

# Rockwell Automation

Adding Business Value Through EHS

John O. Borchardt  
Manager, Quality Systems  
December 1, 2004

*most valued* global provider of power, control & information solutions

**Rockwell  
Automation**

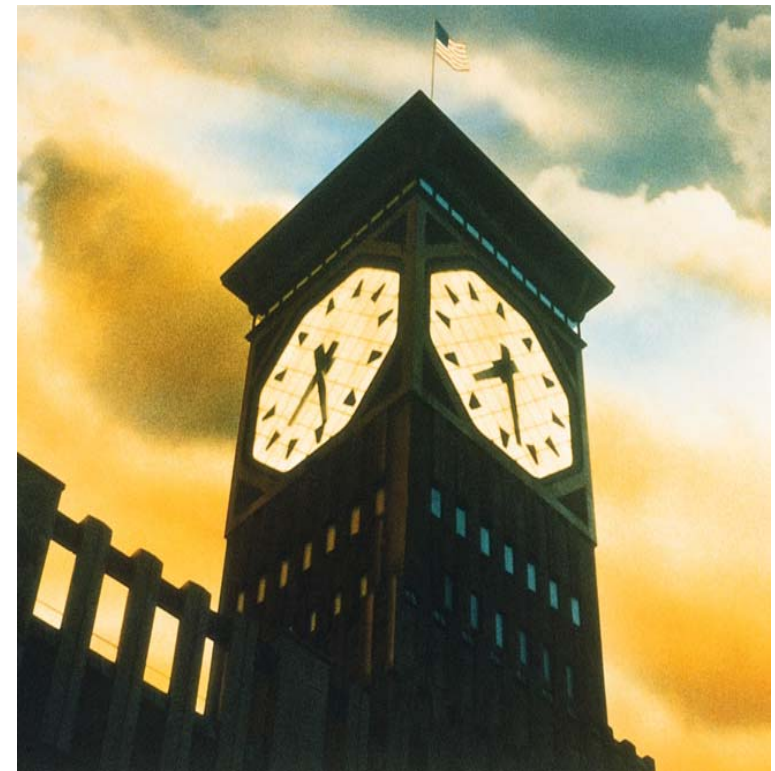


**Allen-Bradley**

# Rockwell Automation Today

- A leading provider of power, control, and information solutions for Industrial Automation
- \$4.4 billion annual sales
  - Allen-Bradley, Reliance, Dodge, Rockwell Software
- 20,000+ employees
- Culture:
  - Competitive/Continually changing/  
Fast-paced
    - Global Market Growth
    - Technology Advancements
  - Partnerships/Acquisitions
  - Product Design & Manufacture  
Relocations
  - Strategic Sourcing
- Successful: Leadership & Management

*most valued* global provider of power, control & information solutions



# The Way Forward - Fueling Growth

**Most Valued Global Provider  
Of Power, Control, & Information Solutions**

**Solutions  
Focus**

**Lowest  
Cost  
Supplier**

**Performance  
Driven  
Culture**

**Customer  
Driven**

**Relentless  
Pursuit of  
Excellence**

**Innovation**

**Speed**

**People**

**Consistent, Profitable Growth with Increased Global Market and Customer Share,  
World-Class Products, Integrated Architectures & Comprehensive Services**

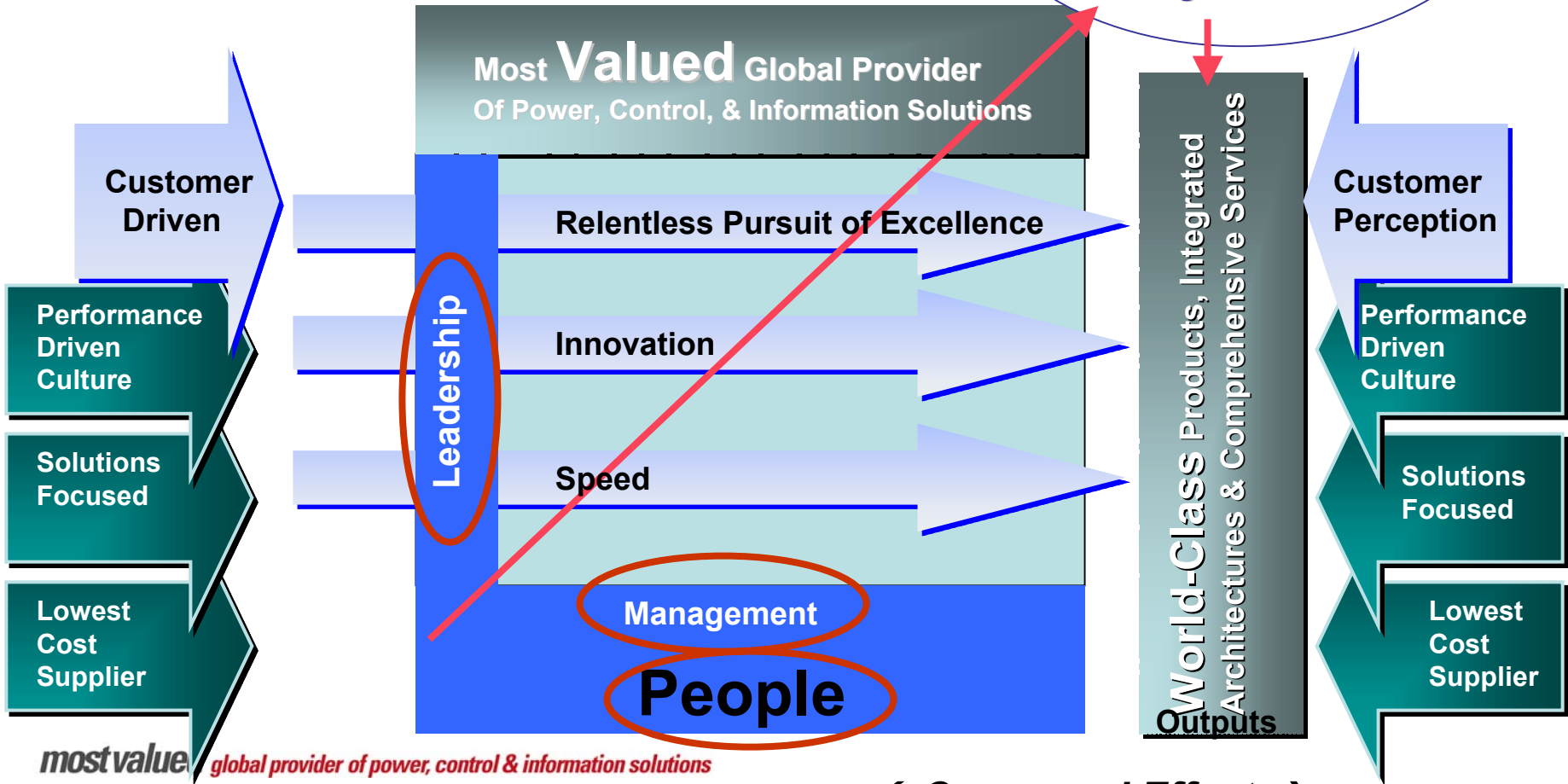
# The Way Forward – A Different View . . .

