

## Thoughts on Paper:

Connecting the Supply/Value Chain

Presented by Jim Black
OSISoft
Industry Principal- Forest Products Sector

#### **Agenda**

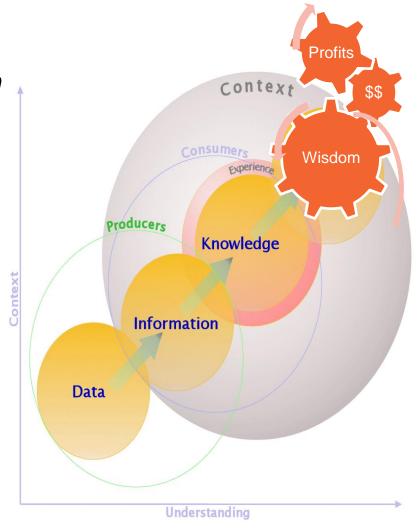
- Definitions...
  - Data vs. Information vs. Knowledge
  - Supply Chain vs. Value Chain
- Analysts and Supply Chains
- Creating a more Adaptable Supply Chain
  - From Mill-wide to Enterprise-wide…one asset at a time!
  - Example of Asset Centric Analytics at work- analyze sheet breaks!

#### **Convert Data -> Information -> Knowledge!**

Expand the **interplay** of data producers and information consumers...

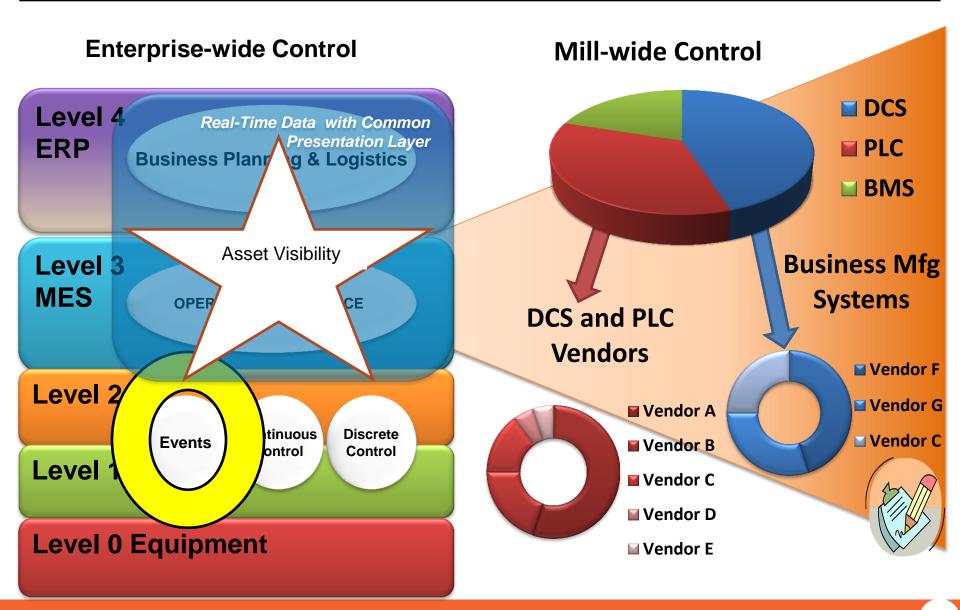
Collaborate around analyzing data...in the context of solving a problem...

Expands the knowledge base about managing assets!



http://www.itisbi.org/wpcontent/uploads/2012/05/Data-Information-Knowledge-Wisdom.gif

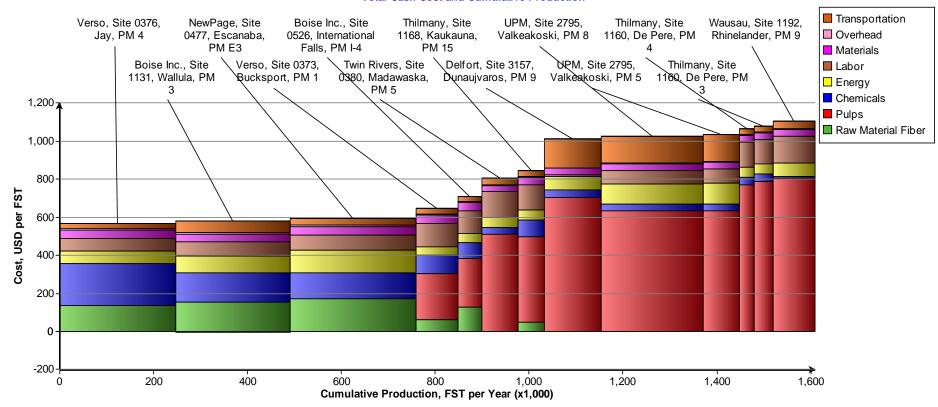
#### Mill-wide + Data About Assets + Events = 'Enterprise-wide'...



