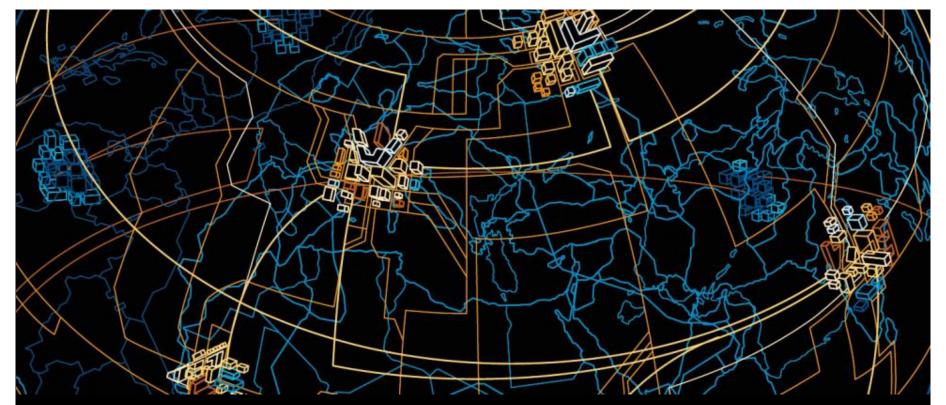


Sept 10, 2012 Alex D'Anci, QO – Operations Development Group

3.1.3 – Quick Changeover / SMED Process (AVIX)



April 2012

Introducing ABB ABB Group presentation



A global leader in power and automation technologies Leading market positions in main businesses





- 135,000 employees in about 100 countries
- \$38 billion in revenue (2011)
- Formed in 1988 merger of Swiss and Swedish engineering companies
- Predecessors founded in 1883 and 1891
- Publicly owned company with head office in Switzerland



Power and productivity for a better world ABB's vision



As one of the world's leading engineering companies, we help our customers to use electrical power efficiently, to increase industrial productivity and to lower environmental impact in a sustainable way.



How ABB is organized Five global divisions









Power Products

Power Systems

Discrete Automation and Motion

Low Voltage Products

Process Automation

\$10.9 billion 35,300 employees \$8.1 billion 19,600 employees \$8.8 billion 28,500 employees

\$5.3 billion 21,400 employees \$8.3 billion 28,300 employees

(2011 revenues, consolidated)

ABB's portfolio covers:

- Electricals, automation, controls and instrumentation for power generation and industrial processes
- Power transmission
- Distribution solutions
- Low-voltage products

- Motors and drives
- Intelligent building systems
- Robots and robot systems
- Services to improve customers productivity and reliability



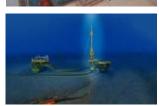
Power and automation are all around us You will find ABB technology...





orbiting the earth and working beneath it,





crossing oceans and on the sea bed,





in the fields that grow our crops and packing the food we eat,





on the trains we ride and in the facilities that process our water,





in the plants that generate our power and in our homes, offices and factories



Tackling society's challenges on path to low-carbon era Helping customers do more using less

Rise in electricity demand by 2035 (under current policies)

Source: IEA, World Energy Outlook 2011

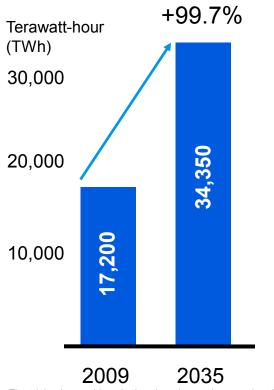


ABB power and automation solutions are:

- Meeting rising demand for electricity
- Increasing energy efficiency and reducing CO₂ emissions
- Improving productivity to raise competitiveness of businesses and utilities

Electricity demand is calculated as the total gross electricity generated less own use in the production of electricity and transmission, and distribution losses.



Improving capacity, reliability and efficiency in the grid A pioneer in smart technologies

Challenge

China: deliver 6,400 MW of hydropower over 2,000 km

ABB solution

- Transmission at ultrahigh voltage
- Minimal losses with direct current solution



US: Increase capacity and reliability for Texas utility

- World's largest installation enabling existing lines to carry more power
- Also enables integration of renewable energy



India: Improve reliability in grid serving state of Karnataka (pop. 53 million)

- Network management with real-time control
- Key building block for smart grid



Renewable energy Key growth driver for both power and automation



- Generation and transmission solutions for:
 - Hydro
 - Wind
 - Solar
 - Wave

Project examples

- Xiangjiaba-Shanghai (China)
- Wind Capital (US)
- Totana solar (Spain)
- Pelamis wave energy (Portugal)

ABB scope

- Grid connection
- Transformers
- Turnkey execution
- Customized generators



Boosting productivity and energy efficiency Example: Stora Enso, world's biggest paper maker

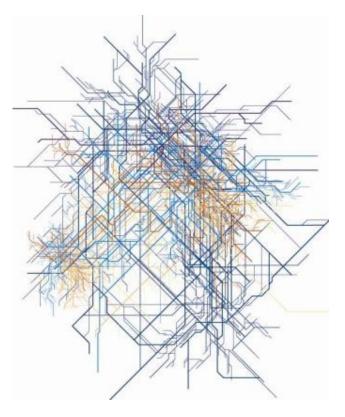




- Skoghall mill, Sweden:
 - No. 1 maker of board for drink cartons
- Two-year revamp boosted productivity and cut CO₂ by 170,000 tons/year
- ABB provided key control systems:
 - For boiler, collecting and analyzing data on pressure, flow, temperature, etc. from thousands of instruments
 - For total control over power supply with real-time data



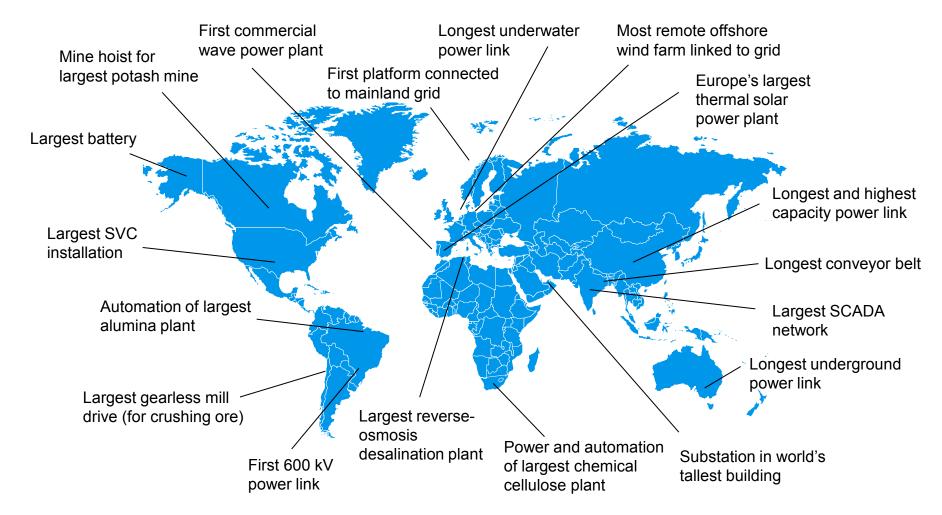
Leading power system's biggest-ever transformation Smarter, greener grid for more efficiency and reliability



- Merging power and automation technologies makes electricity network more reliable, flexible, secure and efficient. Smart grid benefits include:
 - Lower power consumption
 - Greater use of renewable energy
- ABB's broad offering in both power and automation technologies positions it uniquely to support this evolution
- Transformation of grid to take place over several decades