## A Business Model

Organization's Business Processes  
Providing Value

**BUSINESS SUCCESS =**  
Consistent, **Profitable** Growth  
Increased Global Market  
and Customer Share

**CUSTOMER SUCCESS =**  
Receiving **VALUE**



*most value* global provider of power, control & information solutions

← Cause and Effect →

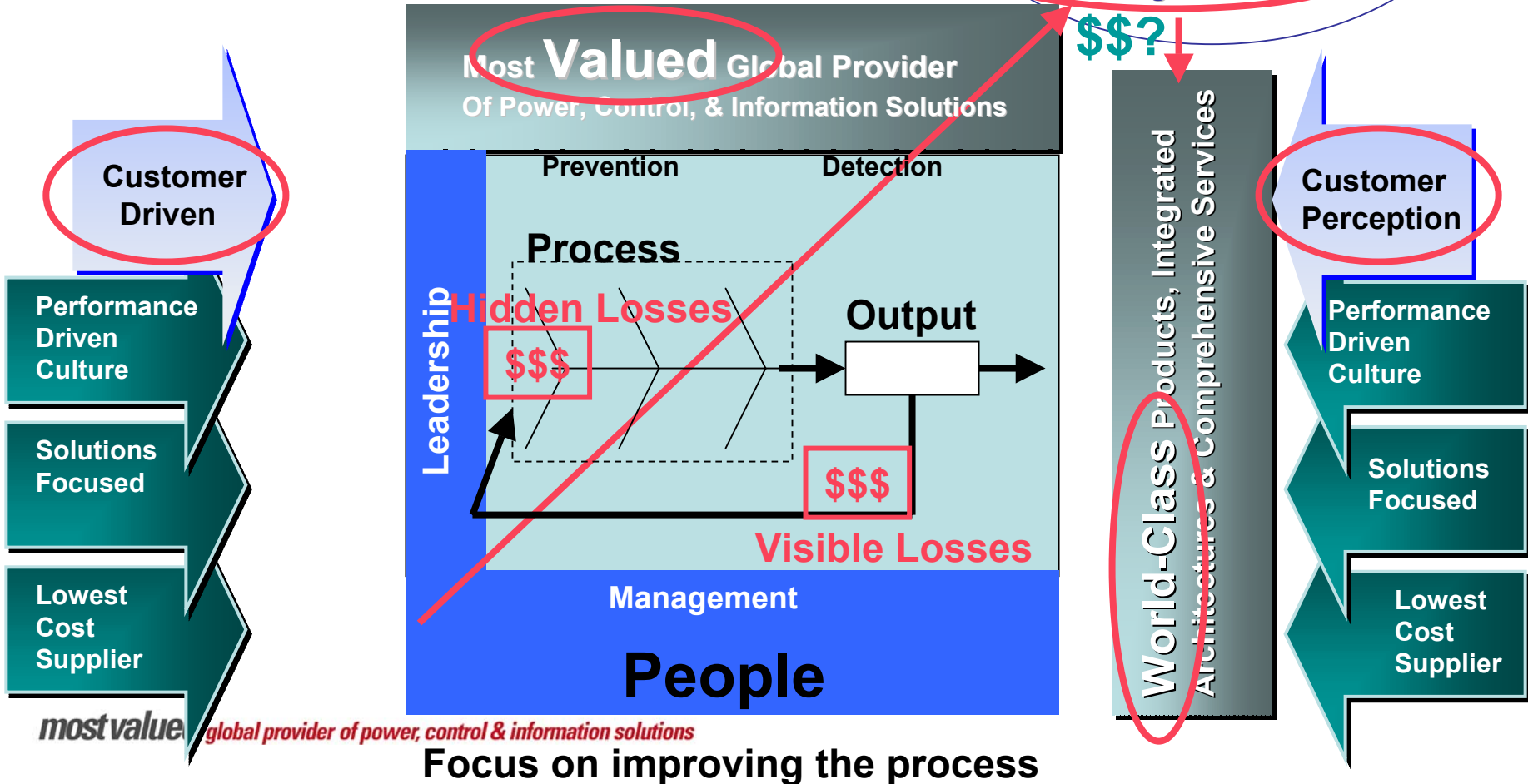
# Business Process Improvement . . .