#### WHY Focus on Assets?

#### We benchmark ourselves on asset based metrics!

#### **Total Cash Cost and Cumulative Production**



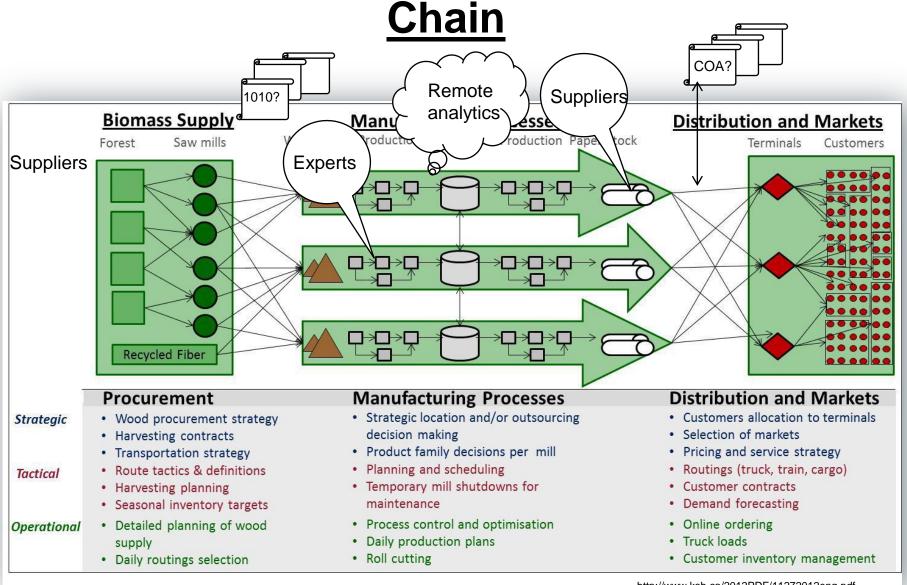
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Source: FisherSolve™

#### Why Focus on Assets...Opportunities Abound!

- Decrease Energy Usage: 2-8%
  - Energy cost at \$70/bbl, 1000 TPD, \$500/ton, Kraft process
     6% decrease \$1M/yr
- Increase Production- Reduce Lost Time (visibility): 1-5%
  - At 1000 TPD and \$500/Ton using 3.5% increase 1 yr savings = +\$6M /yr
- Increased Yield: Decreased Material Consumption: 2-4%
  - For 1000 TPD mill and RM = 40% of total costs \$2M/yr
- Decrease Chemical Usage: 1-4%
  - Chemical usage assumed 10% fixed cost using 3% decrease = \$500K/yr
- Improve Operational Efficiency: Reduce Emergency Maintenance 10-15%
  - Assume a \$2/ton reduction in maintenance costs: \$730K/yr

#### A Physical + Virtual Change in Value = Supply



http://www.ksh.ca/2012PDF/11272012eng.pdf

## Analysts Infer Our Supply Chains are Obsolete

- Product Life Cycles have shorten....12 to 46% leaving integrated supply chains vulnerable to requirements of flexibility(1)
  - In Pulp and Paper we see this in the form of smaller grade runs

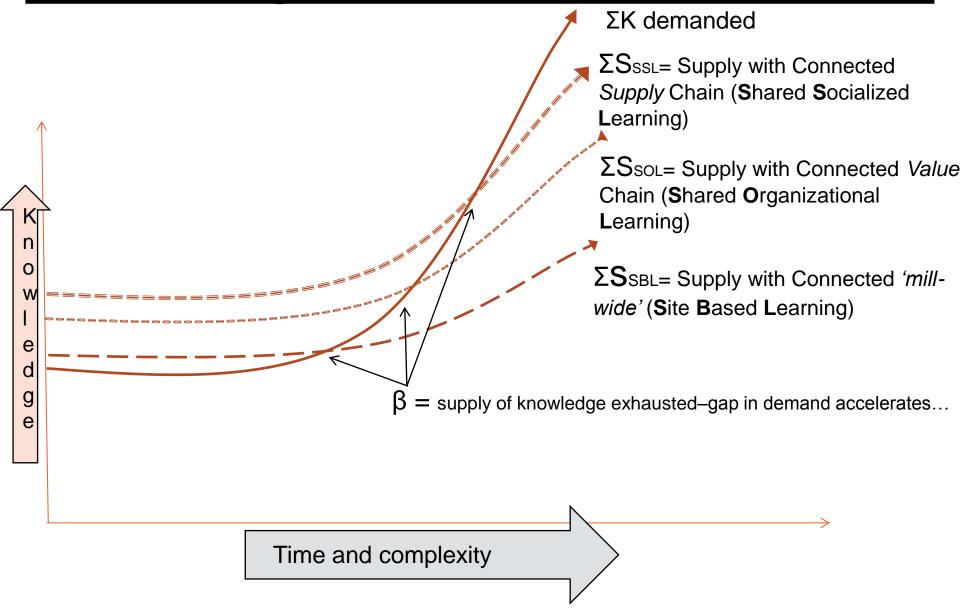
 Research suggests innovation is occurring in companies that have reimagined their supply chain...as the knowledge gained is delivering results<sub>(2)</sub>

#### Forbes and Supply Chains...

"...supply chain structures should be adaptable and agile so that they can quickly adjust and respond to market and economic conditions."

