



LPPDE

HOW TO MAKE COST SAVINGS FUN AND LASTING

5 December 2024

SCANIA



AGENDA

WHO IS MARIA?

WHY PCOP?

PRINCIPLES & METHODS – A POTPURRI

SUCCESS FACTORS

3 QUICK FACTS ABOUT MARIA





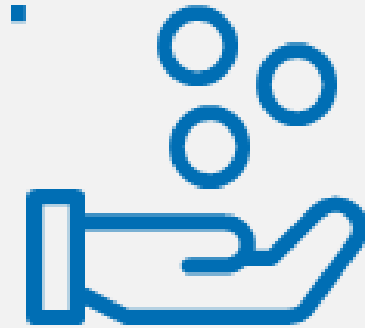


PCOP

PRODUCT COST OPTIMISATION PROGRAM



Cost savings without
jeopardising current profitable
customer value...



THE PROCESS IS DIVIDED INTO 3 PHASES ALLOWING THE USE OF THE BEST WAYS OF WORKING IN EACH PHASE

Generation

Development

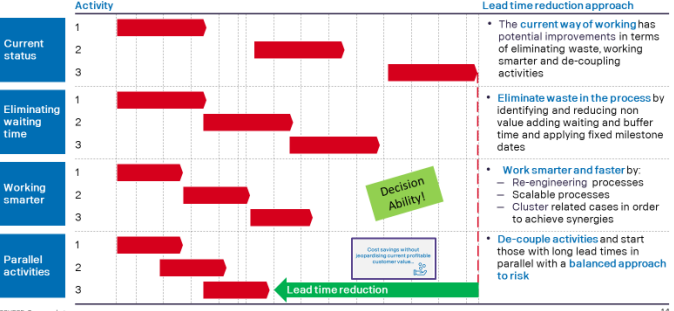
Introduction



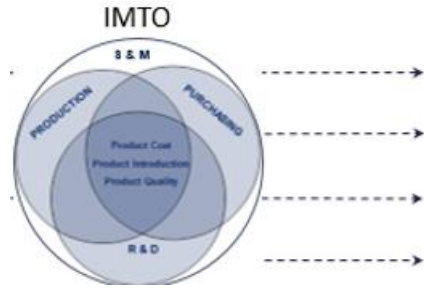
OUR MINDSET IS CRUCIAL WHEN TAKING ON THE PCOP CHALLENGE

- Every day counts – Act now!
- Dare to try – Manage the risk!
- Be cross functional – Take responsibility!
- All flows of activities have a critical path – Focus on it, challenge it!
- Bottlenecks lock flows – Find them, unlock them!

THREE MAIN LEVERS EXIST TO IMPROVE TIME EFFICIENCY AND REDUCE LEAD TIME



- The introduction phase is the **introduce the idea** and ends when the saving is fully realised