## An Opportunity-Rich Culture

Moving Forward by *Reducing Waste*  
and *Reducing Variation*

**BUSINESS SUCCESS =**  
Consistent, **Profitable** Growth  
Increased Global Market  
and Customer Share **\$\$\$?**

**CUSTOMER SUCCESS =**  
Receiving **VALUE**  
**\$\$\$?**



# S.M.A.R.T. Goal Setting to a Line of Sight

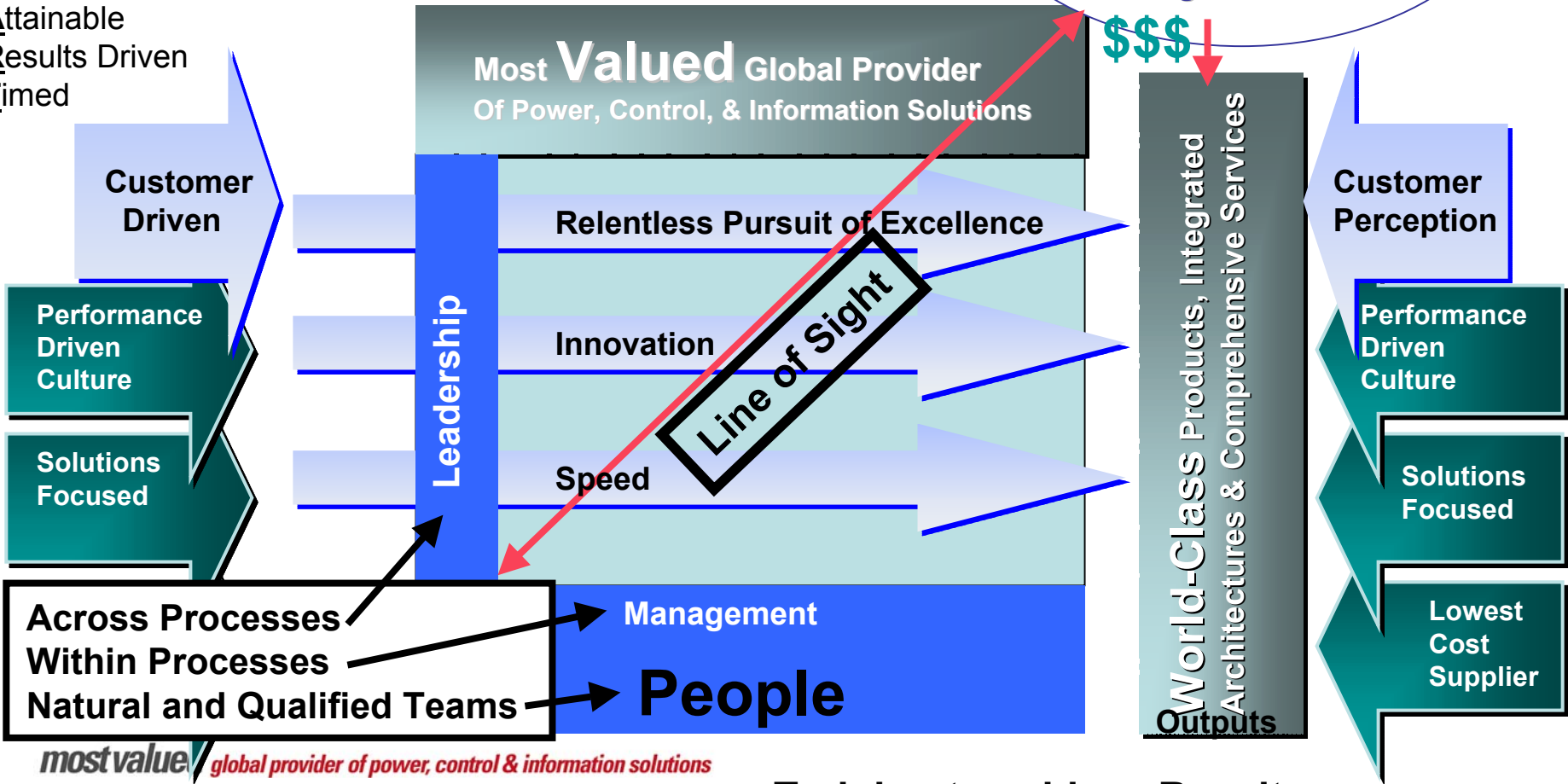
## Moving Forward by *Leading Change*

Organization's Business Processes  
Providing Value

**BUSINESS SUCCESS =**  
Consistent, **Profitable** Growth  
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and Customer Share **\$\$\$**

**CUSTOMER SUCCESS =**  
Receiving **VALUE**

- S**pecific
- M**easurable
- A**ttainable
- R**esults Driven
- T**imed



most value / global provider of power, control & information solutions

Training to achieve Results . . .

