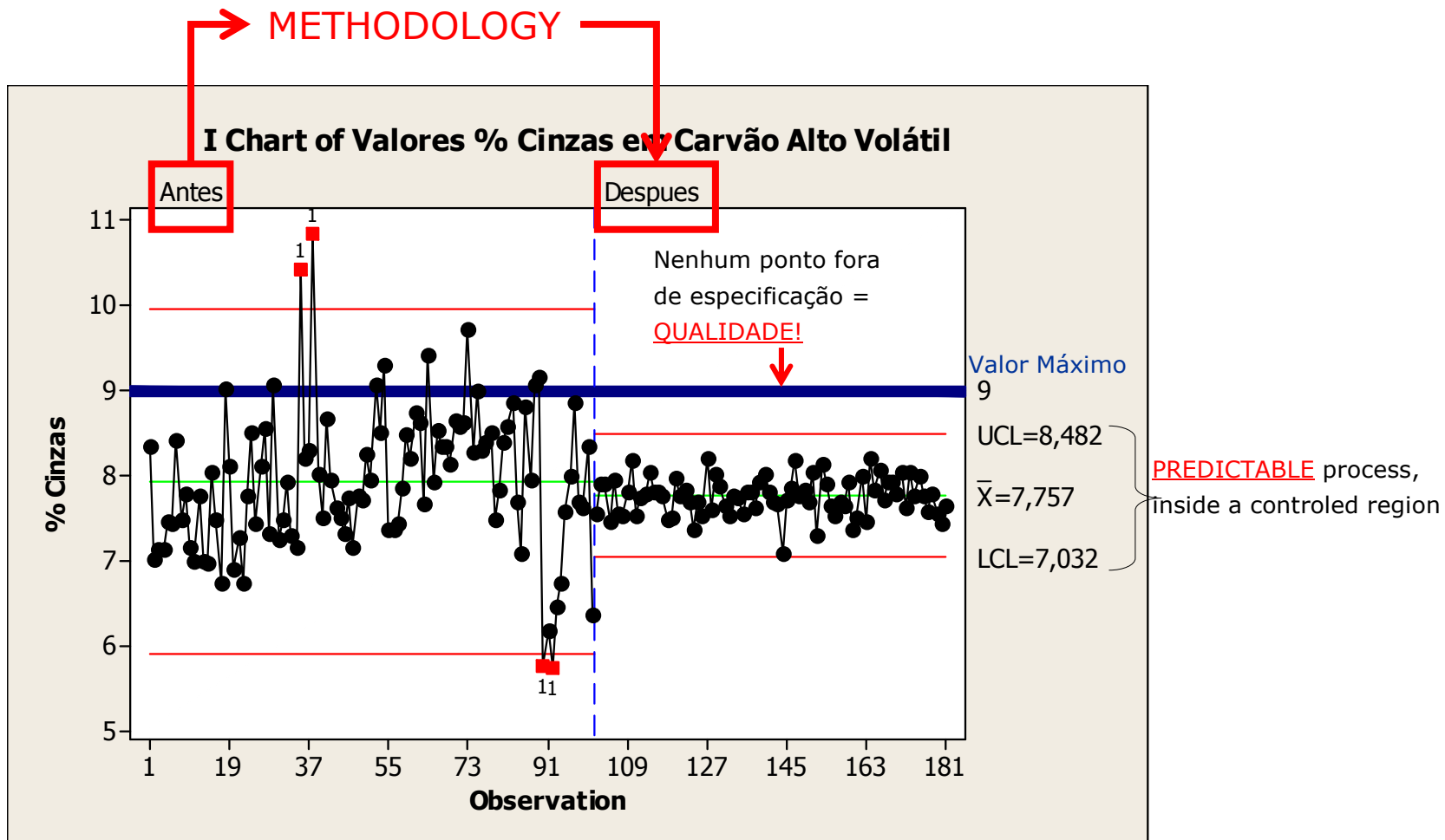
**Metrics for main processes**



Reliable data?  
Mining measures the same of  
the Production Line?

