



# Realizing Strategic Value of an OSIsoft EA

Presented by **Brian Schiltz, Abbott Laboratories**

# AGENDA

- Abbott Overview
- Abbott Strategy
- EA History
- Realized value of an EA
  - Condition-based Maintenance Implementation
  - Chart Recorder Replacement Project
  - New site: Greenfield Installations
- Wrap-up

# Well Positioned as Independent Companies

## Two Publicly Traded Companies as of Jan. 1, 2013

### Shared Strengths; Distinct Identities

Two large-cap, Fortune 200 healthcare investments with broad product portfolios, global scale, and strong financials, including healthy balance sheets and significant cash flow generation



A large-cap diversified healthcare company driving performance across a broad portfolio of leading businesses aligned with favorable long-term healthcare and emerging market trends to generate top-tier growth, expanding margins and strong cash flow.



A large-cap biopharmaceutical company with a number of differentiated growth brands, including a sustainable biologic, Humira, as well as a compelling pipeline. It generates robust, durable cash flow to drive shareholder returns supported by an attractive dividend.

# New Abbott: Leadership Positions in Large Markets

## → Diagnostics

\$27B  
Market

**#1** in Immunoassay Diagnostics  
**#1** in Blood Screening  
**Leading** Point of Care Platform

## → Nutrition

\$36B  
Market

**#1** WW Adult Nutrition  
**#1** U.S. Pediatric Nutrition  
**Leading** science-based nutrition company

## → Established Pharma

\$630B  
Market

**Leader** in branded generics  
**Strong** positions in key emerging markets

## → Medical Devices

\$30B  
Market

**#1** DES, **#1** BMS, **#1**BVS  
**#1** in LASIK; **#2** in cataract

# Abbott Nutrition Overview

- Building product portfolio with steady rhythm of science-based new-product launches
- Expanding aggressively in key high-growth emerging markets
- Leveraging # 1 global position in adult nutrition to grow, shape and further penetrate the market

## Leadership



### **Global Nutrition**

- #1 worldwide



### **Pediatric Nutrition**

- #1 in the U.S.



### **Adult Nutrition**

- #1 in the U.S.
- #1 worldwide

# Abbott Strategy

- Maintenance Optimization – CBM Interface
- Operational Optimization – Chart Recorders / MES
- Right First Time – Greenfield / New Projects
- Global Network Optimization – Requires one version of the truth

# Abbott Nutrition: EA History

- Abbott Nutrition Before the EA
  - Architectures were very plant specific
  - Data Collection did not always did not extend to all areas of the plant
  - Global projects usually delivered point solutions and did not leverage PI assets
  - Relied on integrators and plant peers for Best Practices and Product Advisement
- Abbott Enterprise Agreement signed in 2007
  - Abbott Nutrition incorporated in EA in 2008 (3 sites)
- 10 Abbott Nutrition sites currently have the EA
  - 8 sites with PI and standard architecture and counting for expansion/emerging market growth

# Abbott Nutrition: EA History

- Early on: Multiple Sites participated in Value Realization Process
  - Key to OSIsoft alignment with Abbott Strategic Goals
- Abbott PIMS Program Manager Roll Created to help Abbott maximize EA investment
- Monthly Meetings with OSIsoft and Abbott Nutrition SMEs
  - EA services and OSIsoft CoE focus on 'Right first Time'
  - PI Product Overviews and Value to Organization
  - Best Practices Advisement
  - Architecture considerations
  - Product Roadmap



# PI Infrastructure Value: CBM

- Challenge:
  - Target capital expenditures
  - Reduce equipment failures and cost
  - Reduce calendar-based maintenance
  - Automate downtime notifications
  - Prioritize maintenance and shorten downtime windows
  - Improved visualization of asset health status
  - Improved decision making capabilities



# PI Infrastructure Value: CBM

- Current Initiative:
  - Originally developed at International Greenfield site.
  - Deployed to 3 sites currently. Remaining EA sites scheduled for deployment.
- Strategic Value:
  - Enabling maintenance department to take a proactive approach
  - Improved reaction time and reduce unplanned downtime
- OSIsoft EA Value:
  - Access to Best Practices across industries
  - Standard model and design across sites
  - Designing with the end solution in mind (global)

# PI Infrastructure Value:

## Chart Recorder Replacement

- Challenge:
  - Replace paper chart recorders in Manufacturing areas with automated PI data
  - Support future deployment of Electronic Auditing and Batch Record Systems (Global MES Project)
- Current Initiative:
  - Dryer Chart Recorder Replacement at multiple sites
  - Processing Chart Recorder Replacement
  - Environmental Monitoring Chart Recorder Replacement

# PI Infrastructure Value: Chart Recorder Replacement

- Strategic Value:
  - EM replacement project providing a 500 hour labor saving, annually. No software costs associate with the project.
  - Processing Recorder project enables “Small Batch” process expansion at multiple sites.
  - Dryer Chart Recorder Project allows for real time optimization of dynamic Drying Processes.
  - Using PI data enables deployment of Global MES solution across all sites for Electronic Auditing and Electronic Batch Record.
- OSIsoft EA Value:
  - Provide for standard High Availability PI architecture
  - Advisement for data collection and visualization best practices

# EA Advantages: Greenfield

- Challenge:
  - Deploy PI Architecture to our new North America Aseptic plant, in record time
  - PI systems had to support validation of new manufacturing equipment
  - System installation and validation had to start prior to completion of plant construction
- Current Initiative:
  - New site to the EA in October 2012
  - Full PI infrastructure installed and validated by 2-1-13
  - PI Systems were first 2 computerized systems validated at this site (systems 00001 and 00002)
- Strategic Value:
  - Proved that we are able to utilize established best practices and processes to successfully onboard greenfield sites in abbreviated timeline

# EA Advantages: Greenfield

- OSIsoft EA Value:
  - Used standard PI architecture developed with the CoE to deliver a proven and vendor approved architecture to this site.
  - Field Services expertise leveraged to install PI software on new servers, while they are located at a sister plant (60hrs in labor savings)
  - Used OSIsoft provided validation templates to satisfy Abbott validation requirements, with minimal modifications required (80hrs in labor savings)
    - Minimal “wrapper” documents required to outline validation approach
    - Templates already used and refined at existing AN plant, then ported over to Greenfield plant.
    - There was already an estimated 70hr labor savings in existing AN plant, over previous validation efforts without OSIsoft templates (150hrs in labor savings total for Greenfield)
  - Leverage OSIsoft NOC services, exclusively, to monitor PI Architecture. Currently no other monitoring systems are online at this facility

# In Summary

- EA enables step change in value
  - Focus on business value vs. system maintenance
  - Quicker Response to Critical Conditions
  - Best Practice architecture solutions enables 'right first time' approach
  - Project deployment faster
  - Reduced time/faster validation process
  - PI Awareness to Management (end user pull vs. IT push) = Step Change in IT delivering value to the business vs. just being 'cost of support'
- Future EA enabled Initiatives:
  - Global MES Project (Initial Implementation)
  - Global Energy Management Project
- The sum of all of these efforts give us **one version of the truth** across all manufacturing sites and allow us to make informed decisions for our Global Network Optimization Efforts.

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