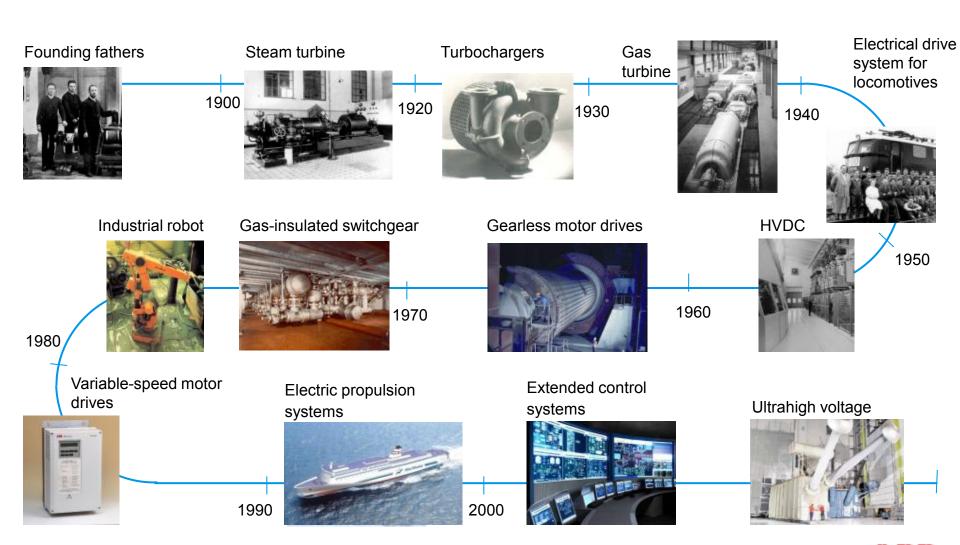


Ground-breaking and nation-building projects Pushing the boundaries of technology





Shaping the world we know today through innovation Pioneering technology since 1883





Innovation is key to ABB's competitive advantage Leadership built on consistent R&D investment



- More than \$1.3 billion invested annually in R&D
- 7,500 scientists and engineers
- Collaboration with 70 universities
 - MIT (US), Tsinghua (China), KTH Royal Institute of Technology (Sweden), Indian Institute of Technology (New Delhi), ETH (Switzerland), Karlsruhe (Germany), AGH University of Science and Technology (Poland)



Fashioning the world we will live in tomorrow Tackling challenges with customers and partners



- R&D programs focus on incremental and breakthrough developments to address challenges including:
 - Integrating renewable power sources into the grid
 - Enhancing power network efficiency, reliability and flexibility
 - Improving industrial resource efficiency and asset productivity
 - Optimizing flexibility and reliability



Developing sustainability of products and operations Lowering environmental impact and costs



Sustainability in product development

- Focus on resource and energy efficiency of equipment over life cycle
- Independently verified Environmental Product Declarations for main products



Sustainability in ABB's operations

- Cuts targeted in use of energy, raw materials, hazardous substances
 - eg, China: 63% cut in energy use per unit of revenue between 2002 and 2010



People make the difference The best want to work in a first-class environment







- ABB is one of the world's most global companies
- A culture of openness, flexibility and inclusiveness helps to attract top performers
- ABB strives for excellence in personal development, operational execution, health and safety, business ethics
- A Group-wide staff development program aims to bring a culture of leadership to every level of the organization



Committed to the highest standards of business ethics Integrity as bedrock of ABB's global culture

"Whatever change may be going on in the world around us, one thing remains unchanged: ABB's commitment to maintain the highest standards of business ethics and integrity."

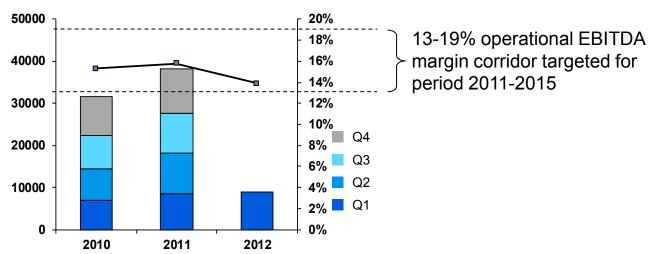
CEO Joe Hogan in ABB's Code of Conduct

- Code of Conduct defines relationships with all stakeholders
- Employees acknowledge Code of Conduct and take compulsory training courses
 - Zero tolerance toward violations
 - Several reporting options in place for employees to report suspected violations; each report thoroughly investigated



A successful business and a reliable partner Strong financial position is competitive advantage

Revenue (US\$ million) by quarter and annual operational EBITDA margin (Q1 margin for 2012)

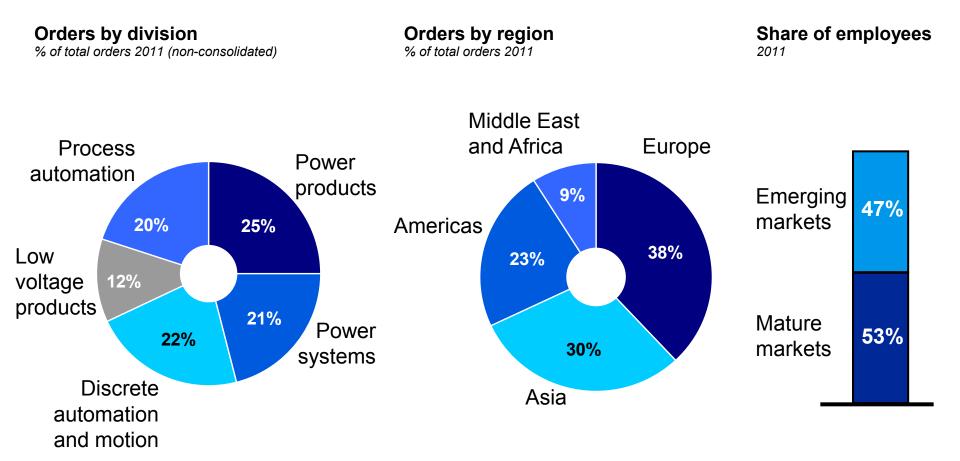


Main investments 2011/12		Main acquisitions and investments	
Plant expansion	New plant	2011	2012
Switzerland	Brazil	Baldor, Obvient,	Newave
Sweden, Italy,	China,	Epyon, Validus,	
China, India,	Bulgaria,	Mincom, Trasfor,	
Estonia	US, India	Lorentzen & Wettre,	
		Novatec Solar**,	
		Ecotality**,	
		Aquamarine Power**	

**ABB equity investments



Well-balanced business and geographic portfolio Capturing growth opportunities, wherever they arise





Innovation, passion and diversity are hallmarks of ABB

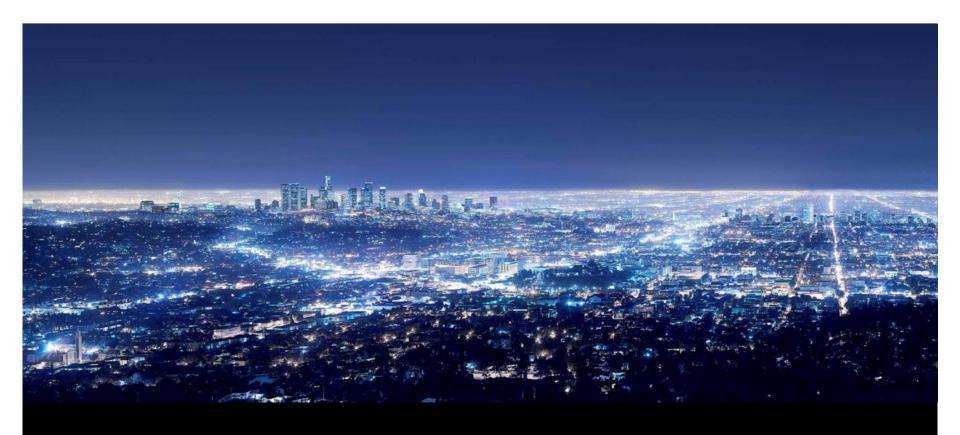


"ABB is a dynamic, multicultural team that spans the globe, working in a fascinating world of high technology."