# The Way Forward –

## The 'PEOPLE' side of change

**BUSINESS SUCCESS =**

Consistent, **Profitable** Growth  
Increased Global Market  
and Customer Share

**CUSTOMER SUCCESS =**

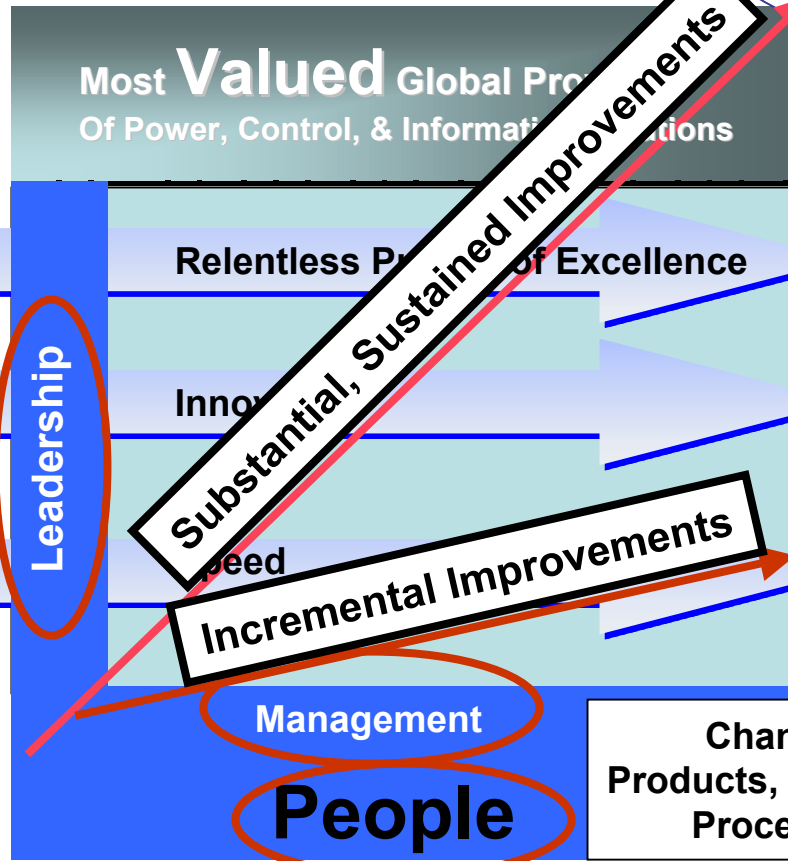
Receiving **VALUE**

\$\$\$

### Leading Change

1. Identify Urgency
2. Create Team
3. Define Vision/Strategy
4. Communicate
5. Empower
6. Generate Wins
7. Consolidate Gains
8. Anchor in Culture