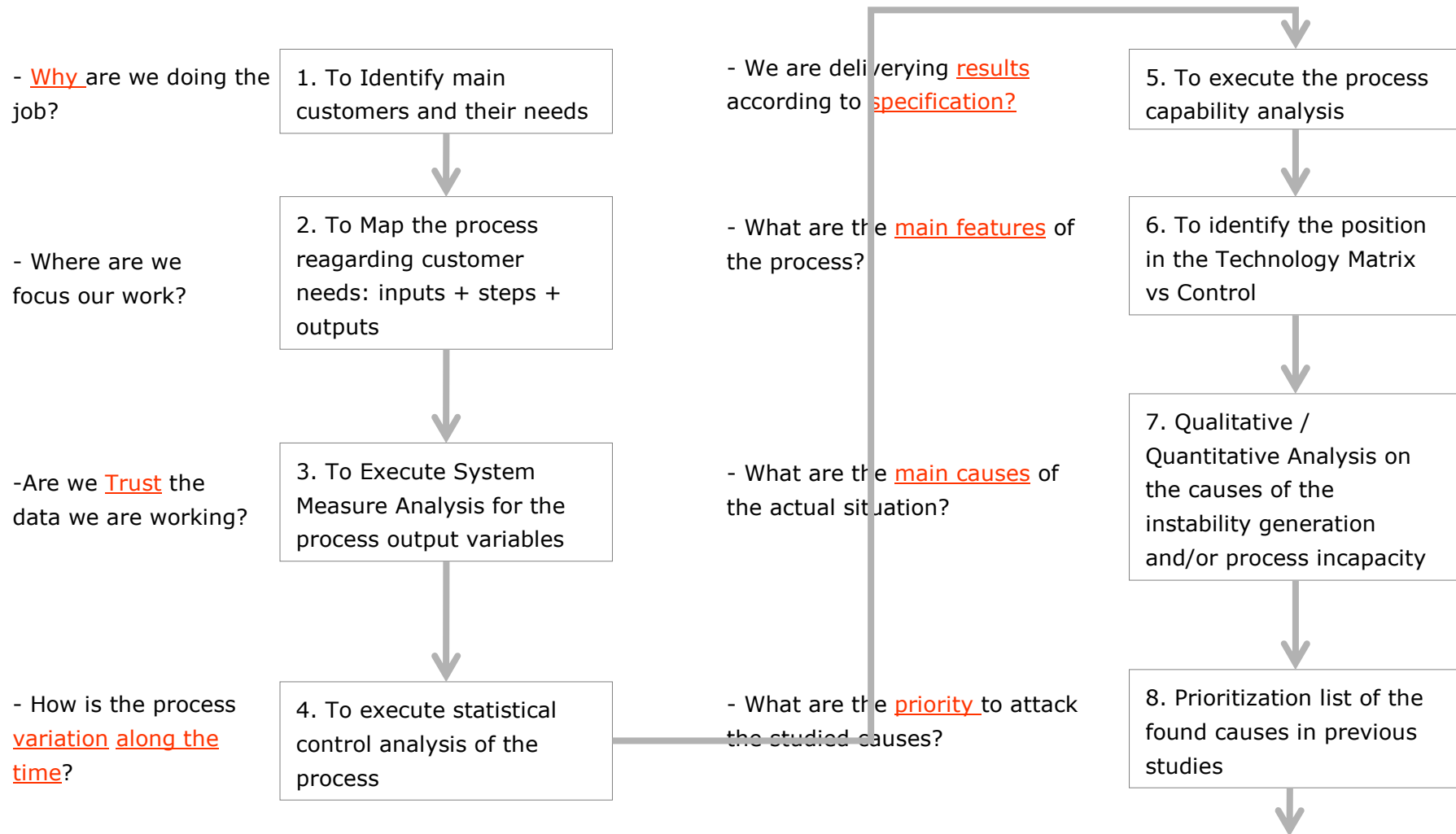
What processes generate this results?

**Understand the variation and reduce it**

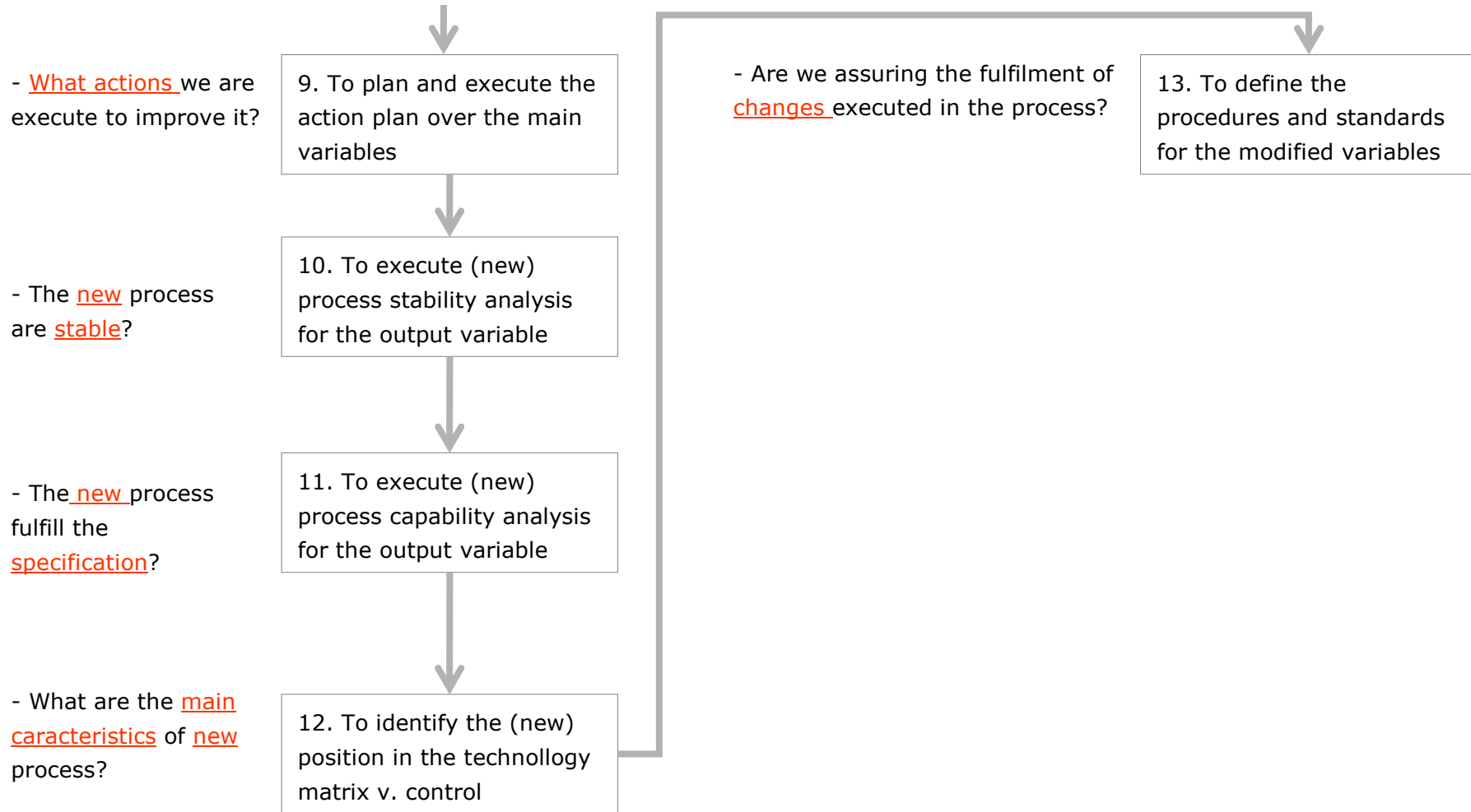


**Reduce the % of defects**

# Seta – Business Process Management



# Seta – Business Process Management



## **Results Management:**

- ✓ WEEKLY OR MONTHLY OPERATIONS MEETINGS
- ✓ TRIMESTRIAL OR MONTHLY STRATEGIC MEETINGS
- ✓ CLOSE MANAGEMENT WHERE POSSIBLE
- ✓ “DEEP DIVE” WHEN NEEDED
- ✓ FACE THE REALITY EARLY
- ✓ USE THE SINCERITY

