

PROJECT EXECUTION

Managing for uncertainty is key to even the best laid plans

It's one thing to create detailed plans, but without the ability to execute them, they aren't worth much, says Sanjeev Gupta, president and CEO of **Realization Technologies**.

"Most organizations have difficulty executing projects

and they must change the rules to manage project uncertainties. Execution management can help all types of organizations meet this challenge."

An execution management system helps managers do two very simple things. First,

According to Gupta, the problem for project-based product manufacturers—that is, companies with lots of engineering changes, and those in industries that are capital intensive or process-oriented—is day-to-day project priorities aren't clear, so people end up working on ad hoc tasks.

"Execution management is a solution to a very old project management problem," says Gupta, "because it manages by showing people what to do, and when to do it. It sometimes seems like a very meat-and-potatoes type of solution, but without it, everyone starts working to different priorities. Managers only find out

about problems after the fact when nothing can be done except to cut scope or spend more money."

Improved execution management capabilities are reaping gains for **Hewlett-Packard**, **Hamilton Beach/Proctor-Silex**, **Lucent**, **Procter & Gamble**, biotechnology leader **Genencor**, and automaker **DaimlerChrysler**, which cut cycle time for prototype builds by two weeks and increased delivery date performance by 83 percent.

The **Warner Robins Air Logistics Center** in Georgia also took a systematic approach to enhance mission capability, improve operational performance, and create sustained results. Using **Realization Technologies'** execution management system, Warner Robins reduced the number of simultaneous C-5 aircraft in the maintenance repair overhaul (MRO) program from 12 to seven, and cut time spent on each C-5 aircraft by 33 percent, says Bill Best, a Warner Robins deputy.

"Execution management made a huge difference in our organization, and more important, keeps more C-5 aircraft in the air," Best says. "We expect to see continued improvements in the future throughout other aircraft production lines." ■



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—Sanjeev Gupta, president and CEO, Realization Technologies

on time and on budget. [Management] tends to focus its energy on creating elaborate plans, yet fails to execute them in the face of uncertainty," Gupta says. "To be successful, compa-

ny can tightly coordinate work across all departments and all levels of management. Second, they can exercise proactive control to quash small problems before they become big ones.

ECONOMIC INDICATORS

Exports show marked improvement in 2006, but growth expected to slow

Manufacturing enjoyed a marked improvement in 2006—with increased output, productivity, and exports—although growth is set to slow in 2007, says a new report out of The Engineering Employers Federation (EEF). Productivity is said to have outpaced the rest of the economy; exports hit an eight-year high; and two out of five companies increased spending on skills and training.

Output grew by 1.8 percent in the first nine months of the year, but companies face increased costs in 2007 coupled with the need to improve workers' skills.

Concludes EEF Director-General Martin Temple, "Manufacturing posted a strong set of figures for the last year, with exports expanding strongly despite the strength of the pound. Increased investment in skills and innovation, together with vigorous efforts to cut costs, has made manufacturing much more resilient. Whilst signs from the world economy suggest 2007 may prove to be a more difficult year, manufacturers are better placed to weather any of the storms they may face." ■



A new engineering association report shows expansion of exports in 2006, proving that cost-cutting fosters a more resilient manufacturing base.