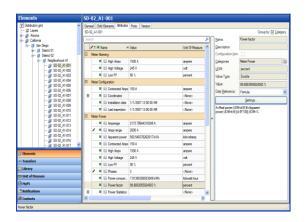
"The cornerstone of IT-based resilience is data and information sharing. Business continuity is maintained through access to real-time data, followed by rapid dissemination of datadriven supply chain fixes."

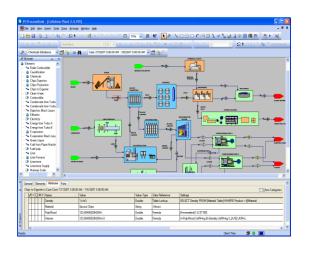
#### Our Challenge!! Use Information to Innovate!



#### Access Data, Develop Information, Create Insights on Assets

- Assets and Process Definitions across the enterprise
- Serve as an information/asset model or integrate with existing Enterprise Asset Model (EAM)
- Templates standardization and and reusability
- Support for generic calculations, displays and reports definition for reuse through templates
- Extensive searching and modeling capabilities to support different business views
- Provide end user with relevant context to data for ease of accessibility and diagnosis

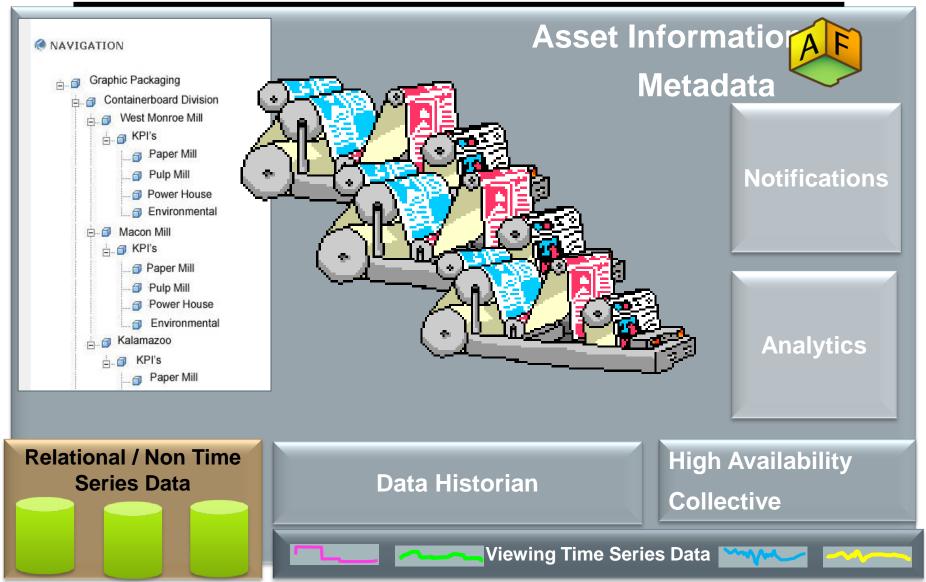




## STEP 1: Asset Visibility... What Questions Do You Want to Ask Your

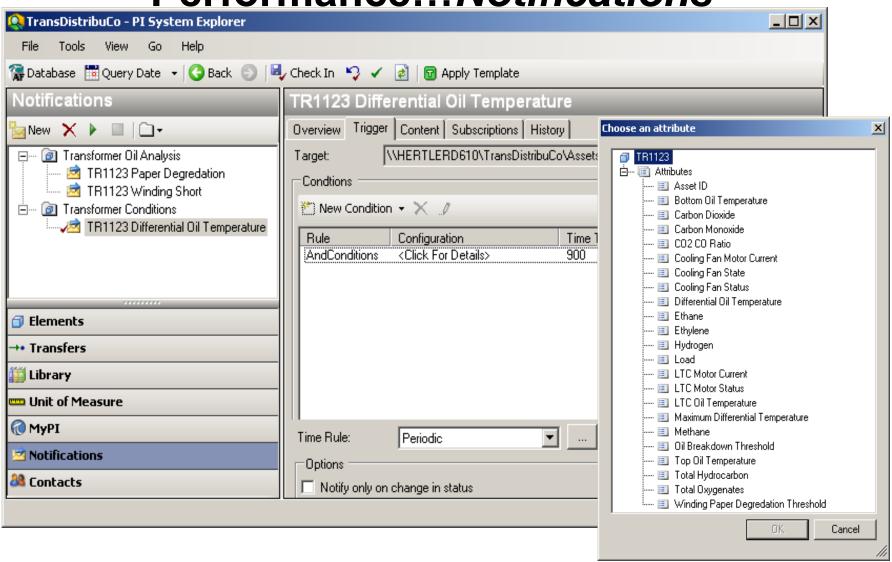


#### **STEP 2: Define Data about Assets**



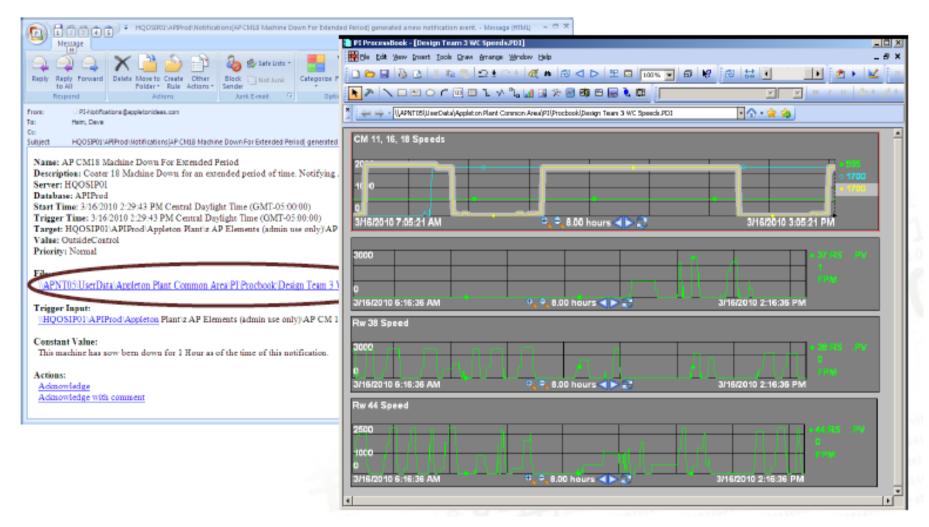
#### **STEP 3: Manage Asset**

Performance... Notifications

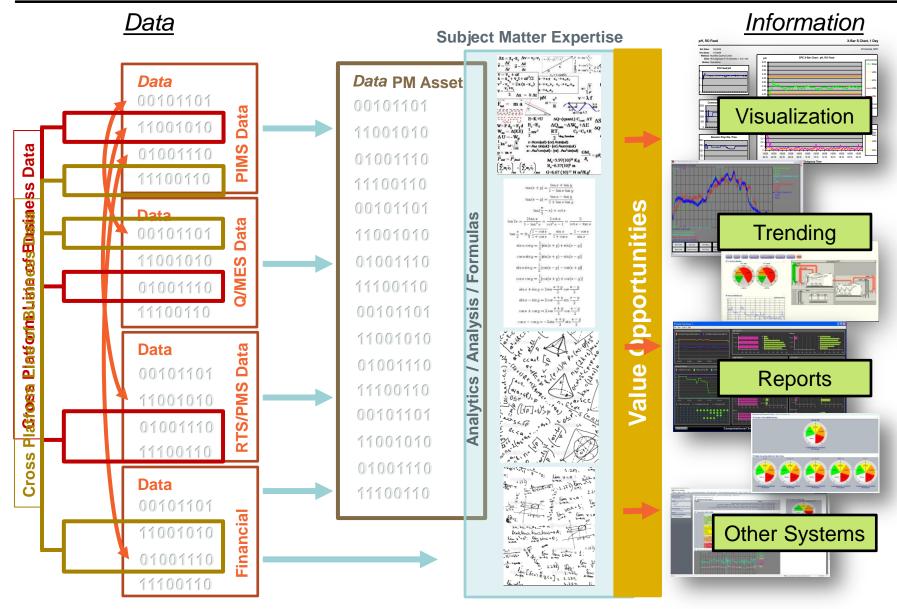


#### **Example-Notifications Increase Asset Uptime**

#### Paper Machine Scheduling and Emergency Planning



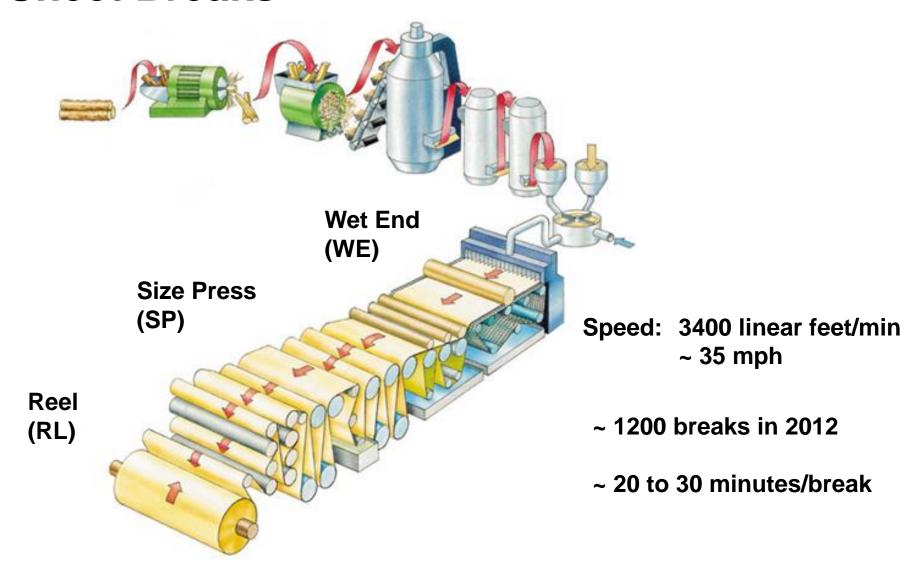
#### **TODAY'S BEST PRACTICE-Use Asset Centric Views and Place Data into Context**