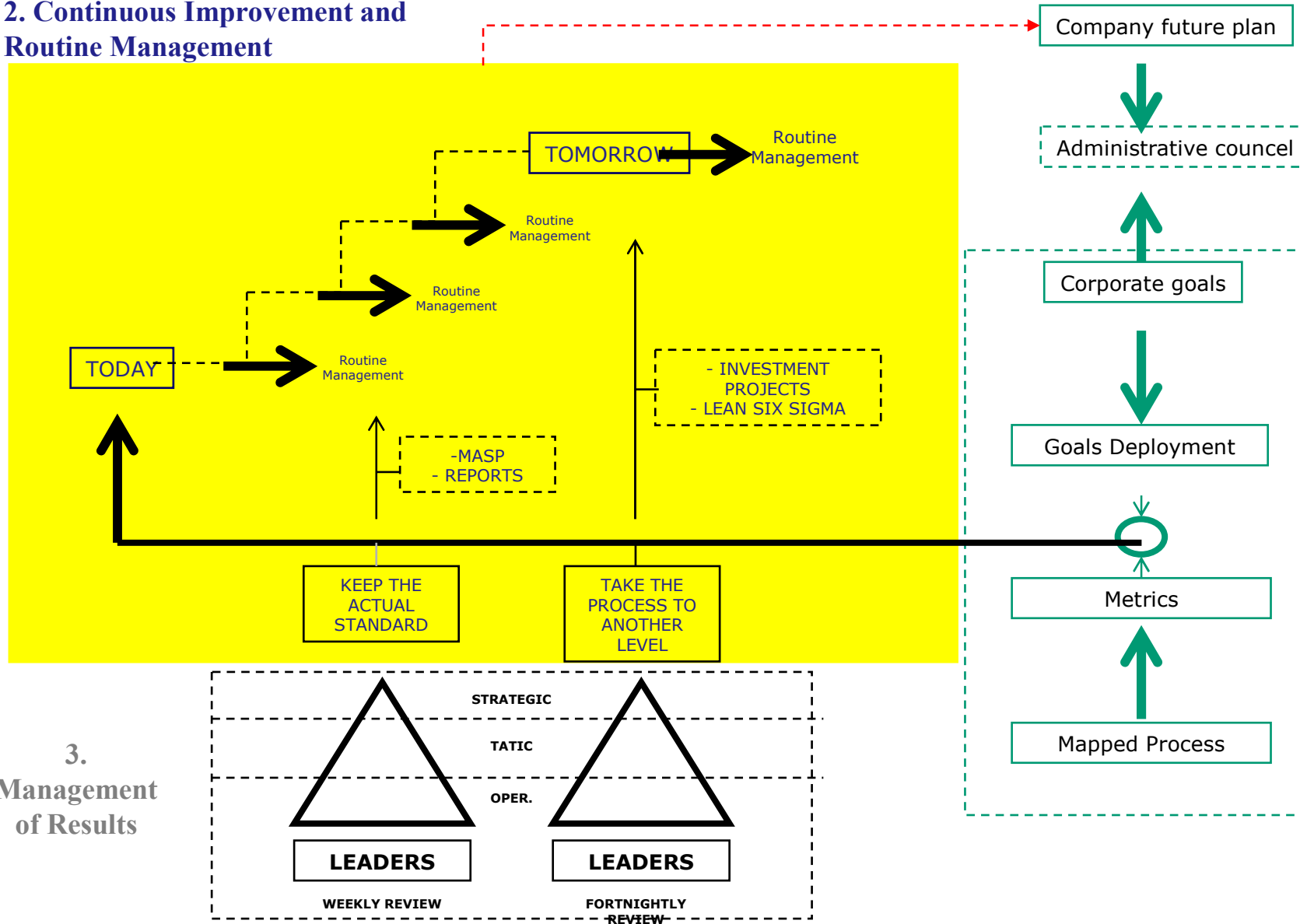
**Periodic performance reviews**

# **ALIGNING THE FINANCIAL OBJECTIVES WITH THE IMPROVEMENT PROJECTS**

# Seta – Business Process Management


## 1. Strategic deployment

## 2. Continuous Improvement and Routine Management

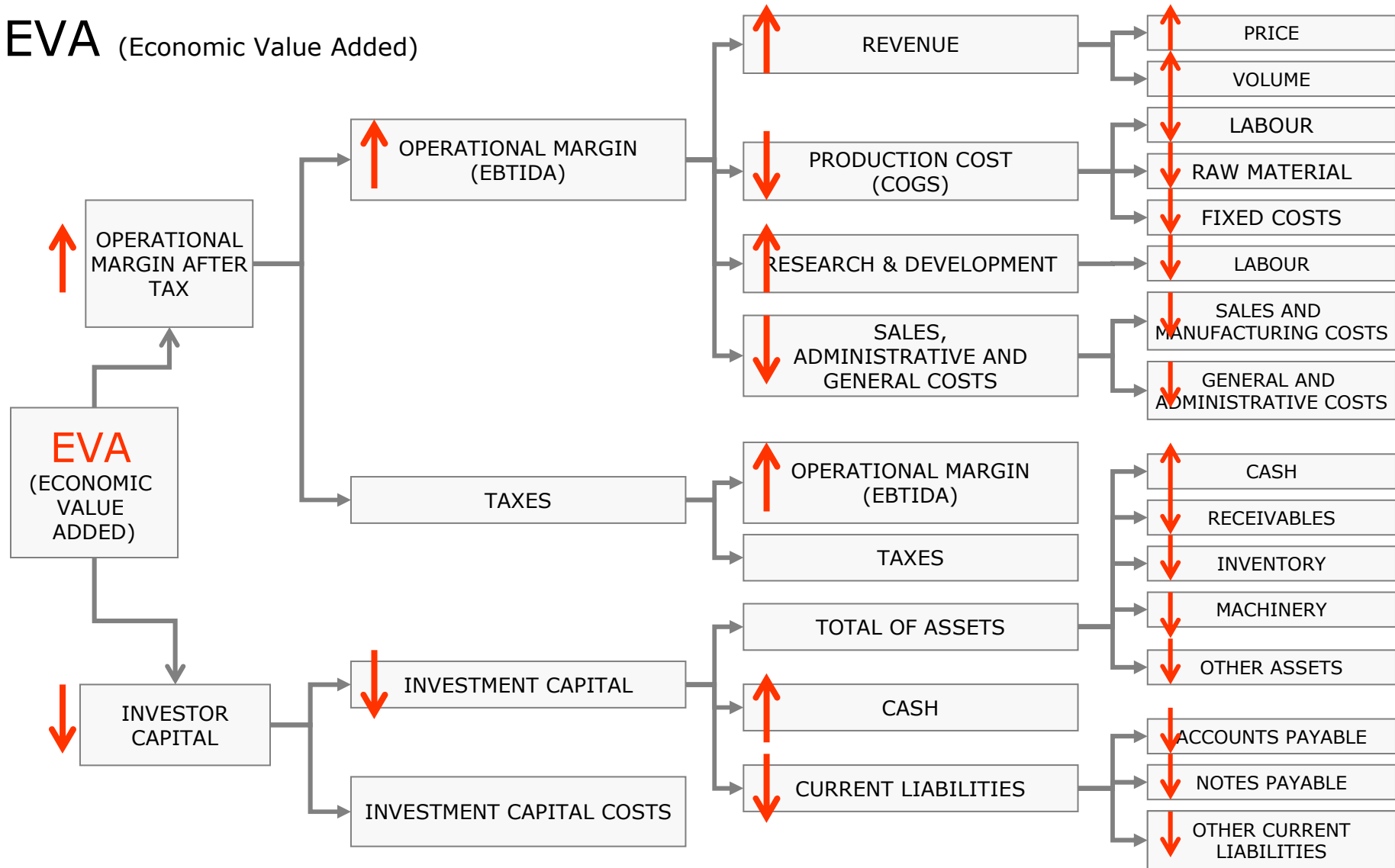


## 3. Management of Results

## Defining improvement projects outside the Routine Management

	MORE IMPORTANT	LESS IMPORTANT
