

ESCO[®] Corporation Improves Companywide Metrics Visibility and Accountability Using Dploy[®] Solutions

EXECUTIVE SUMMARY

CLIENT

- > Privately held manufacturer of wear parts for the mining and construction industries

CHALLENGES

- > Geographically dispersed plants, including recent acquisitions
- > Cumbersome, spreadsheet-based data gathering and corrective action review processes
- > Poor/delayed data visibility across sites

OBJECTIVES

- > Improve visibility into company performance
- > Expand KPI use and corrective action review processes beyond operations

STRATEGY

- > Use the Dploy KPI module to simplify KPI tracking across sites and departments
- > Enable greater visibility and more efficient corrective action review processes

RESULTS

- > Simplified monthly reporting processes
- > Improved problem solving and performance
- > Increased visibility and accountability

KEY LEARNINGS

- > Cloud-based KPI management helped overcome challenges associated with impractical spreadsheet-based processes
- > Choosing a consistent set of metrics was more of a challenge than getting the data to support them
- > Although technology can streamline work and facilitate process rigor for improving accountability to metrics and problem solving, the transition takes time and a focused team effort

Shaking Up the Process Status Quo

Even for small manufacturers, effectively capturing and using key performance indicators (KPIs) to take corrective actions can be difficult. But when a global company using a mix of manual, spreadsheet-based processes adds new acquisitions to the mix, the process challenges quickly compound. That's part of the reason why in 2012 the team at ESCO Corporation knew it needed a better way to track and analyze KPIs across existing locations and new acquisitions.

100+ Years of Independent Industry Leadership

Founded in 1913, ESCO Corporation is a privately held Portland, Oregon-based company that specializes in developing and manufacturing wear parts for the mining and construction industries. Today, ESCO's mix of highly engineered products includes everything from ground engaging tools (GET) to blades to excavator and loader buckets to crusher parts to dragline rigging.

Seeing the End of Spreadsheet-Based Processes

ESCO has been on a lean journey at the corporate level since 2003. Around 2006, the company increased its focus on metrics and doing corrective actions and problem solving at the plant level. Initially, the plants began looking for ways to use local insights to drive operational improvements. Dale Gehring, Director of ESCO Administrative Services, said that it all started with a monthly corrective action review process focused on metrics that operations were tracking.

"A group of general managers and the ESCO VP of operations led the process and worked with site managers," said Gehring. "They followed a fairly rigorous Plan, Do, Check, Act or PCDA process that involved a lot of phone conversations, spreadsheets and emails."

Around 2012, ESCO became interested in using KPIs and a corrective action review process with some new acquisitions along with elevating it for use at the executive level. But the ESCO team also recognized that spreadsheet-based processes were no longer practical for wider applications. Alexandre Murta, Director for ESCO Business System for Blades, said the manual processes simply made it too difficult to efficiently share or access information.

“We hit a tipping point when we decided to expand KPI and corrective action processes beyond operations. We needed a more effective and efficient way to support and track performance across all locations.”

> **Alexandre Murta**, Director
ESCO Business System for Blades

At the time, ESCO's president was working with TBM on formalizing various strategy-deployment processes across the corporation. TBM recommended that ESCO consider the Dploy KPI solution as a way to more easily manage KPIs and its corrective action review process.

Gaining Visibility Through the Cloud

ESCO implemented and began piloting the Dploy KPI solution in 2013. Gehring said that while the Dploy software implementation went quickly, it took some time to get all of the new processes up and running within ESCO. “We had to give users a starting point with metrics, and many of them weren't readily accessible. So the implementation team had to work with finance, operations and accounting to get all of the data users would need, which happened fairly quickly. The bigger challenge was introducing people to corrective action reviews and making sure they understood the new processes so they could be accountable to metrics and problem solving. We spent the better part of a year on this, but it was well worth the effort,” Gehring explained. Murta said that ESCO went live with Dploy Solutions running its top-level balanced scorecard in 2014, and that it has gradually phased-in deeper uses ever since.

A Global Deployment

Today, ESCO is actively using the Dploy KPI solution across global operations. On the operations side, each manufacturing and fabrication site employs a scorecard. ESCO's supply chain purchasing and logistics and manufacturing support group also use scorecards, and there is a corporate-level balanced scorecard along with sales scorecards for each of ESCO's global regions. “Each month, the Global Sales VP goes through the KPIs with his regional teams, and then we review numbers at the corporate level in a subsequent meeting,” explained Sarah Heiner, Director of ESCO Business System.

Achieving Unprecedented Visibility and Accountability

Murta and Heiner agree that Dploy KPI has been instrumental in improving accountability to metrics and problem solving across many

parts of the company. “Using Dploy and having metrics and the balanced scorecard gives the entire company more visibility into performance. That's the biggest thing,” said Murta. The improved visibility, in turn, supports better communication and action on issues that arise. Heiner added that enthusiasm about Dploy at the executive level is another testament to its value: “The president and COO of the company did a presentation to the board of directors on the Monthly Balanced Scorecard Process using Dploy so we will continue to use and expand the tool within ESCO.”

“The customer support was key to me for effectively launching the solution and for my success in the business systems role.”

> **Sarah Heiner**, Director
ESCO Business System

Both Heiner and Murta also agree that support from the Dploy team has also been key to ESCO's success with the solution. “I had to take over as a Dploy admin not knowing a thing about it and, with the help from Dploy Customer Support, learned very quickly how to set up the whole thing,” she explained.

“If you're looking for a tool that can increase visibility and is easy to use, Dploy is great. Since its cloud-based, you can even use your phone to get info on an action plan or metrics.”

> **Sarah Heiner**

Up Next: Strategic Planning Improvements

Moving forward, ESCO is piloting a Dploy Strategy module implementation. Murta said that his team was looking for a good visual communication tool that would help with summarizing and monitoring strategies and resources throughout the year, and the Hoshin matrix in Dploy Strategy fits the bill.

Although the work with the strategy module is just getting started, the ESCO team is eager to see how it can help. “I'm hoping the strategy module can help us focus and prioritize initiatives based on the ones that are realistic and will provide the most value,” said Heiner. If ESCO's previous experience with the Dploy KPI module is any indicator, they are on the right track.

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