#### **Use Cases**

- AF/EF as a data model
  - Microsoft PowerPivot/Power View (Sheet Breaks)
  - KPIs and Dashboards
  - Data Mining (decision trees, cluster analysis etc.)
  - ProcessBook & DataLink
  - Business Integration

#### **Sheet Breaks**



#### **Sheet break analysis**

- What is the distribution of the sheet breaks?
- Where do the most sheet breaks occur?
- Show me by month, by day of week, by hour etc.
- AM shift vs. PM shift?
- Good Moments

72 hour period where I've 2 or less sheet breaks/day in SP+WE

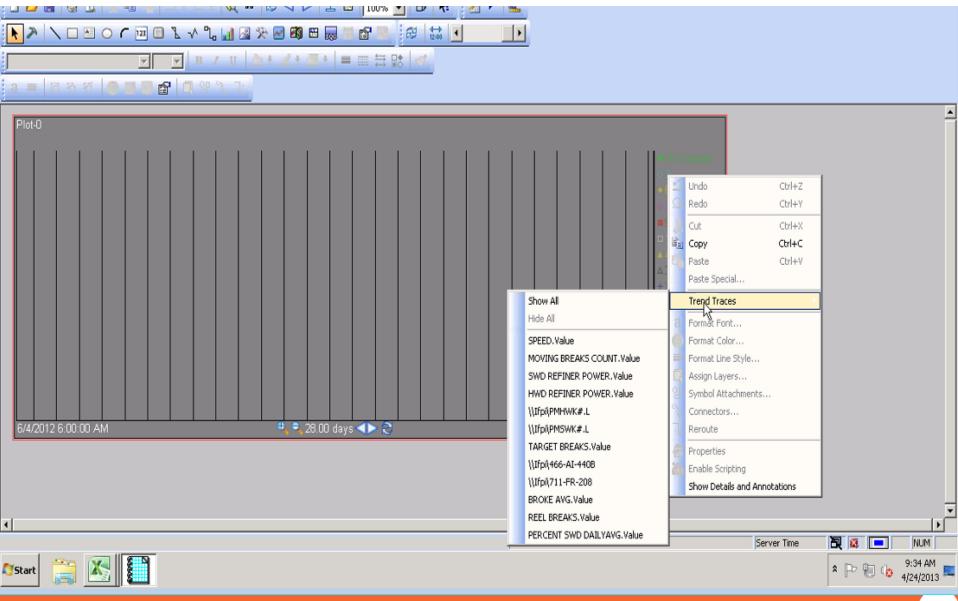
**How many Good Moments did we have? When?** 

What's the Good vs. not-so-Good fingerprint (operating variables)?

Can I use the findings from Good moments to guide my operations?

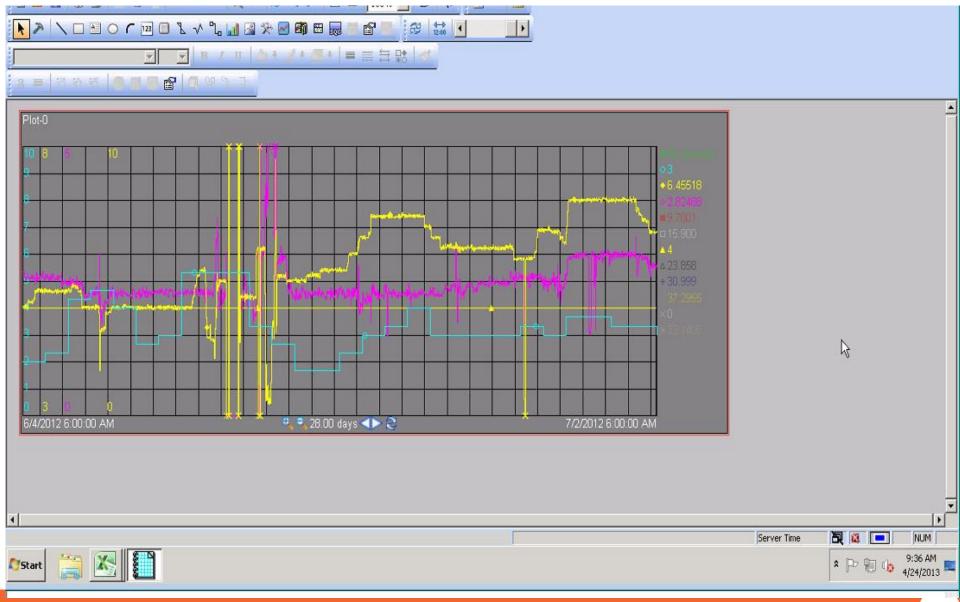
#### PAST "BEST" PRACTICE

EX: Analysis of Sheet Breaks on PM 6
Step 1- ID Data...