MORE URGENT	<ul style="list-style-type: none"> <li>- Customer problems</li> <li>- Systems failures</li> <li>- Phone calls</li> <li>- Electronic mail</li> <li>- Meetings</li> </ul>	<ul style="list-style-type: none"> <li>- Boss presentations</li> <li>- Matrix visits</li> </ul>
LESS URGENT	<ul style="list-style-type: none"> <li>- Trainings</li> <li>- <b>Improvement Projects</b></li> <li>- Networking</li> </ul> 	<ul style="list-style-type: none"> <li>- Internet</li> <li>- E-mail chains</li> </ul>

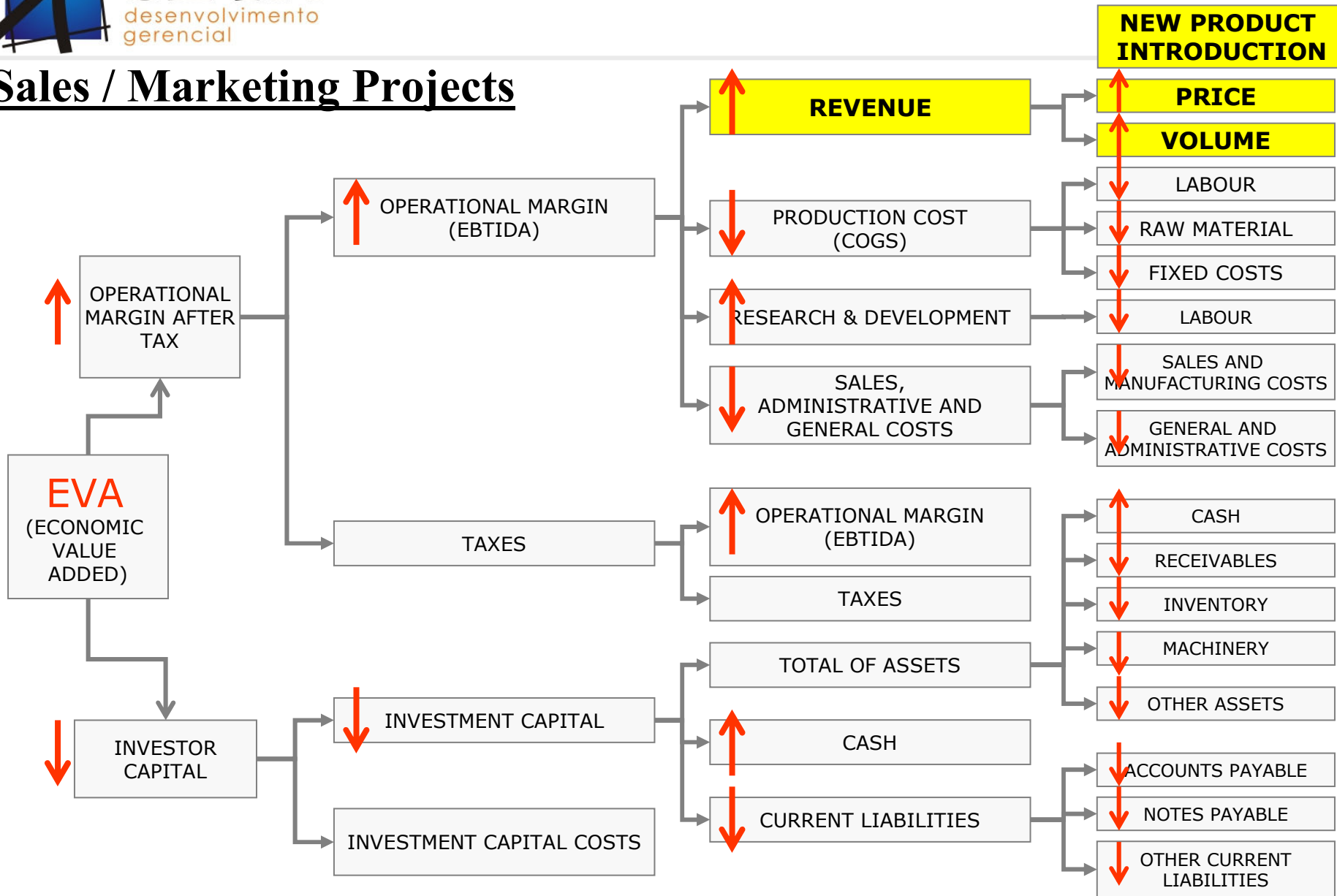
## EVA (Economic Value Added)