"Our portfolio is vast, but the benefits are straightforward: we help to provide reliable power supplies and improve productivity, while lowering environmental impact."

CEO Joe Hogan





SMED Analysis with AVIX http://www.avix.eu/en.html



Distribution Transformers





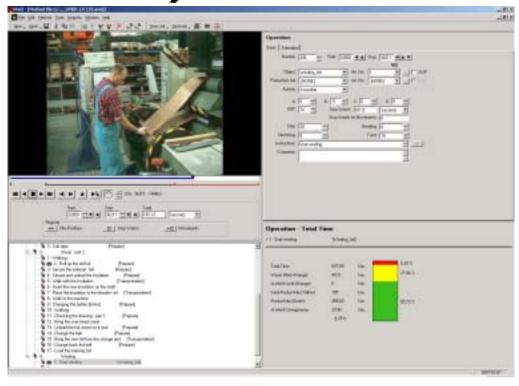




AviX introduction



- Method



Areas of use:

- Time and motion studies
- Productivity and efficiency studies
- Cost and optimization calculations
- Ergonomic studies
- Standardized methods studies
- Optimize layout
- Optimize used method for a workstation
- Optimize tooling for a workstation
- SMED
- Kaizen
- Benchmarking
- Elevate the constraint
- Training for new operators
- Presentation of actual and future situation

Advantages:

- Parts productive operations from waste
- Easy to learn, implement
- Easy to explain and communicate results
- User friendly



AviX introduction

Why AviX - summary?

- See and eliminate waste, find your improvement potential in a structure way (methods, layout and design)
- Calculate standardized production times
- What you do, is more important than doing something regardless of what
- Support innovation
- The method analysis shall be easily understood by all employees within the company. Same language
- Collect and store all data in one place

Eliminate known and unknown waste in a structured and systematic way to make your operations more profitable and improved work environment

Work smarter - Not harder



Step 1 - Video filming



The engineer (co-worker)
films the current work
methods – gaining
information of how the
work is performed.

- Explain the filmed operator the purpose



Step 2 - Preparation and Analysis



The people doing the work on the shop-floor with engineer analyze the video (divide into task, operations, etc). Looking for potential areas to improve.



Step 3 - Analysis and Improvements



- 1. The video is being analyzed with operators looking for potential areas to improve. Remember to take notes of the ideas, solutions.
- 2. Talk over new solutions

Use Creativity and Problem Solving Tools

- Brainstorming
- 5 WHY
- Ishikava chart,
- Current reality tree
- Six Thinking Hats, etc.





Step 4 - Follow through



Involve operators in implementing changes. This way they will have a higher incentive to really make the necessary changes.

Write new procedures

Within a lot of companies that have started to use AviX, the improvements that were talked about before, suddenly get realized.



Results of using AviX?

- Improved communications (horizontal & vertical)
- Continuous improvement with immediate results
- AviX breaks boundaries, everyone speaks the "same" language
- Improved manufacturing cycle times
- Shorter training and "start up"
- Less time consuming analysis
- Total understanding of all processes and relations
- All data in ONE system with a widespread knowledge

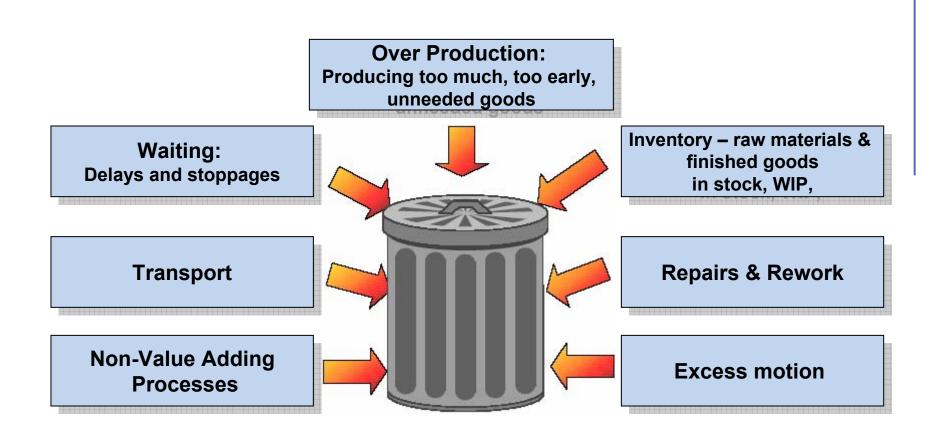


AviX in ABB Poland (Łódź) & Brazil (Blumenau)

- 11.2003 02.2004 checking the workstation as regards to ergonomic, work organization, reviewing the process times MDT & Tank Fabrication Line
- 07.2004 09.2004 checking the workstation as regards to ergonomic, work organization, reviewing the process times SDT Line
- □ 11.2005 02.2006 SMED analysis
- 04. 2006 09.2006 reviewing process times for some designs. Updating times in SAP
- 2005 LV & HV coil winding process time improvement (Brazil)
- 2006 active part assembly analyze of movements (Brazil)



AviX & 7 Wastes of Lean Manufacturing





Value Analysis Activities

Value Adding Activity

 An activity that transforms or shapes raw material or information to meet customer requirements

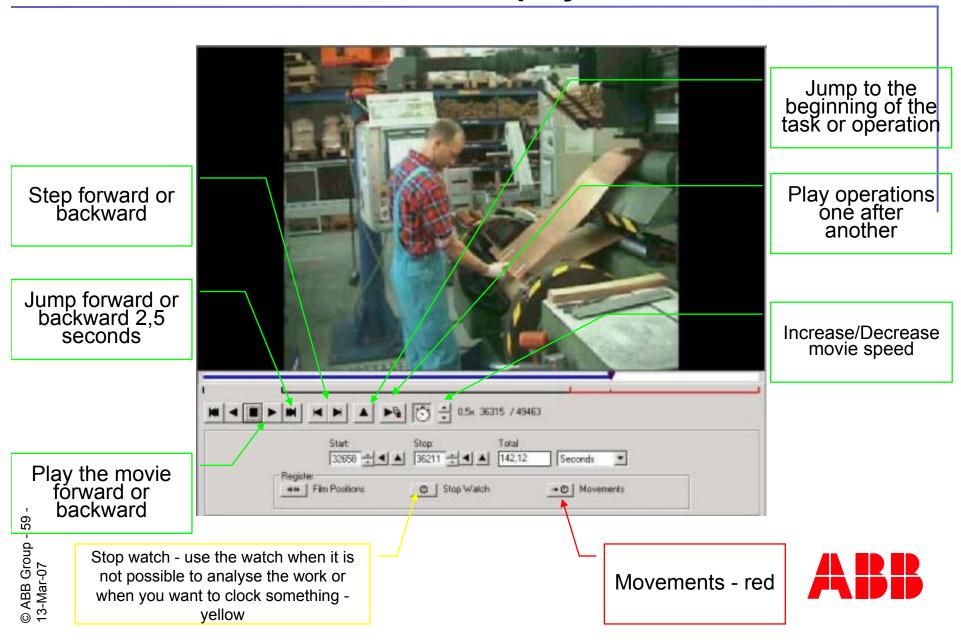
Non-Value Adding Activity

 Those activities that take time, resources or space, but do not add to the value of the product itself