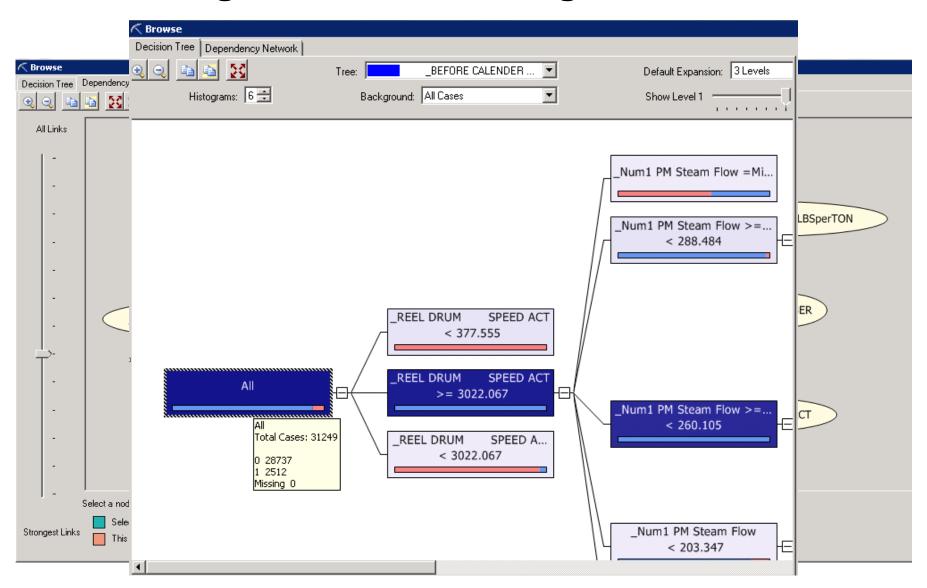


#### **PAST "BEST" PRACTICE**

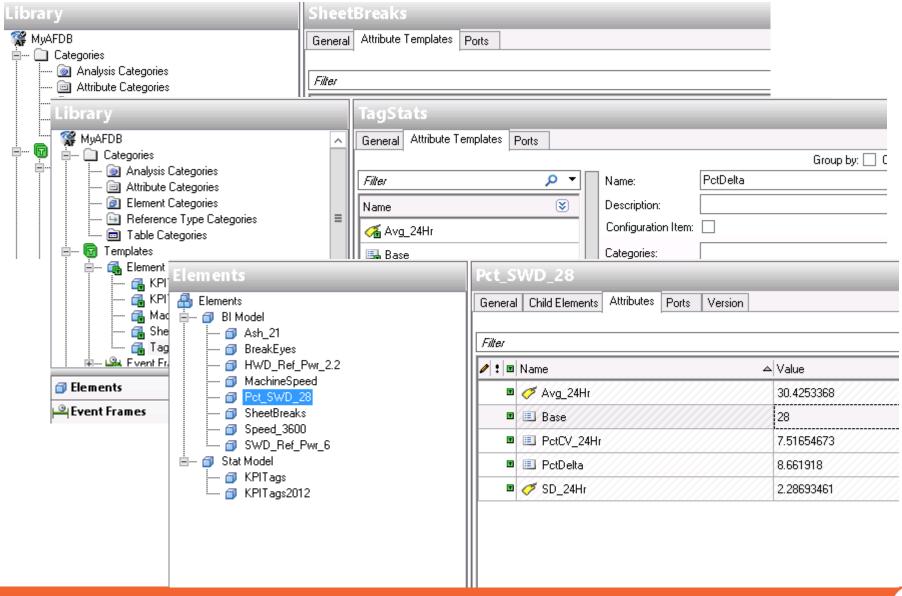
EX: Analysis of Sheet Breaks PM 6 Step 2- Look for Cause and Effect..