## PROJECTS IN OPERATIONS

- Improvement of the operational efficiency of equipments (OEE)
- Reduction of the set-up time of equipments
- Reduction of expenses with indirect inputs (ex. electric power)
- Reduction of cost of direct raw material
- Reduction of expenses with non-predicted extra time
- Reduction of manufacturing cycle time (lead time)
- Projects of maintenance without compromise equipments
- Reduction of losses due to product discontinuity (phase out)
- Reduction of expenses – M.R.O (Maintenance, Repair & Operations)
- Reduction of refused products by out of specification
- Manufacturing of small batches
- Reduction in Raw Material Contamination
- Improvement of productivity without investment

## Sales / Marketing Projects

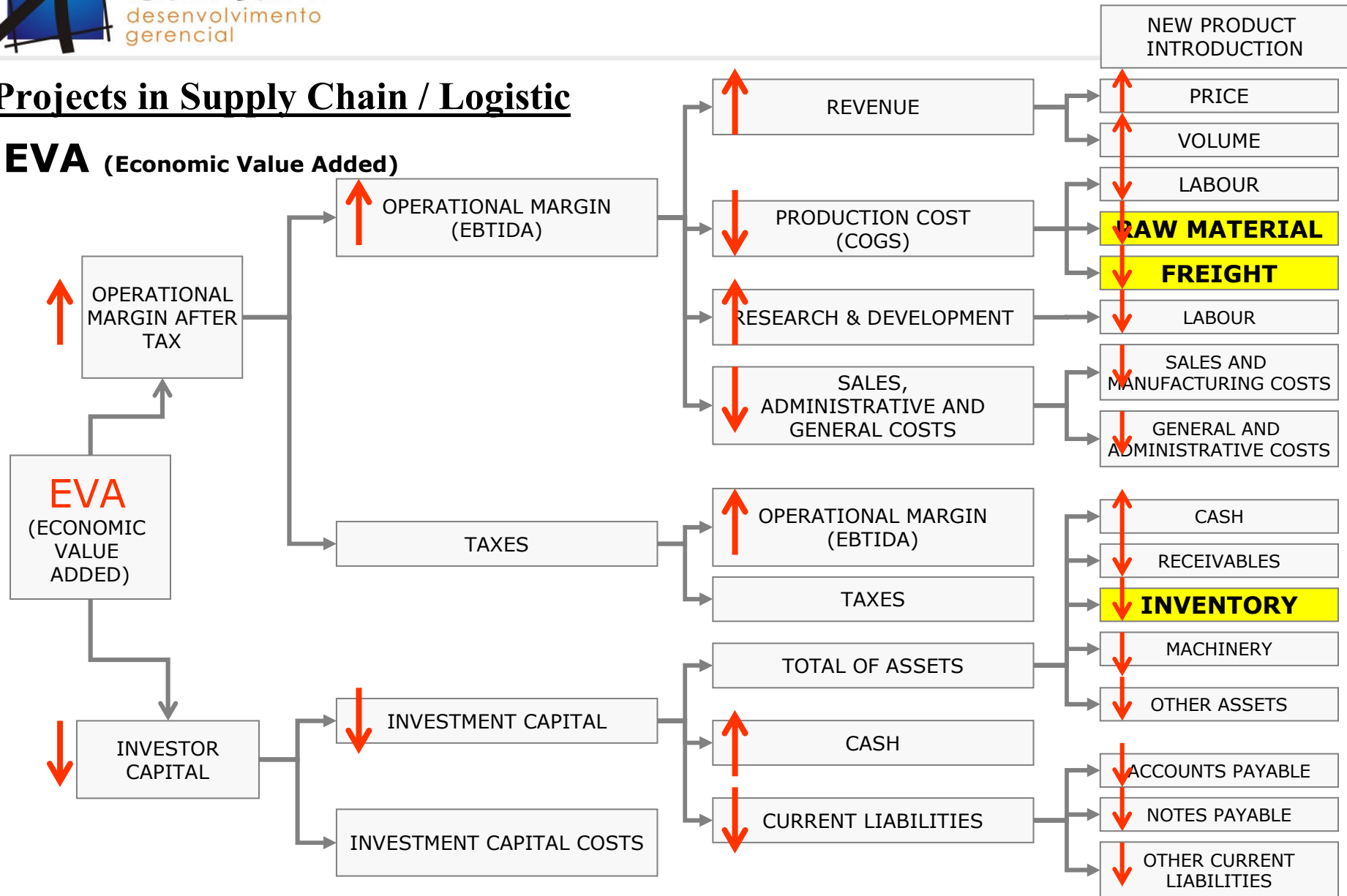


## Project in Sales / Marketing

- Reduction of cycle time for commercial prospection (to transform a “deal” in sales)
- Recovery of lost clients
- Kanban with customers and big contracts ( forecast )
- Growth in small clients ( Small Business )
- Web Sales
- Pricing and Margin Management