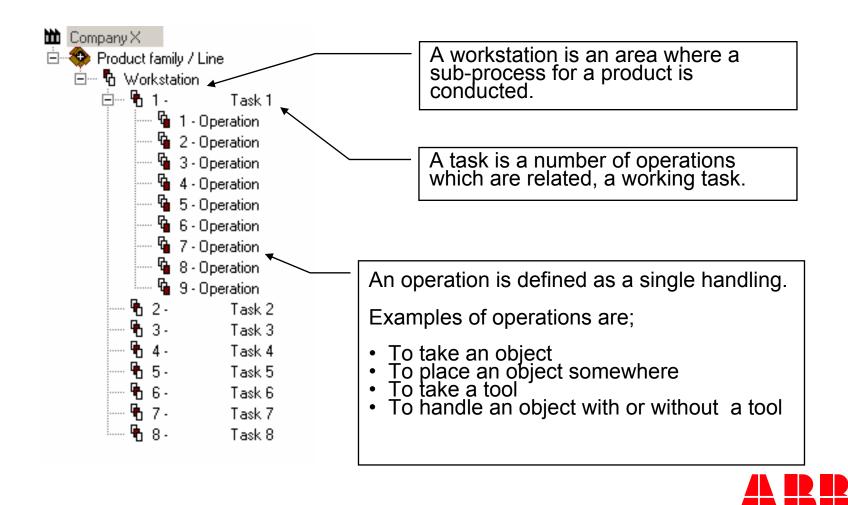




AviX introduction - the media player

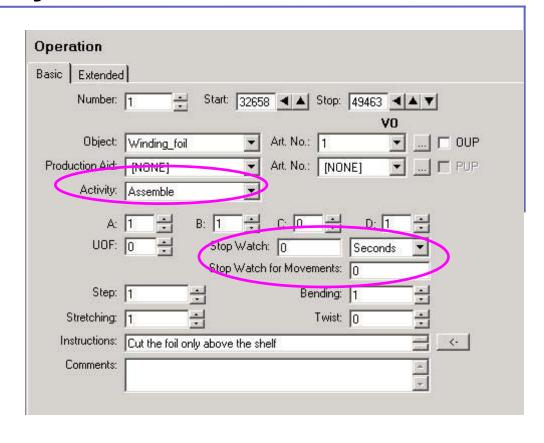


AviX introduction – Structure tree



AviX introduction – theory- Activities

Activity	Explanation	
Take	grab things	
Place	prepare things (for later)	
Handle	prepare things (before assembly)	
Fix	tightening, gluing	
Adjust	correcting	
Assembly	assemble in right position	
Control	check an assembly	
Replace	When you return things	
Read Instruction		
Admin	When you document information	
Wait	wait for something before you can assemble.	
Stop Watch	analysis is impossible	
Movement Stop Watch	analysis of movements is impossible	

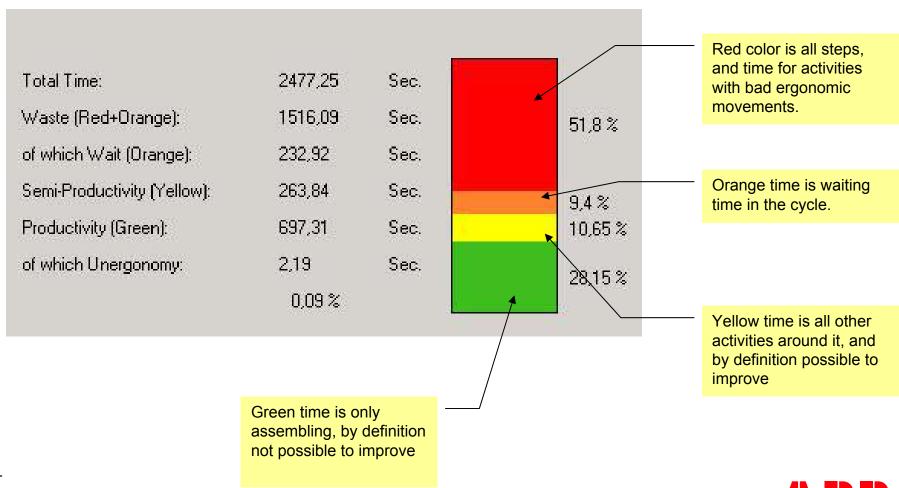




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AviX introduction - Results & color system



SMED

SMED Single Minute Exchange of Dies in less than 10 minutes

The process was developed by Shigeo Shingo at Mazda, Mitsubishi and Toyota in the 1950's and 1960's.



Why SMED?

- Reduced inventories
- Improved productivity
- Higher quality levels
- Increased safety
- Improved flexibility
- Reduction in throughput time
- Improve operator capabilities
- Lower manufacturing costs



SMED Methodology

- Identify internal and external steps
 - Internal set-up activities Elements in the changeover which can only be done when the machine is stopped
 - External set-up activities Elements that can be performed when the machine is running
- Convert internal steps to external
- Improve all aspects of the setup operation
- Implement, Document



The SMED – Process

- Preliminary Stage Observe and record AviX
- Stage 1 Separate internal and external activities AviX
- Stage 2 Convert internal activities to external activities AviX
- Stage 3 Improve all activities Kaizen, Brainstorming, Ishikava chart, 6 thinking hats, etc.
- Stage 4 Document internal and external procedures AviX