Organization's Business Processes  
Providing Value



Customer Driven

Performance Driven Culture

Solutions Focused

Lowest Cost Supplier

Customer Perception

Performance Structure

Solutions Focused

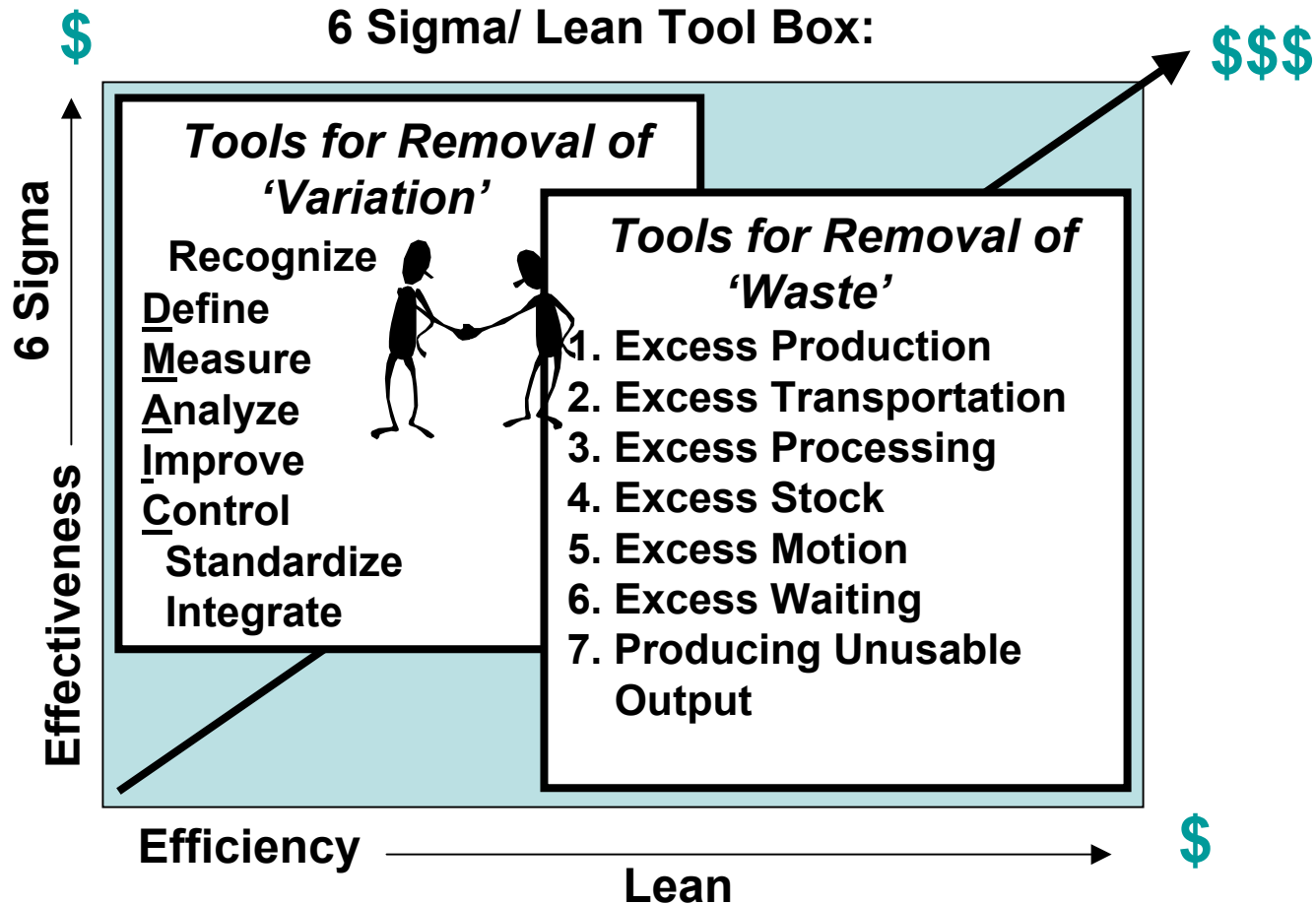
Lowest Cost Supplier

**most value** global provider of power, control & information solutions

*Train to build upon successes in a changing world . . .*

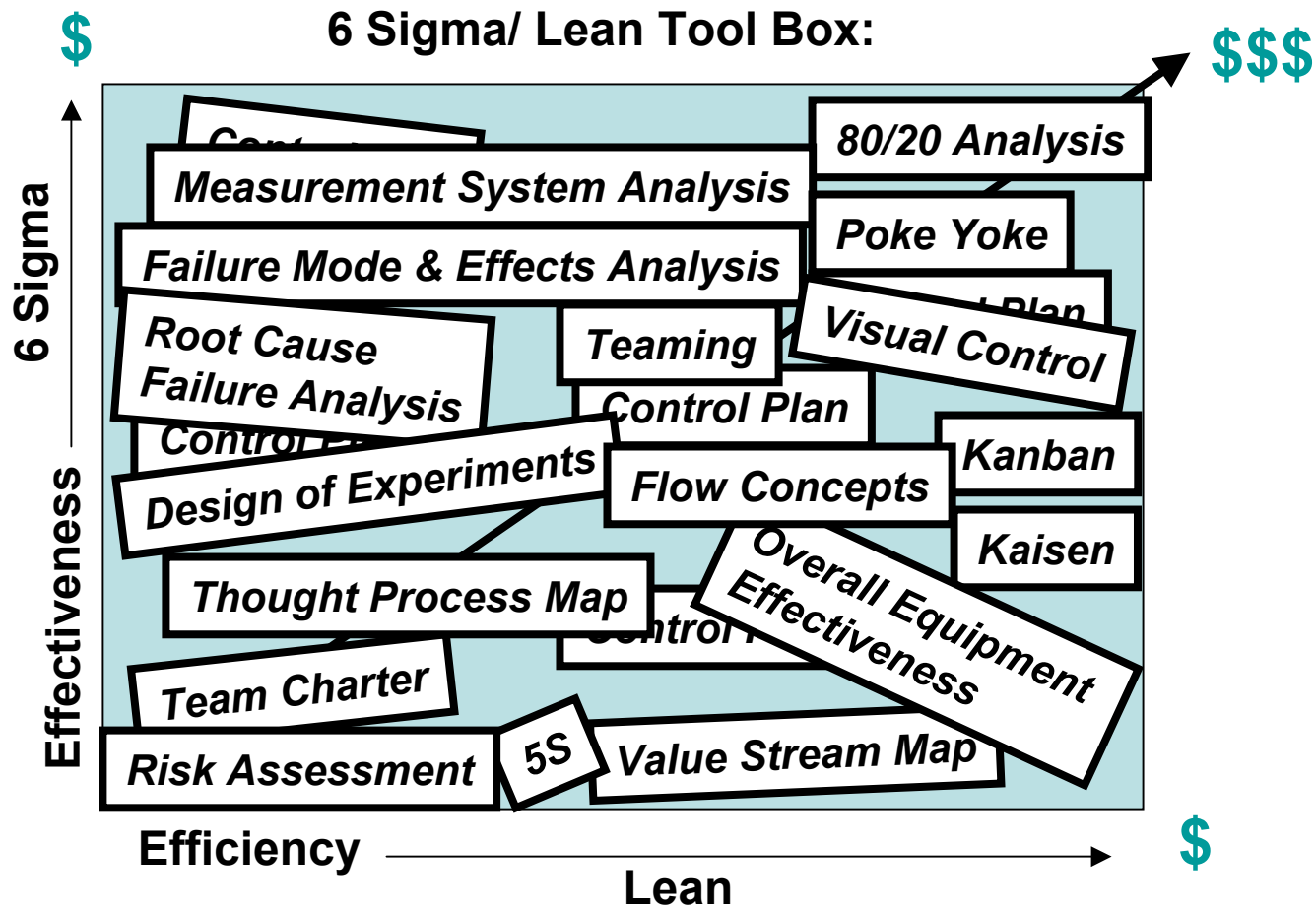
# Applying Lean and 6 Sigma to Business Processes