## Projects in Supply Chain / Logistic

### **EVA** (Economic Value Added)

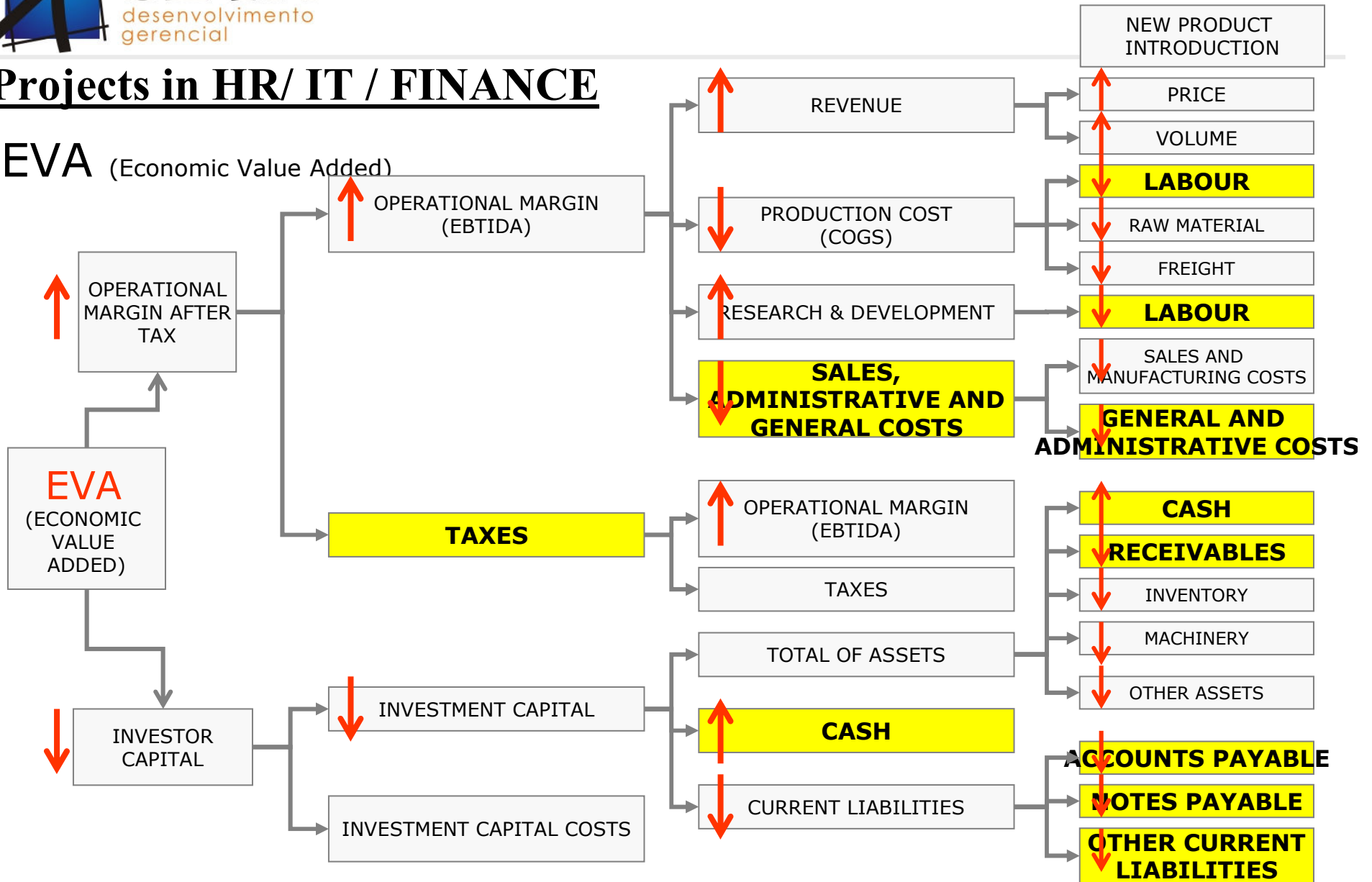


## Projects in Supply Chain / Suppliers

- Reduction of expenses with freight/transportation
- Reduction of inventory – WIP
- Reduction of final products / WIP
- Reduction of delivery time / Lead Time
- Reduction of expenses with warehouse
- Improvement of production efficiency – Raw material
- Projects of cost reduction in partnership with the supplier
- Reduction of expenses with third part contractors
- Reduction of loses by wrong handling
- Reduction of fraud/spoliation/insurance
- Reduction of expenses with import/export
- Reduction of expenses with consolidated loads
- Reduction of expenses with shipping