Customer

OUR PRINCIPLES



Principles



Prioritise
product
cost



Full time
dedication



TAKT:ed
flow

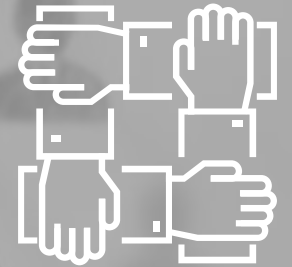


Challenge
lead time
– act now

Methods

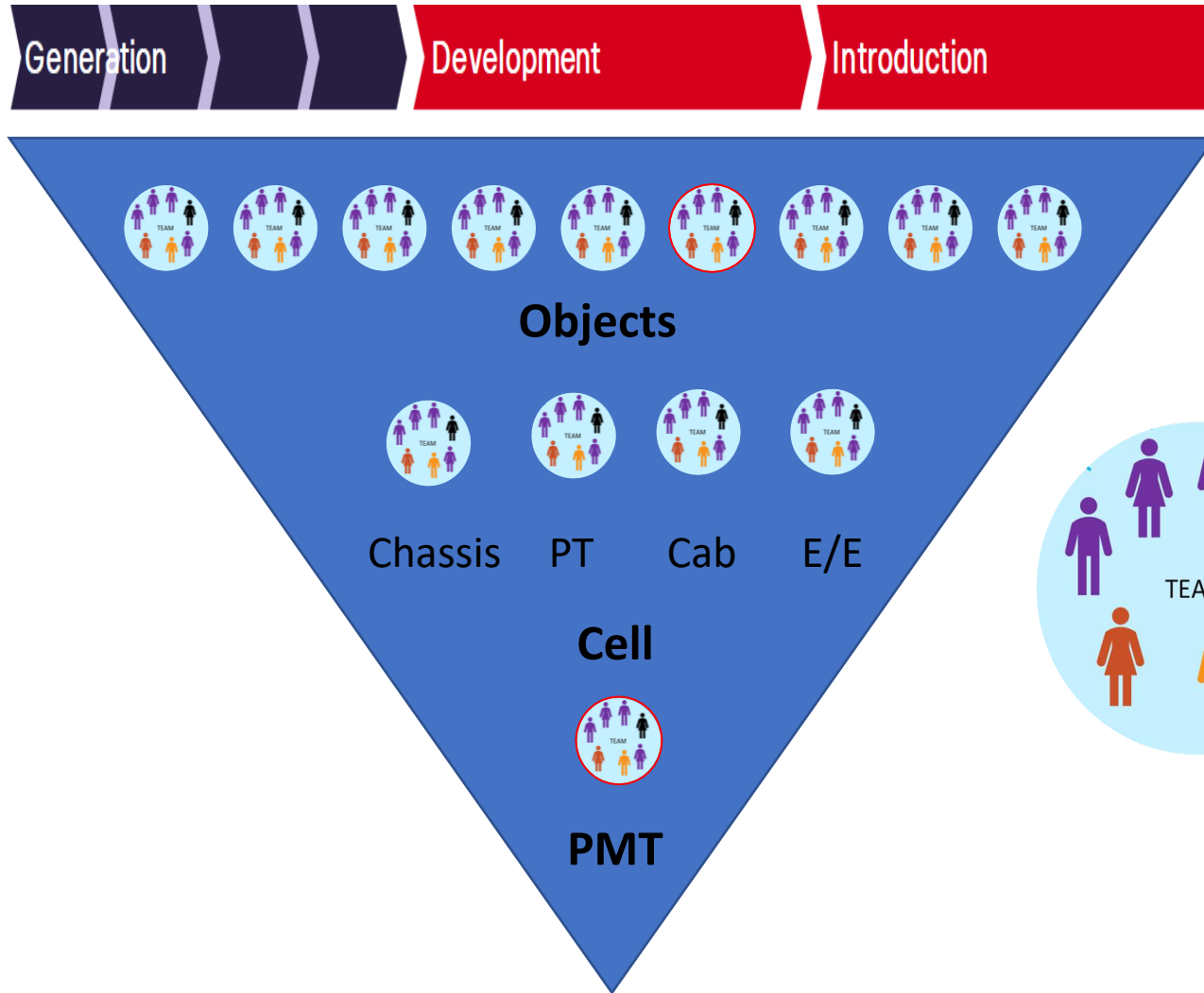


Co-located,
cross-
functional
teams



Help and
take help

ORGANISATION MODEL

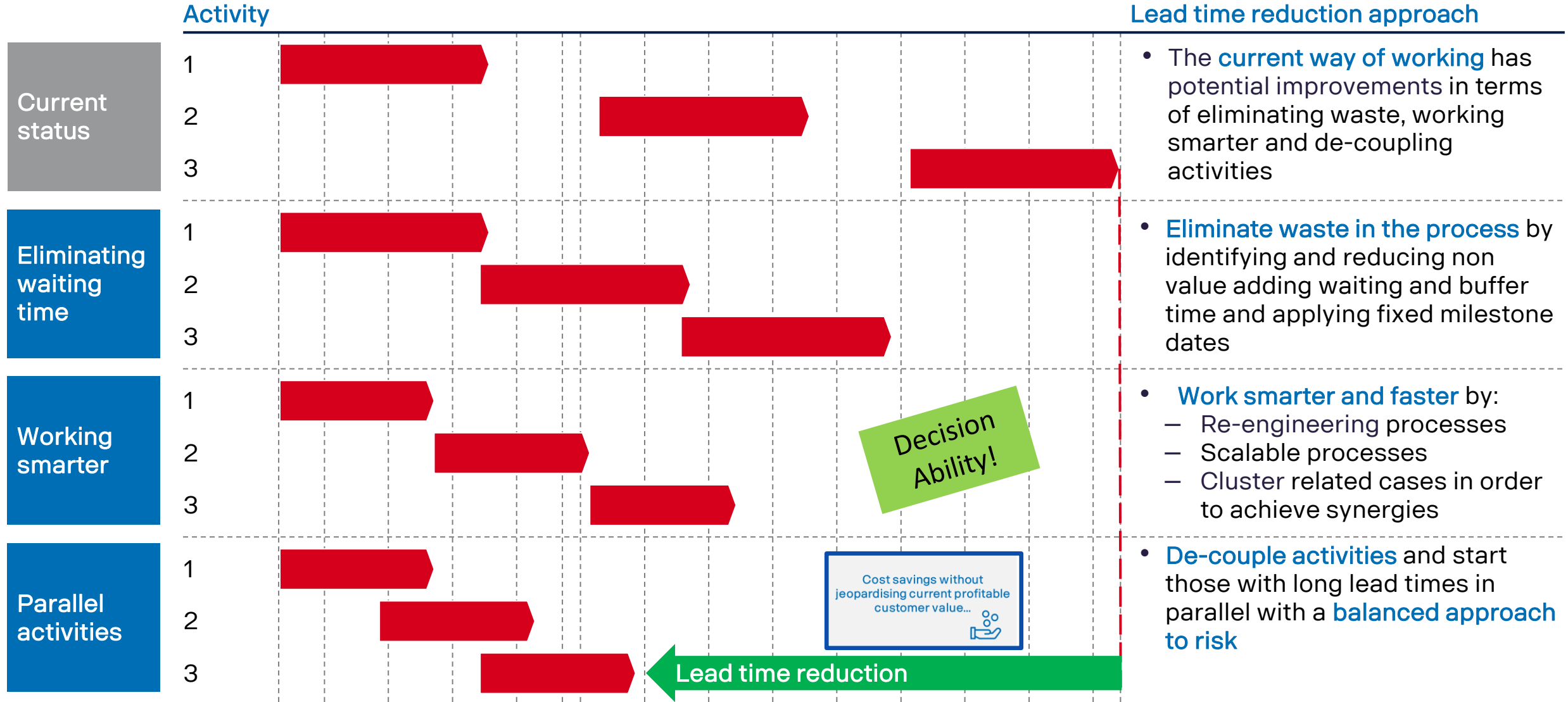


Cross functional teams on all levels with representatives from:

-  Purchasing
-  R&D
-  S&M
-  Production

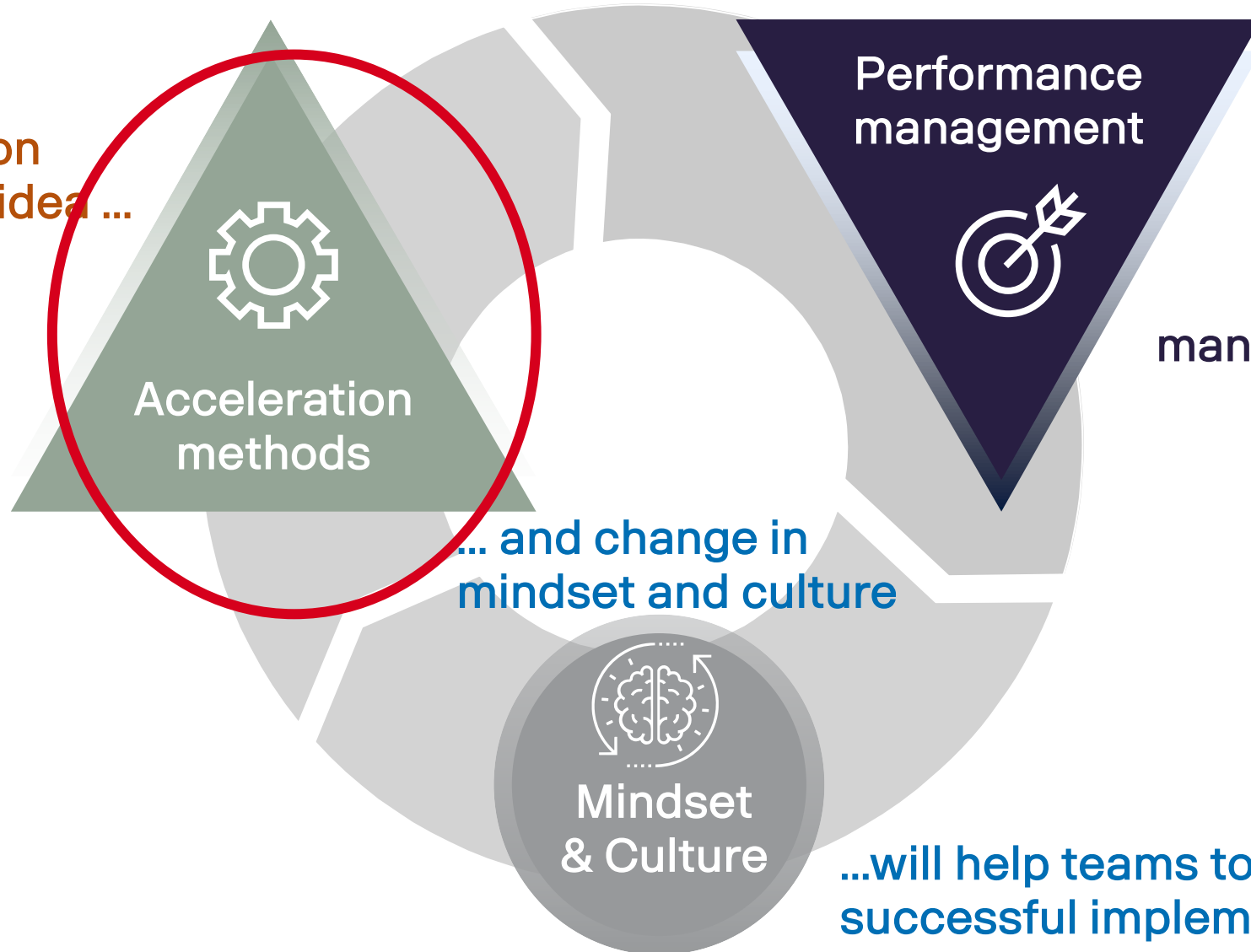
self-organization is a way to create **predictability** in a **chaotic unpredictability** environment

THREE MAIN LEVERS EXIST TO IMPROVE TIME EFFICIENCY AND REDUCE LEAD TIME



PROCESS FLOW ENABLED BY ACCELERATION METHODS AND PERFORMANCE MANAGEMENT

An optimized implementation plan for each idea ...



Acceleration methods

Performance management

... and change in mindset and culture

Mindset & Culture

... performance management to ensure plan execution ...

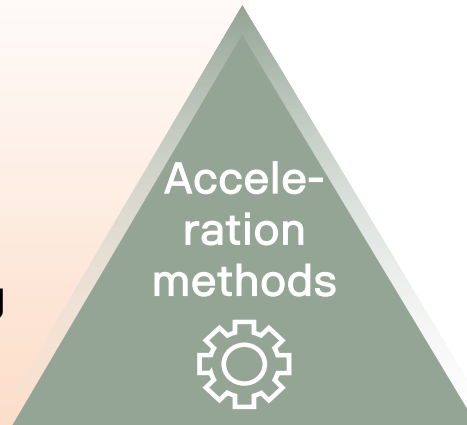
...will help teams to ensure successful implementation

PROCESS FLOW ENABLED BY ACCELERATION METHODS

An optimized implementation plan for each idea...

