

Manufacturing Executive Series

Effective KPI Use: Ensuring Accuracy of KPI Data



Problems inevitably arise in manufacturing, and when they do, the KPI data is the first point of reference for root cause and preventative analysis. If inaccurate data is given, it can make it very difficult to solve the problems that arise, as well as determine what direction the team should move in when it comes to resolving these issues.

Yet another key purpose of data, is determining and setting company goals moving forward. Because of these reasons, and more, the importance of ensuring accuracy of KPI data can not be overstated. Below are steps to ensuring that data collected is accurate.

1 LOOK AT ALL THE FACTORS



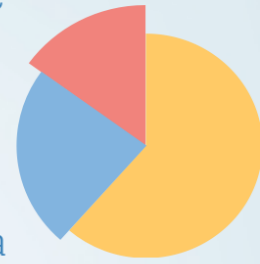
Ensuring consistent accuracy of KPI data should begin with auditing everything from the data collection methods and measurement systems to personnel and processes.

Another factor to be aware of, is that metrics can be manipulated to mislead about the true results (more on this later). For this reason, personnel and processes should be observed first hand.

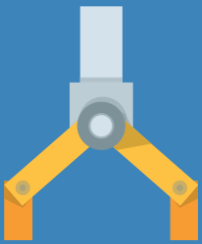
2 USE OEE & SHIFT REPORTS

OEE (Overall Equipment Effectiveness) and shift reports are a good starting point for data collection. Using these, you can create a baseline for performance measurement, set goals and solve issues on the floor.

These should be a supplement to other forms of data collection. Cross referencing multiple methods of data collection also help to give you a more accurate and holistic view.



3 Automation for Increased Accuracy



With the increasing advancement in technology and software, the manufacturing sector is seeing a rise in innovation. Manufacturing Execution Systems (MES) and automation are becoming more heavily adopted.

Various parts of Operations Process Management (OPM) such as KPI and data collection are now being automated. Making data collection and OPM as automated as possible, also helps to keep human and process related errors and inaccuracies to a minimum.

4 Questions to Ask



- Do the data collection methods and measurement systems have some inherent flaws, if so how can they be eliminated or mitigated?



- Is collected data matching up with what is being observed on the manufacturing floor, and other sources of data?



- How can we improve the accuracy of data collected; can people, processes, operations or data collection be optimized?

5 Final Points to Consider

- Plant Management should be mindful of operators 'gaming' metrics, as this can lead to inaccurate or incomplete data
- Error proof processes to ensure more predictable data and deliverables
- Consider setting different forms of data monitoring, such as Statistical Process Control (SPC) to regularly monitor performance.

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