## Projects in HR/ IT / FINANCE

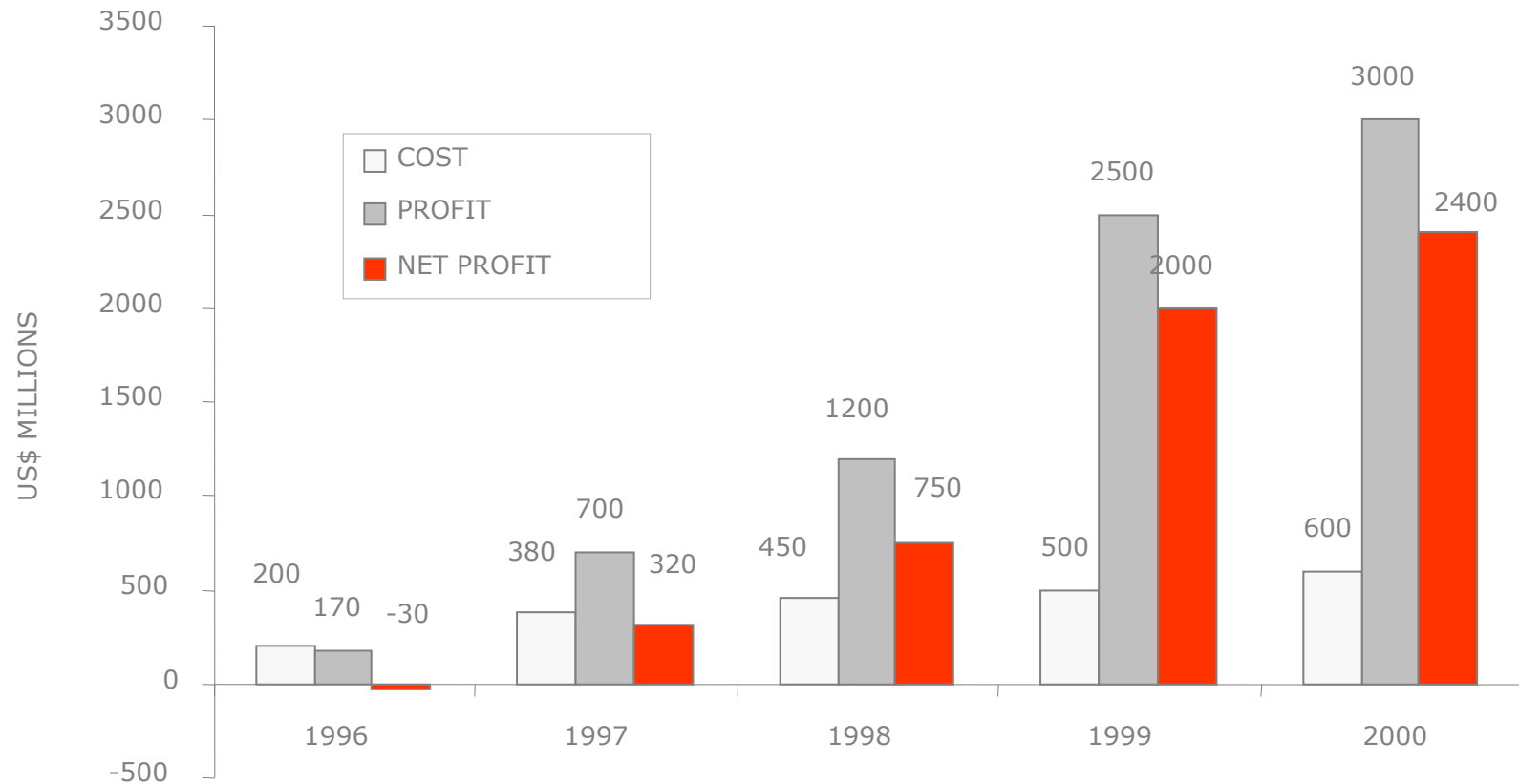
### EVA (Economic Value Added)



## Projects in FINANCE/ HR / IT

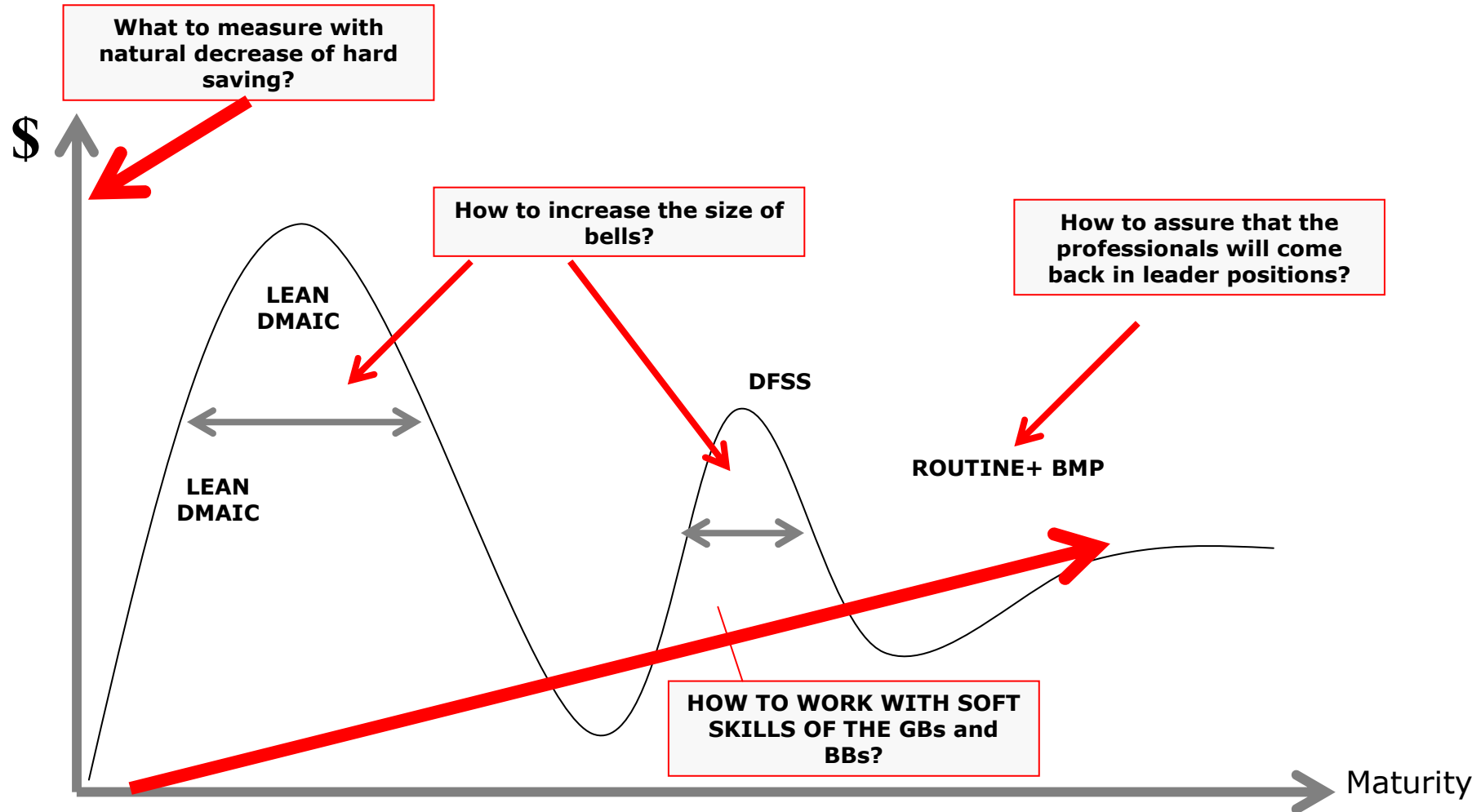
- To reduce cycle time for delivery of the accounting reports
- To reduce defaults
- To reduce cycle time for credit analysis
- To fulfill SOX requirements
- To prevent exchange loses
- To reduce expenses with loans
- To reduce expenses with Trainee programs
- Improvement in the level of the trainings
- To increase the rate of executive positions filled by company internal people
- Home office
- Reduction of expenses with health
- Prioritization process in IT
- Reduction of cycle time for projects implementation
- Reduction of expenses with Infrastructure/Communication/Informatics
- Projects of Customer Care/Call Centers