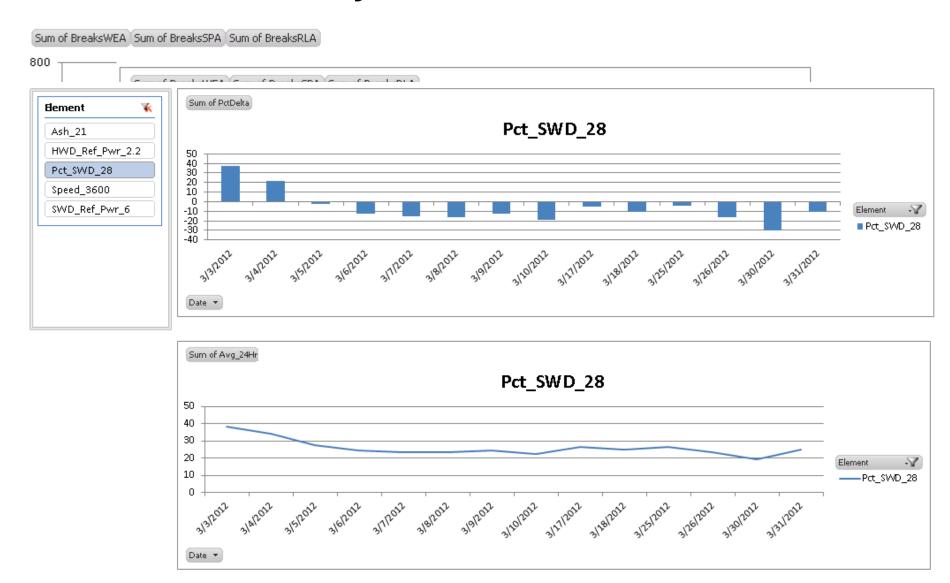
#### **Data Mining and Data Modeling**



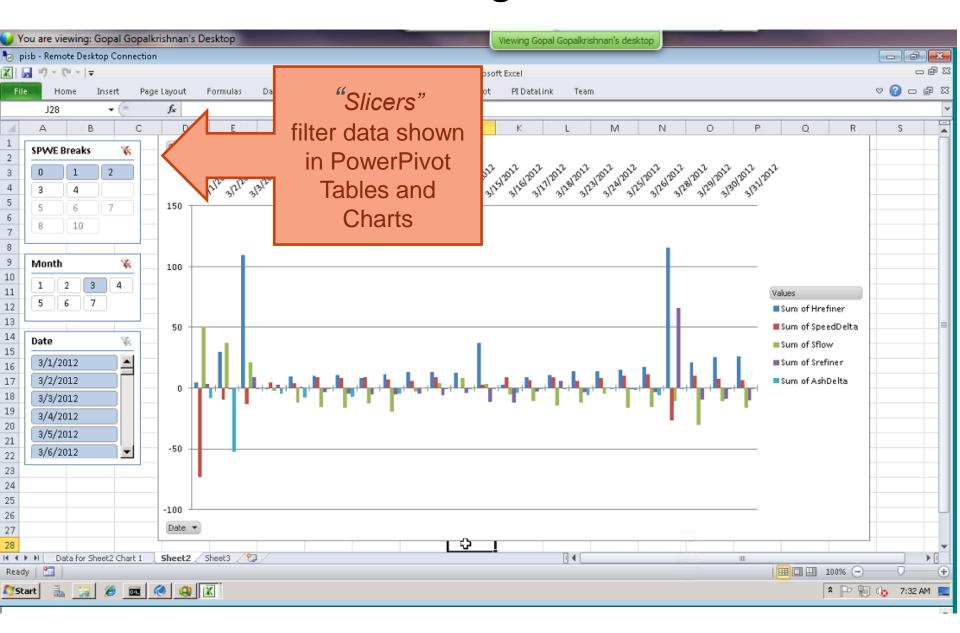
#### **AF** templates



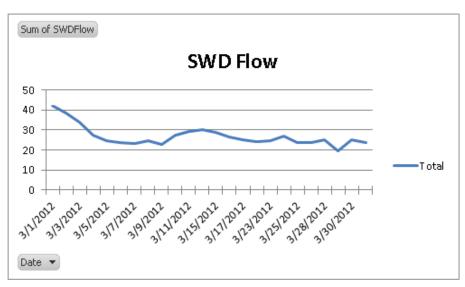
#### **Sheet breaks analysis**

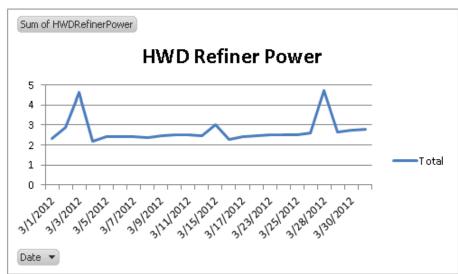


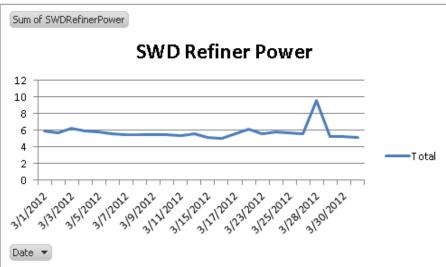
#### March was a 'good' month

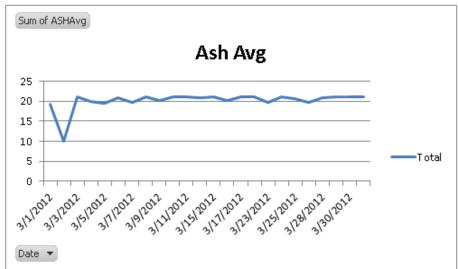


#### What Characterized PM 6 Runnability in March





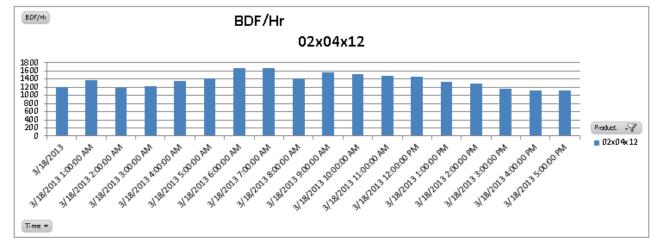


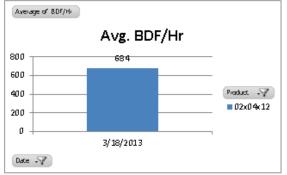


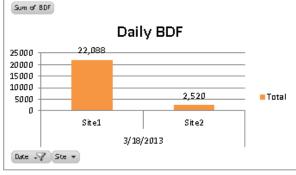
#### Saw Mill – Lumber

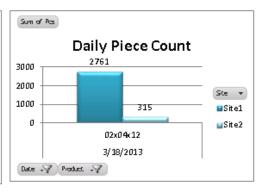
#### **BDF**= board-feet











#### **Converting Plants - Discrete Manufacturing**



#### THINK BIG...A Decision Support Architecture that ADAPTS...

- Rethink the transformation of data to information... align data with assets...start with visibility of assets...
- Rationalize the role of real time data as it supports existing applications...is there a 'better way' to assess performance?
- Measure assets performance throughout the value chain...leverage increased visibility and begin asking questions related to the performance of the asset...and use multidimensional tools to expect the assets to answer!
- <u>Treat data as an enterprise asset</u>...data is NOT the domain of the site or the individual... it is an asset of the ENTERPRISE...transparency of data leads to collaboration, this compresses the knowledge gap and increases innovation...and innovation will differentiate the survivors from those that will thrive