Acceleration methods enabling process flow

- 1 Individual issue acceleration through **critical path analysis**
- 2 Optimization across issues through **bottleneck analysis**
- 3 **Flow oriented** way of working



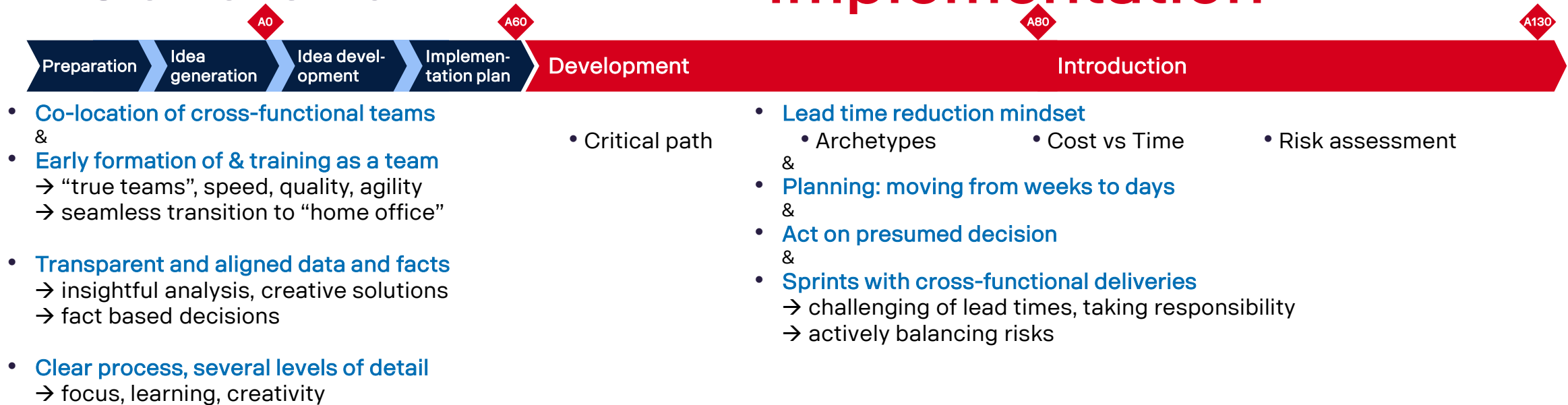
OVERVIEW OF ACCELERATION METHODS

	Method	Description and benefit	When is method used	Format
Acceleration methods	1 Critical path analysis	Method for challenging time plans and pushing them to become shorter	... to build the plan	Process/ Tool
	1A Accelerated standard lead time	The accelerated standard lead times form a tool for challenging time plans and pushing them to become shorter	... to build and challenge the plan	Process/ Excel Tool
	1B Risk management	Applying Scania risk management tool as enabler for decision making to reduce/shorten activities	... to challenge plan	Excel Tool
	1C Cost vs. Time	Taking additional implementation cost if there is a positive trade-off where gain of shorter lead time overbalances the activity's cost	... to calculate financial trade off of risk	Excel tool
	2 Bottleneck planning	Reducing bottlenecks by challenging the need for a test, clustering tests in slots and improving transparency of planning	... to reduce waiting times and create transparency	Process / Tool

SUCCESS FACTORS

Generation

Implementation



SUCCESS FACTORS

- **Always cross-functional – target, organisation, process, tools, decisions, follow up**
→ taking responsibility, innovative, quick, adaptive, aligned & anchored, balanced risks & decisions
- **Clear and common focus and targets** → commitment, supportive behaviour, courage to challenge
- **Cross-functional daily pulse & mindset to ensure answers** → commitment, communication, speed, agility
- **Clear and available decision structure, weekly paced, with well-balanced mandate and responsibility** → speed, commitment, agility
- **Common, continuously improved process, milestones and tools, based on principles and mindset** → respected deadlines, less deviations, scalability
- **Visualised follow up, continuously performed follow up and display of interest** → commitment, responsibility, creativity
- **ExB focus, ExB sponsor and ExB follow up in quarterly review with IMT presentations** → commitment, endurance, alignment