## Example: Profits and Investment in Six Sigma at General Electric (GE)

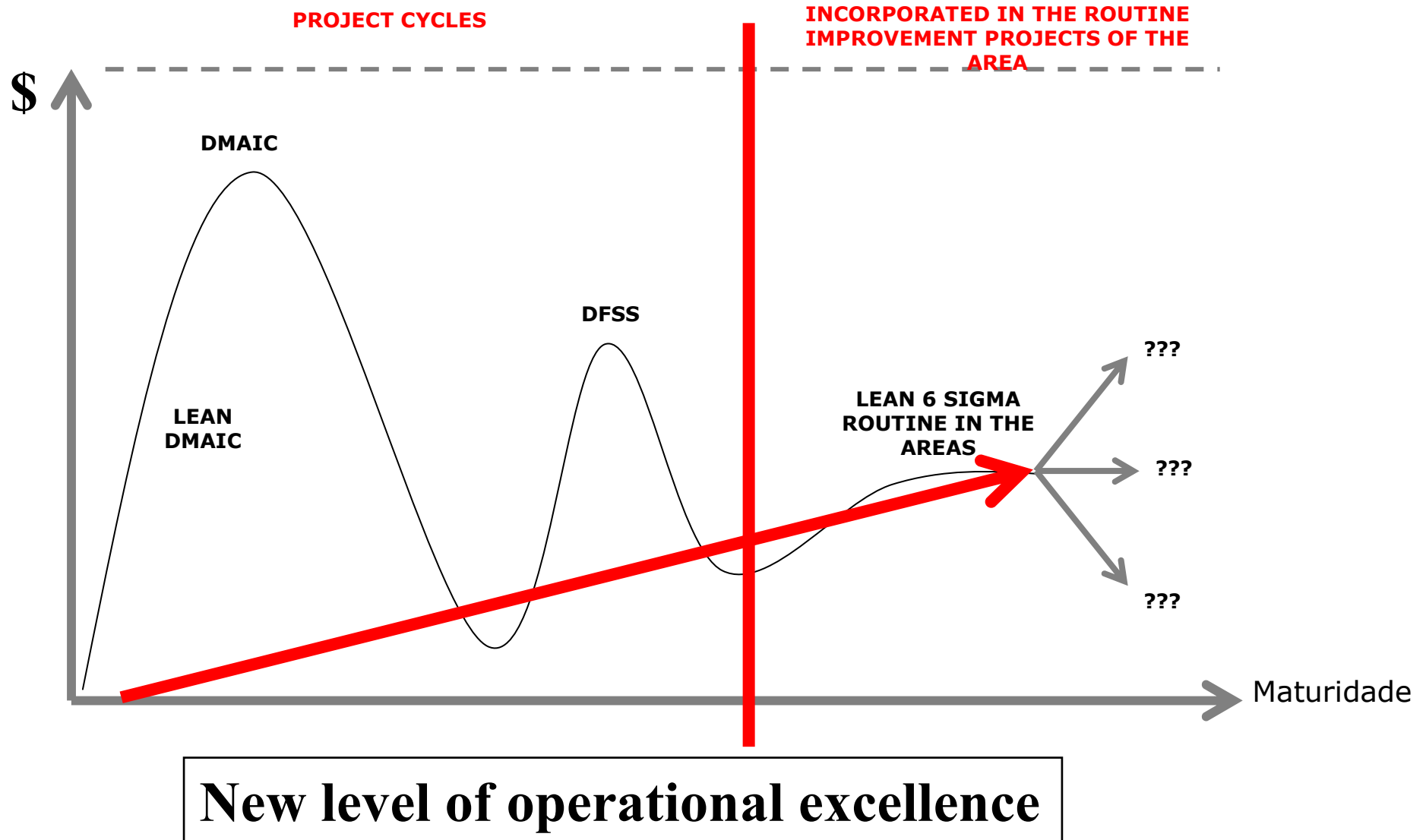


**4:1 return in the 5 initial years of the implementation!**

# **EXECUTION: TAKING THE ORGANIZATION TO A NEW LEVEL OF OPERATIONAL EXCELLENCE**



**Creating and multiplying a performance culture**



**“At the end of the day ....**

**It’s all about Business !!!!!**

# Thanks!

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