### Start small ...ID some key Opportunities... AF Workshop to Move You to Asset Based PI

- ...OSI will <u>coach</u> you through the use of the integrated asset based PI tools
- ...OSI will help you <u>focus</u> on a specific problem or subsystem,
- ...OSI will show you a <u>methodology</u> to re-use what you have in an AF platform...adopt PI displays, reports, and analyses that have broader application in your organization
- ...OSI will help you establish <u>discipline</u> and increase <u>collaboration</u>.

A new way to learn a new way to use Pl.

#### START NOW...Asset Visibility on a Real time Infrastructure...

# Value of the Connected Supply Chain

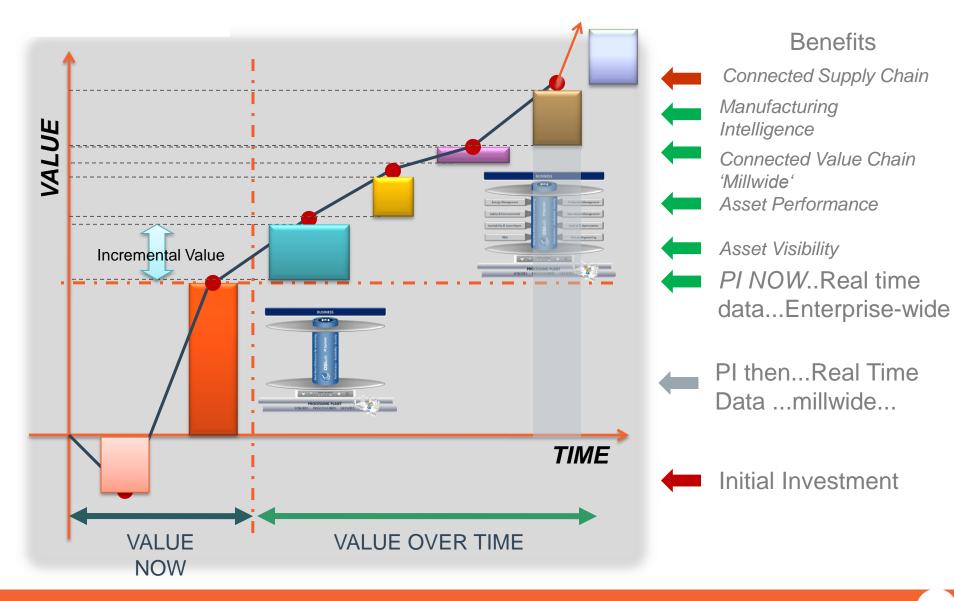
## **Value of Asset Visibility**

## Value of PIMS

#### Aggregate Data from Control Systems

- Monitor, Measure and Analyze Unit Ops
- Visualization by end user
- Integrate Data with Point Solutions (MVA..)
- Aggregate Data Site-wide
- Analyze Process Performance Site-wide
- Develop/Manage via SOP's
- Manufacturing Intelligence based on a Single Version of the TRUTH
- Moves all eyes on **Asset Performance**
- Lowers Cost of Curiosity across fleets of assets and across lines of **Businesses**
- Allows support by vendors/experts
- Innovate within your Value Discipline
- Benchmark at the Level of the Enterprise

#### Think BIG ... You can start small... But START NOW





#### Jim Black

Industry Principal- Forest Products Industry

jblack@osisoft.com

Fone: +1 (207) 985 4549