## The 'TECHNICAL' side of change





# Lean and 6 Sigma Tools



# Applying Lean and 6 Sigma to Business Processes

What are we trying to improve?

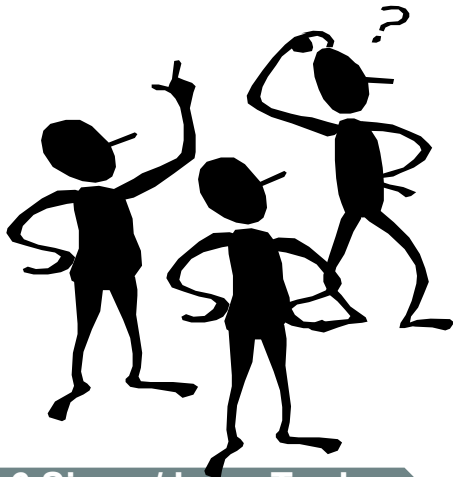
How do we measure the effect on output?

What needs to change in the process?

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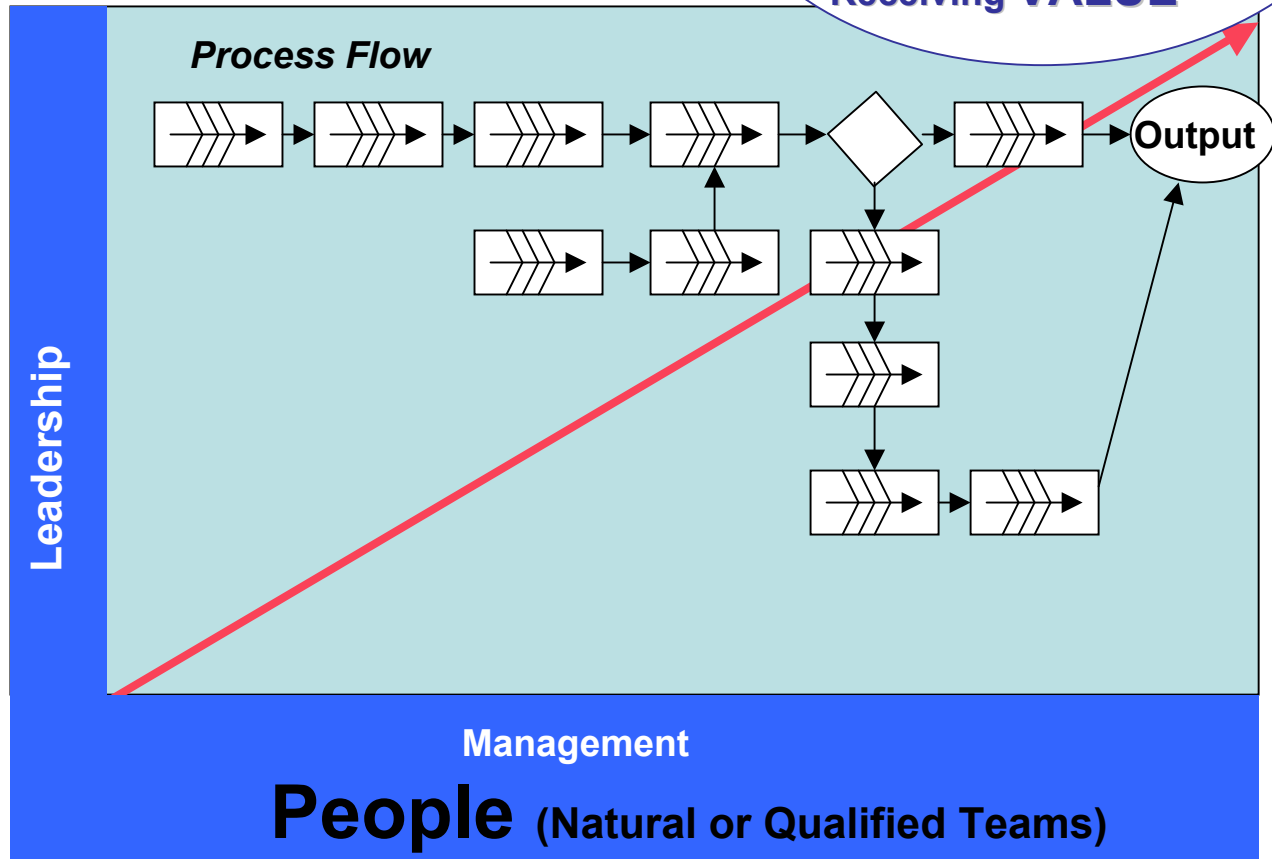
## A Business Process Flow View . . .



