

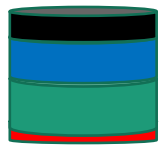
Title: *The Magic 8 Ball*

Problem:

Revenue for a global lab comprising 27 different operations was expected to meet certain goals. Every day, the lab managers had decisions to make about where to apply resources and which projects to send to other labs to meet promise dates. As revenue accumulated through the reporting period, anxiety about missing the goal increased. The senior team needed confidence and the front line needed direction.

Analysis:

With plenty of data at hand modeling project throughput and demand patterns was relatively straightforward. However, the model became too complex. Too much understanding was required to interpret the results and make decisions. A simpler approach was necessary.



Source

- 10% Due in Future
- 35% Received earlier
- 50% Received this month
- 5% Overdue

Countermeasure:

The final model broke the end of month revenue into three buckets:

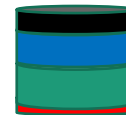
1. Throughput already achieved
2. Projects in hand with promise dates in the month.
3. Projects in engineering with promise dates in the month.

If we could achieve the goal with the items in buckets 1 and 2, then we focused on productivity in the lab. If we needed to include bucket 3, we coordinated with engineering to get more projects through the engineering assessment and into the lab on time.

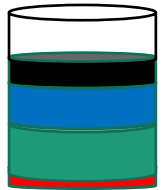
In Engineering



In Lab



Throughput



Results:

- Everyone interpreted the data the same way.
- We focused our attention where it would drive the result we sought.
- We authorized lab overtime only when we knew it would pay off with revenue.