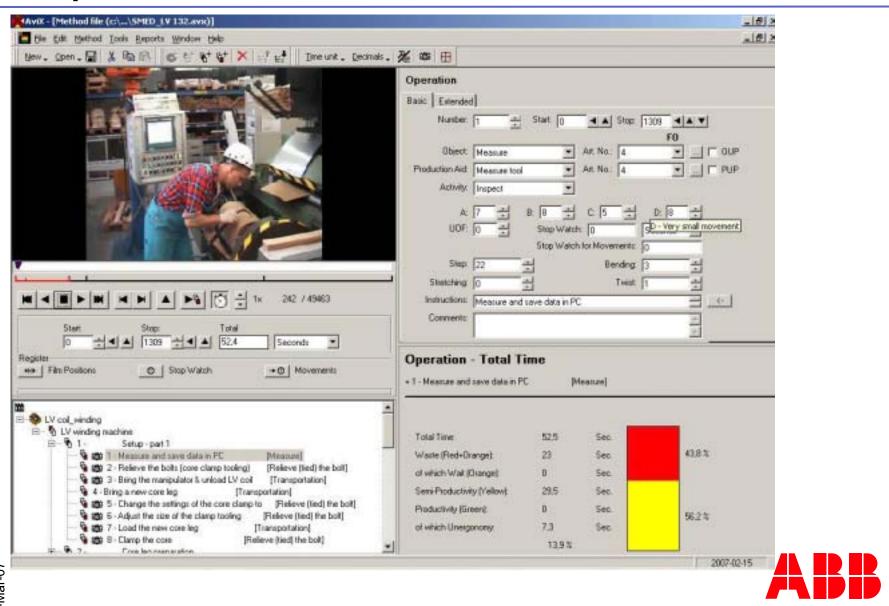


Practical usage – SMED project with AviX

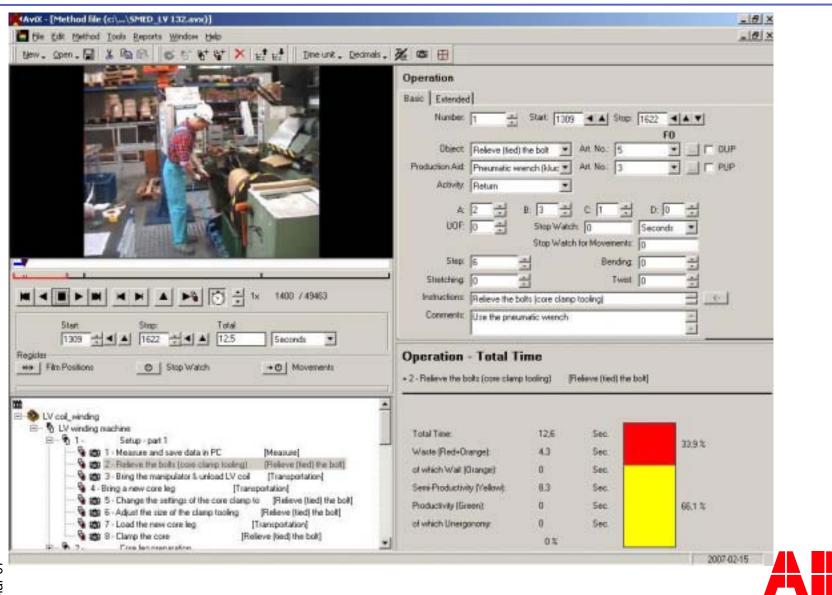
Tuboly LV winding machine



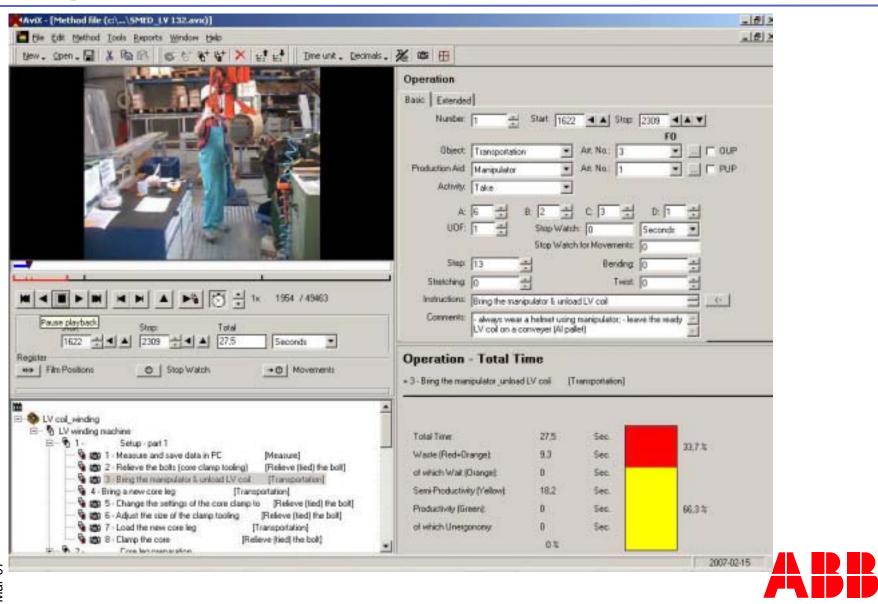




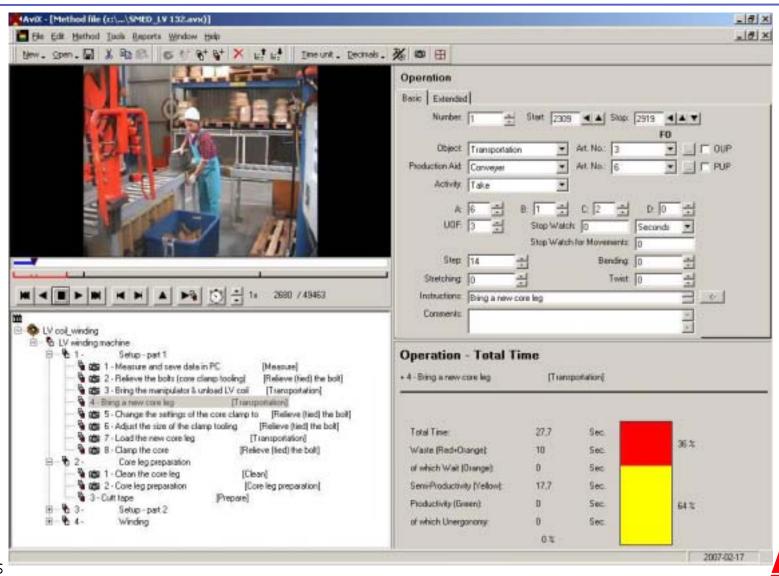
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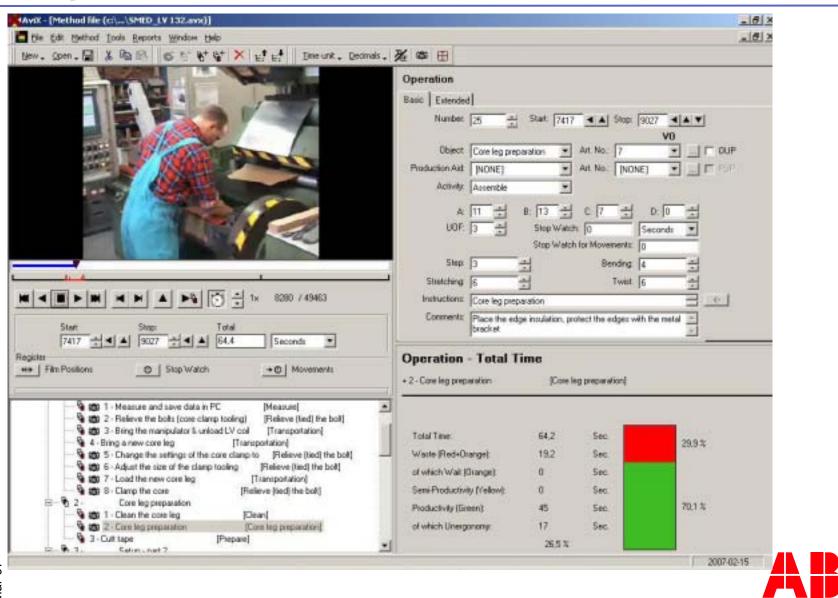
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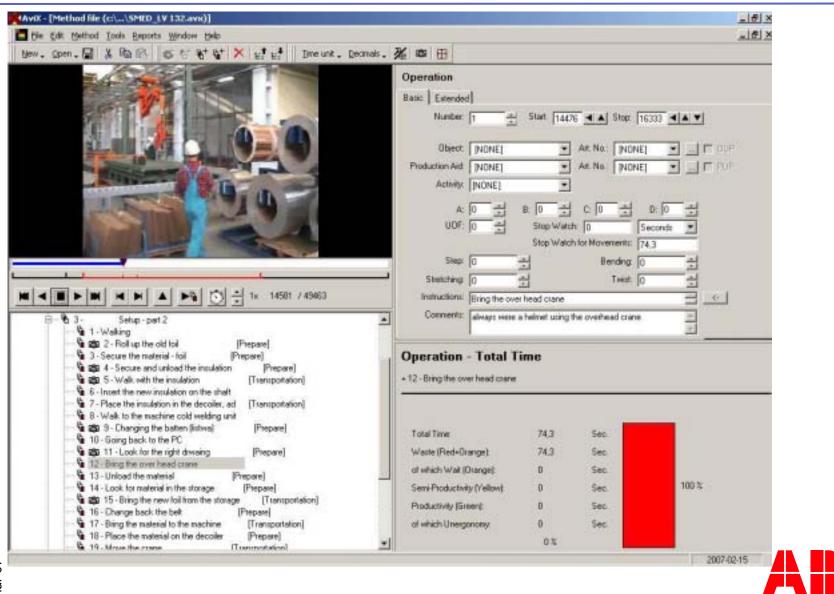