6 Sigma/ Lean Tools

Variation  
removal  
tools

Waste  
removal  
tools



# Applying Lean and 6 Sigma to Business Processes

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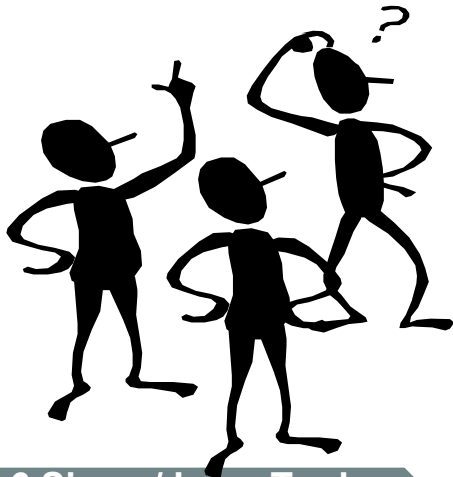
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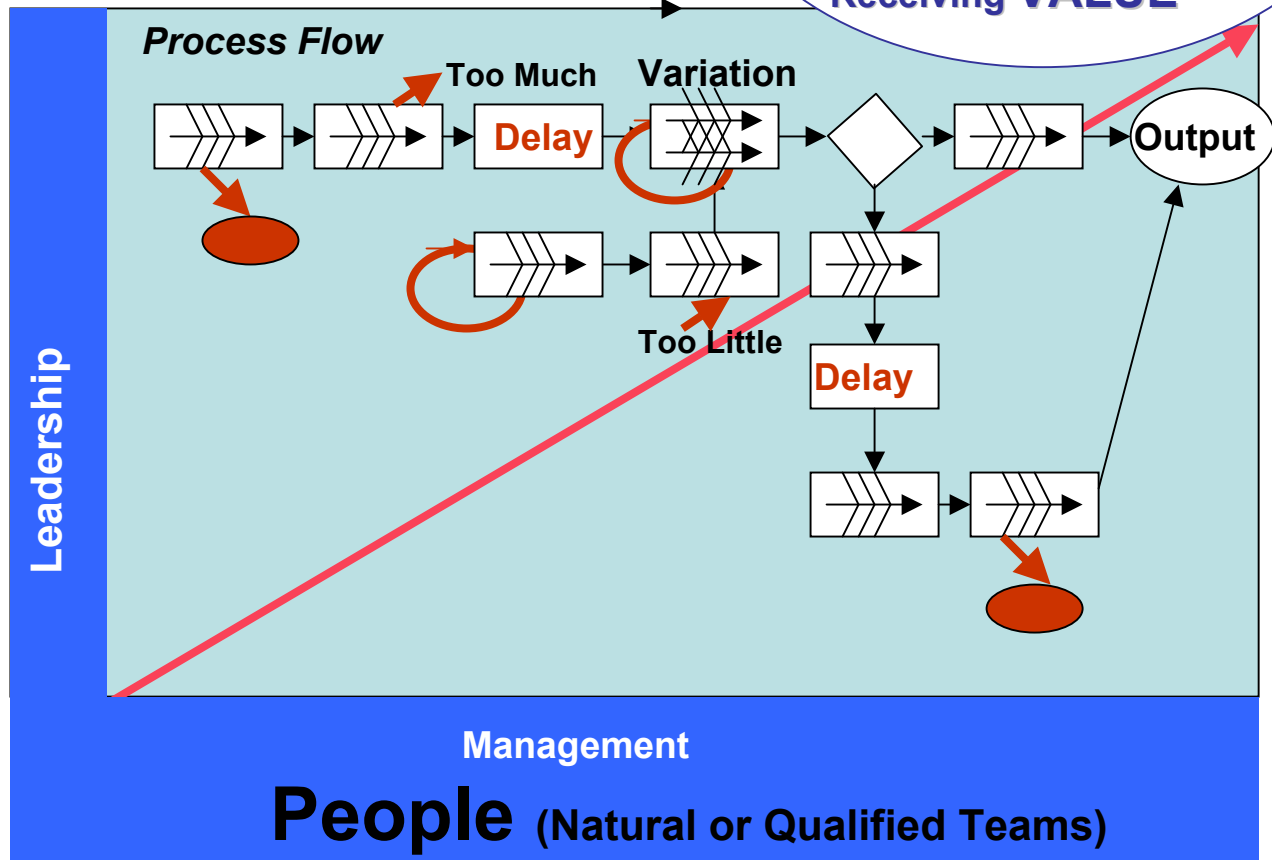
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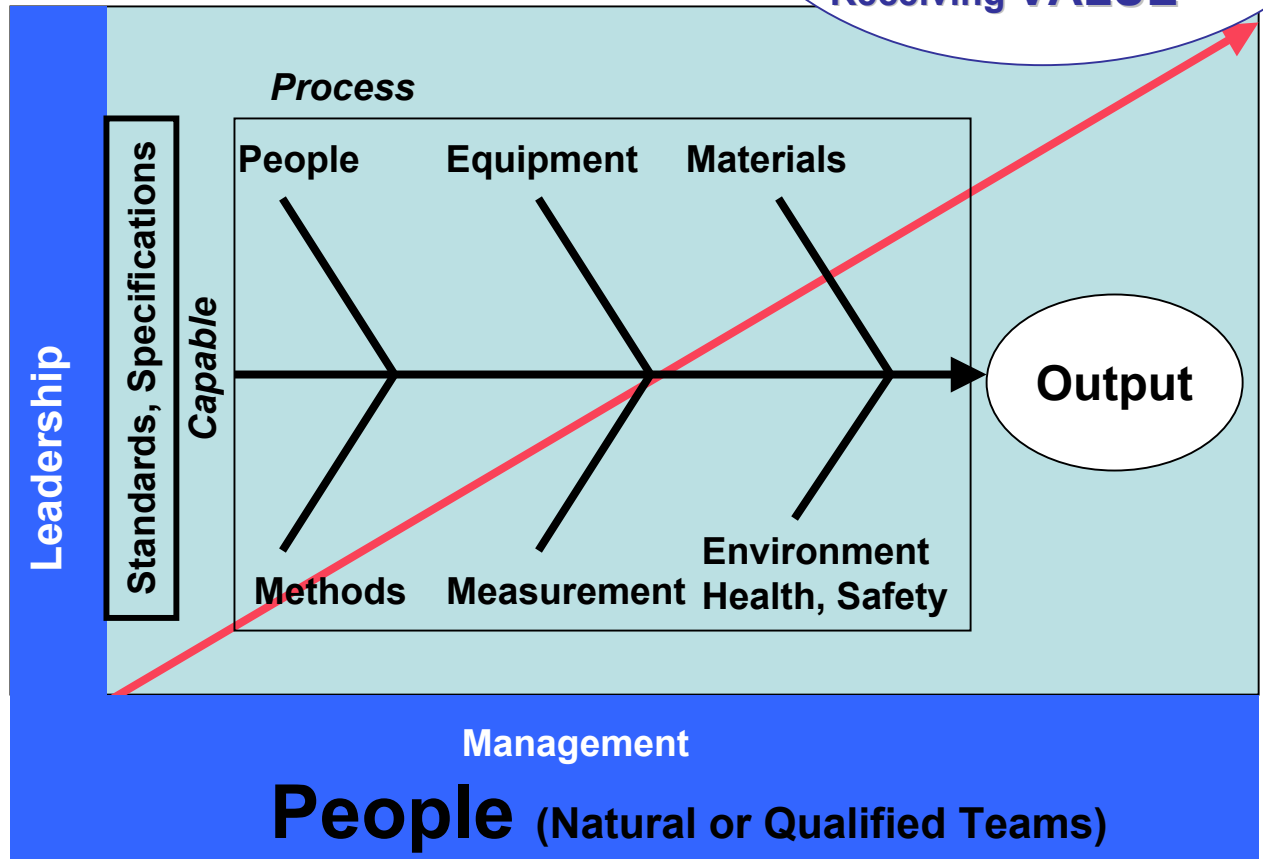