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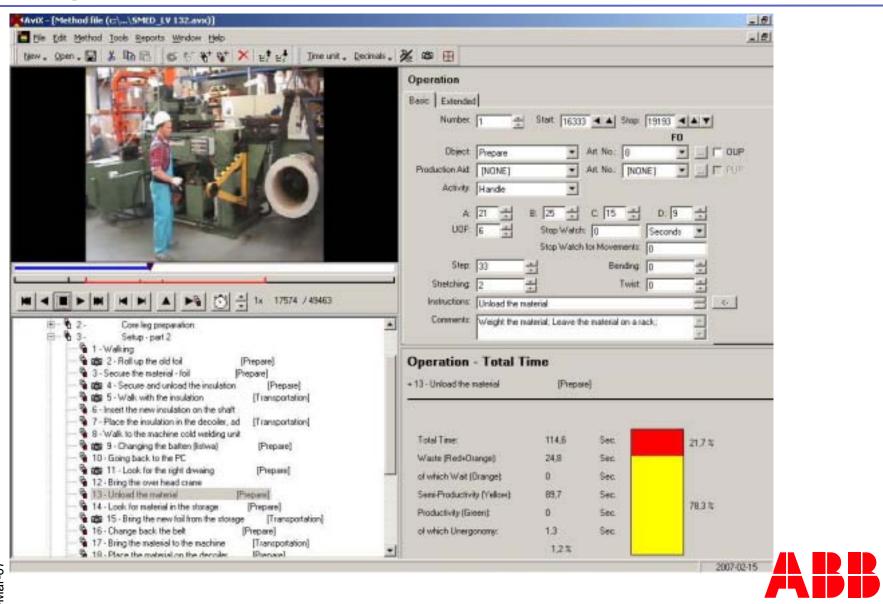
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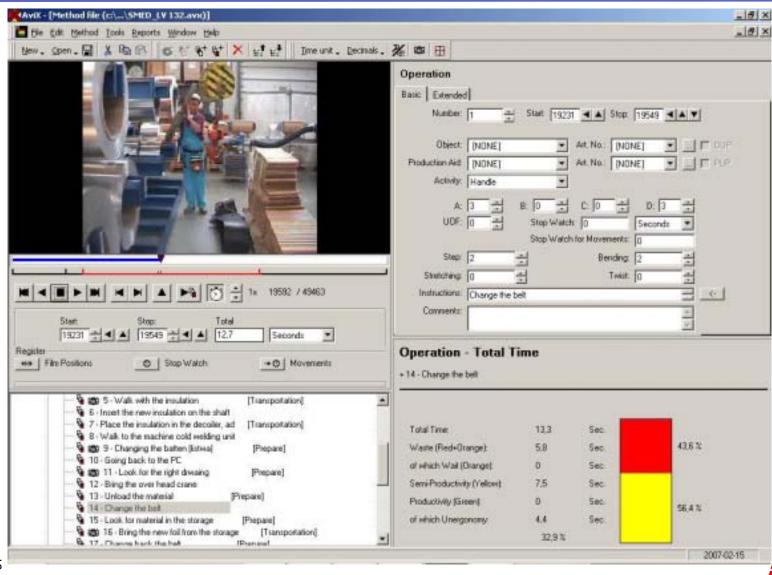
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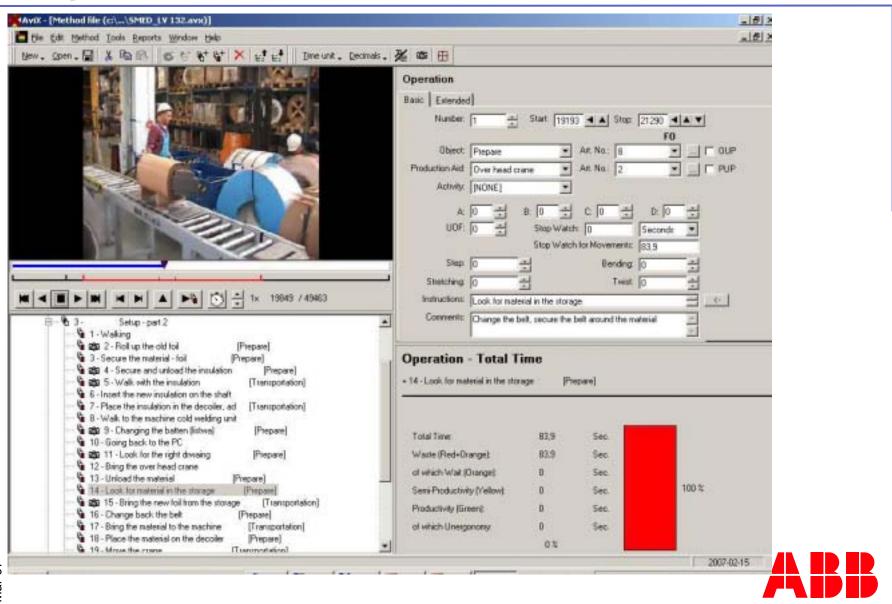


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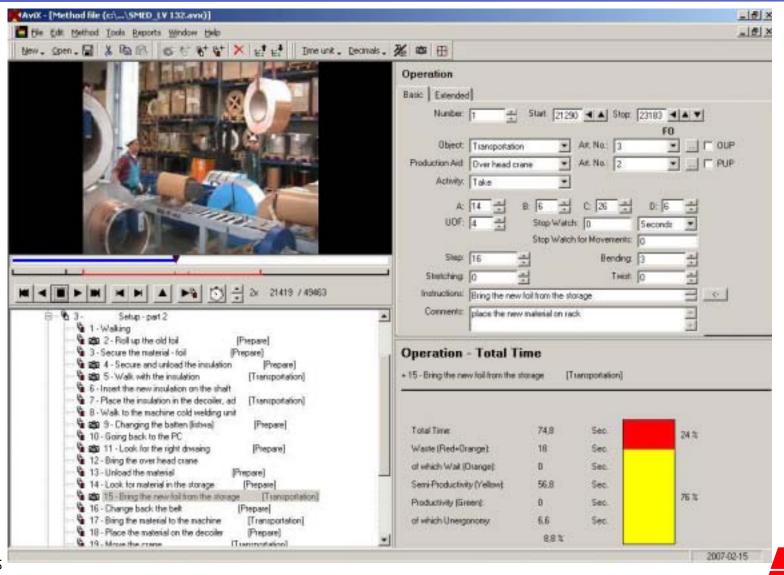


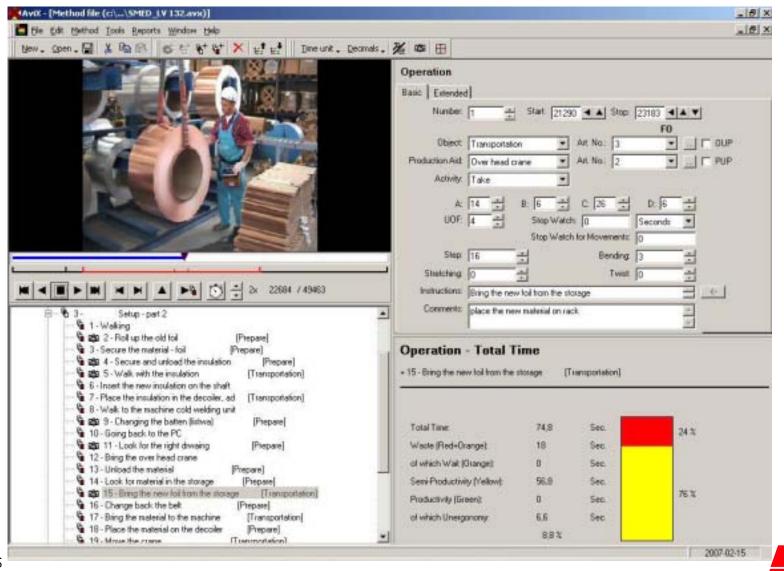
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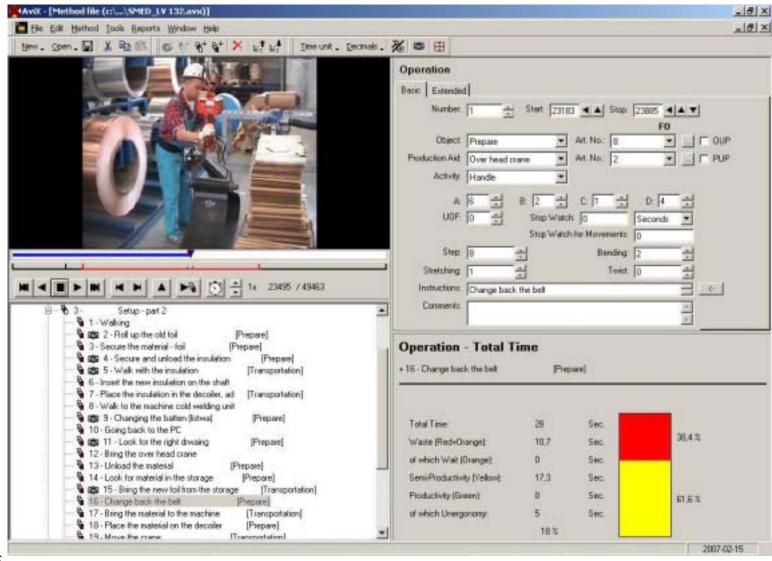


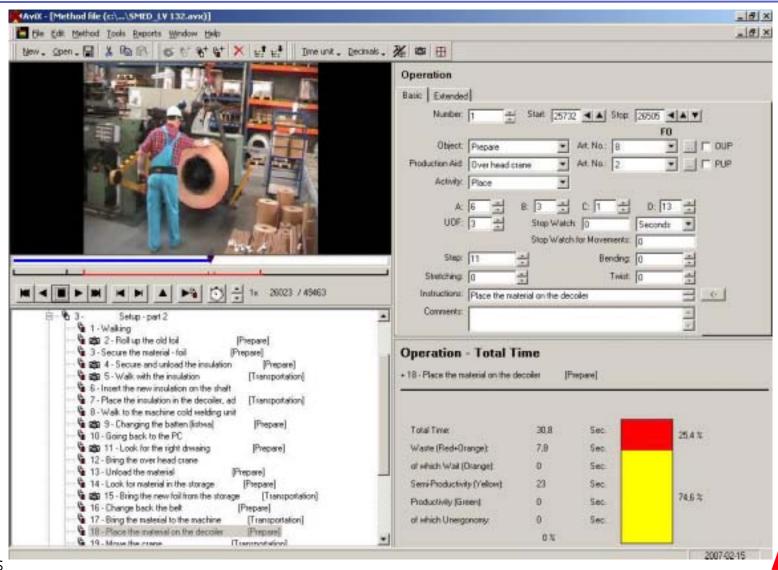
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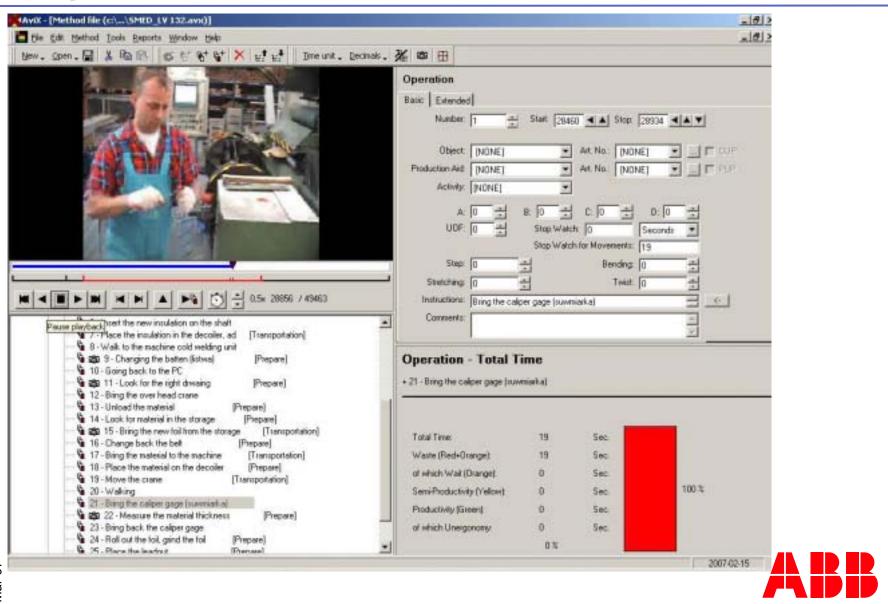


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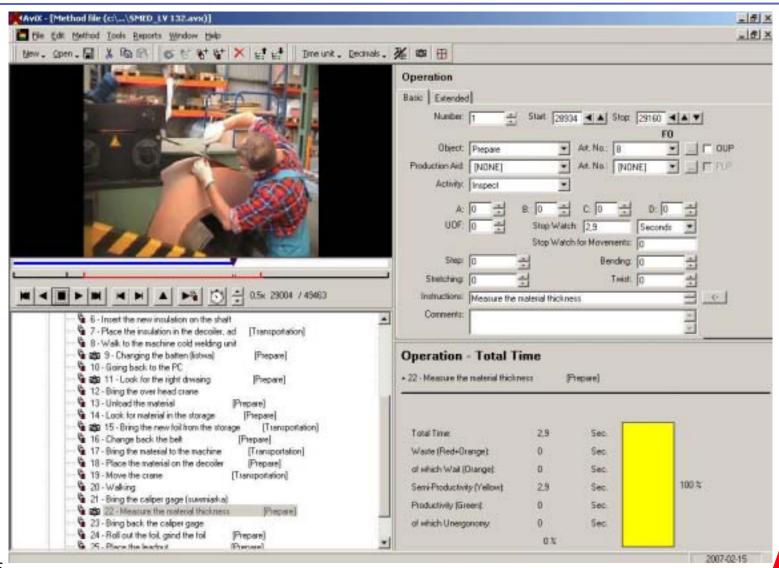


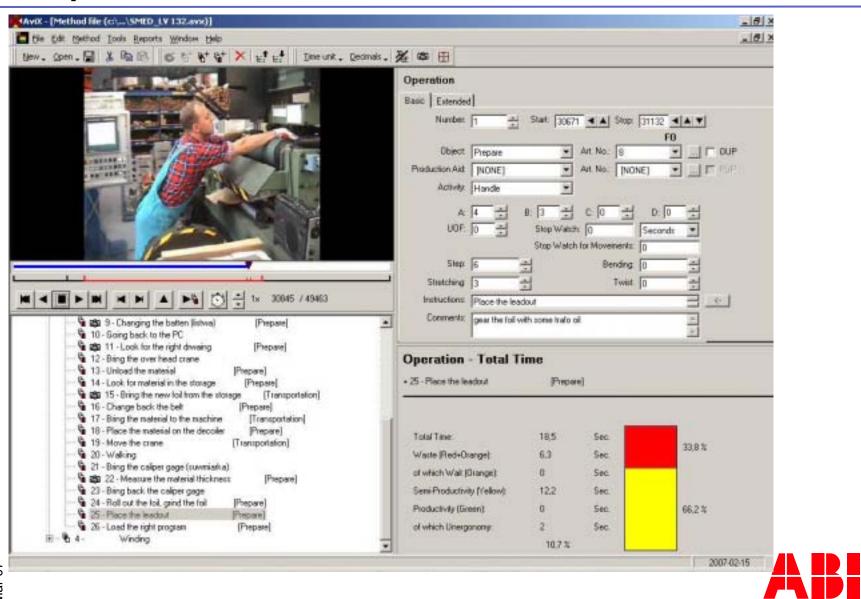


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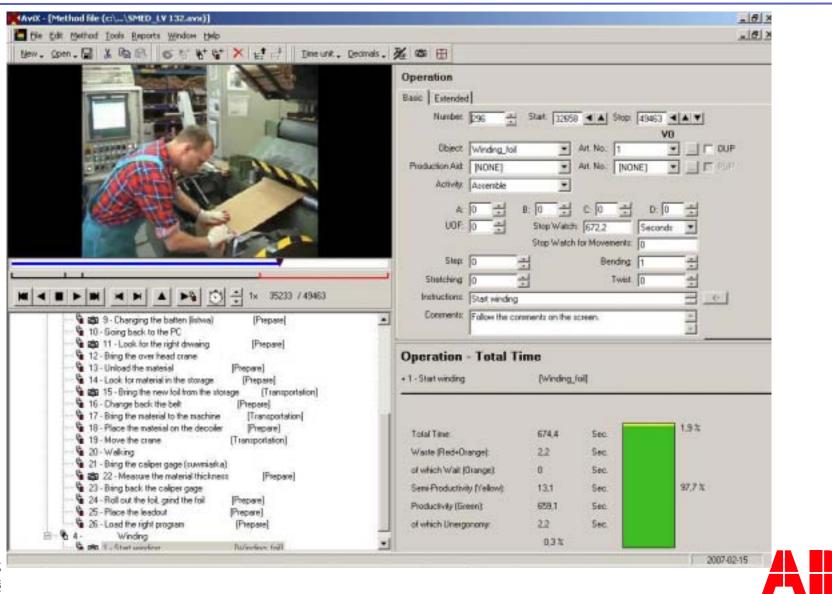


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Stage 0 - report

ABB Issued by: Issue:



Workstation: LV winding machine 132
Product: LV coil_winding

Version

Analyst Total Time:

1 950,8

Description This machine is used to wind the LV coil direct on a core leg

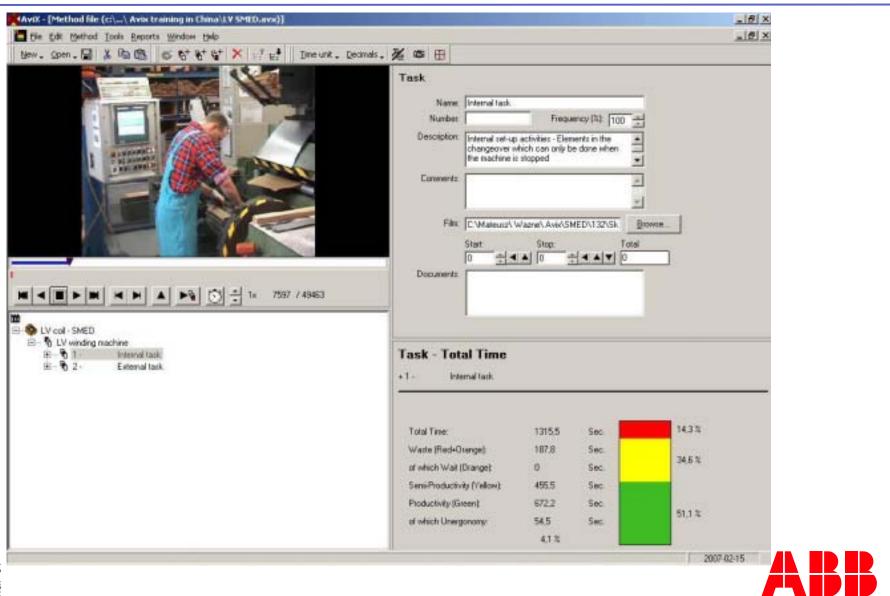
	Total tid	Total tid (%)	
Waste (Red+Orange):	576,7	29,6	96
of which Wait (Orange):	6,7	0,3	96
of which Unergonomy:	109,8	5,6	%
Semi-Productivity (Yellow):	670,0	34,3	96
Productivity (Green):	704,1	36,1	%



Time for Activities			
Take	166,9	8,6	96
Place	158,5	8,1	96
Affix	61,0	3,1	%
Handle	357,5	18,3	%
Adjust	73,7	3,8	96
Assemble	738,5	37,9	96
Inspect	55,4	2,8	96
Return	41,6	2,1	96
Read instructions	0,0	0,0	96
Admin	61,0	3,1	96
Wait	6,7	0,3	96



Stage 1 – Separate internal and external activities



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Core leg preparation

Before



After







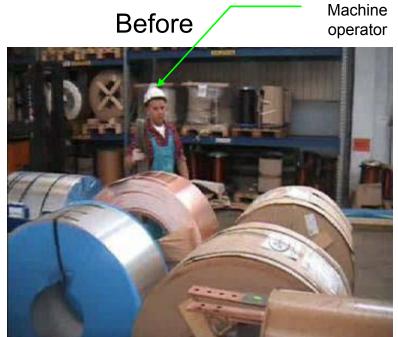
• installed flash lights on machine cabinets

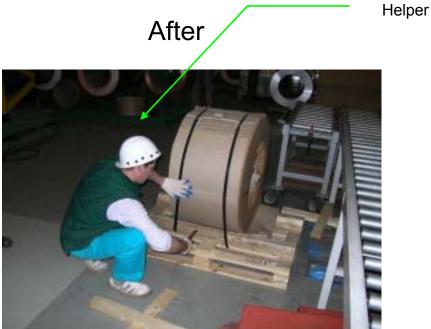
flashing light - signal for the helper – operator will need sth.
 (example: will do the change over in 30 min)





Example: Unpack the material







Example: Bring the material from the storage (leave on rack)

Before /

Machine operator



After

Helper





Example: Bring the core leg



After

Helper





Example: Bring the metal brackets







Prepare/bring the right cooling duct



Prepare/bring the right lead outs





Forward the LV coil to the HV machines



Take care of scrap





Stage 4 – Document internal and external procedures

□ Prepare the presentation/ procedure for machines operators & helpers



Training



SMED Results

- LV winding machine
 - □ Change over time 10 min. (was 21 min.)
 - Winding time of one LV coil on the machine 10 min. (was 12 min.)
 - Total time: 20 min (was 33 min)
 - <u>Time savings:</u> 33min 20 min = 13 min (≈40%)



Thank You

Questions?