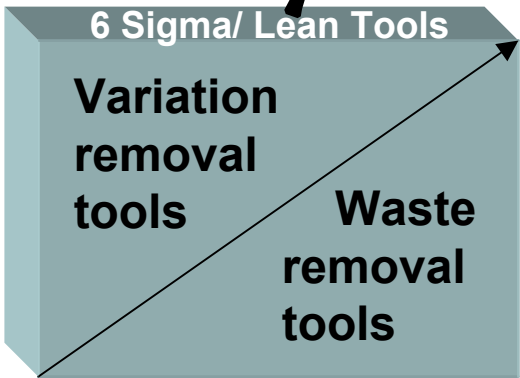
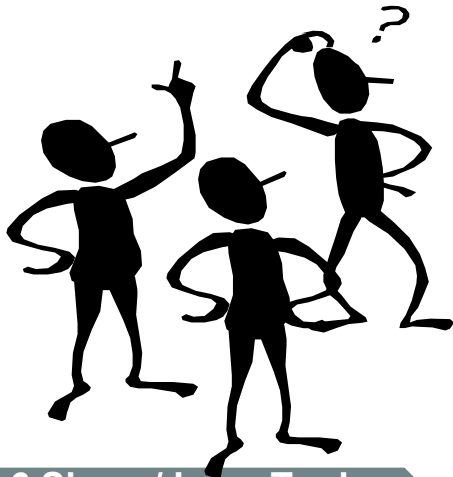
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## A Tactical View . . .



# Applying Lean and 6 Sigma to Business Processes

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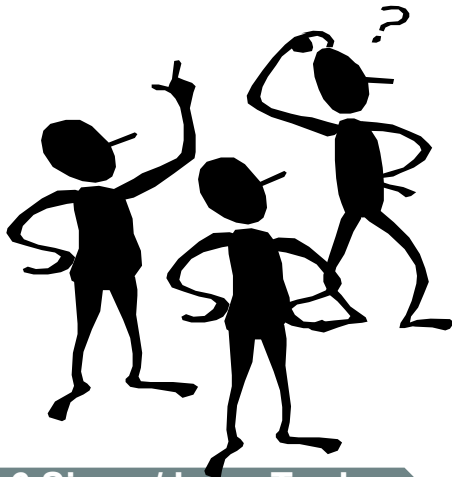
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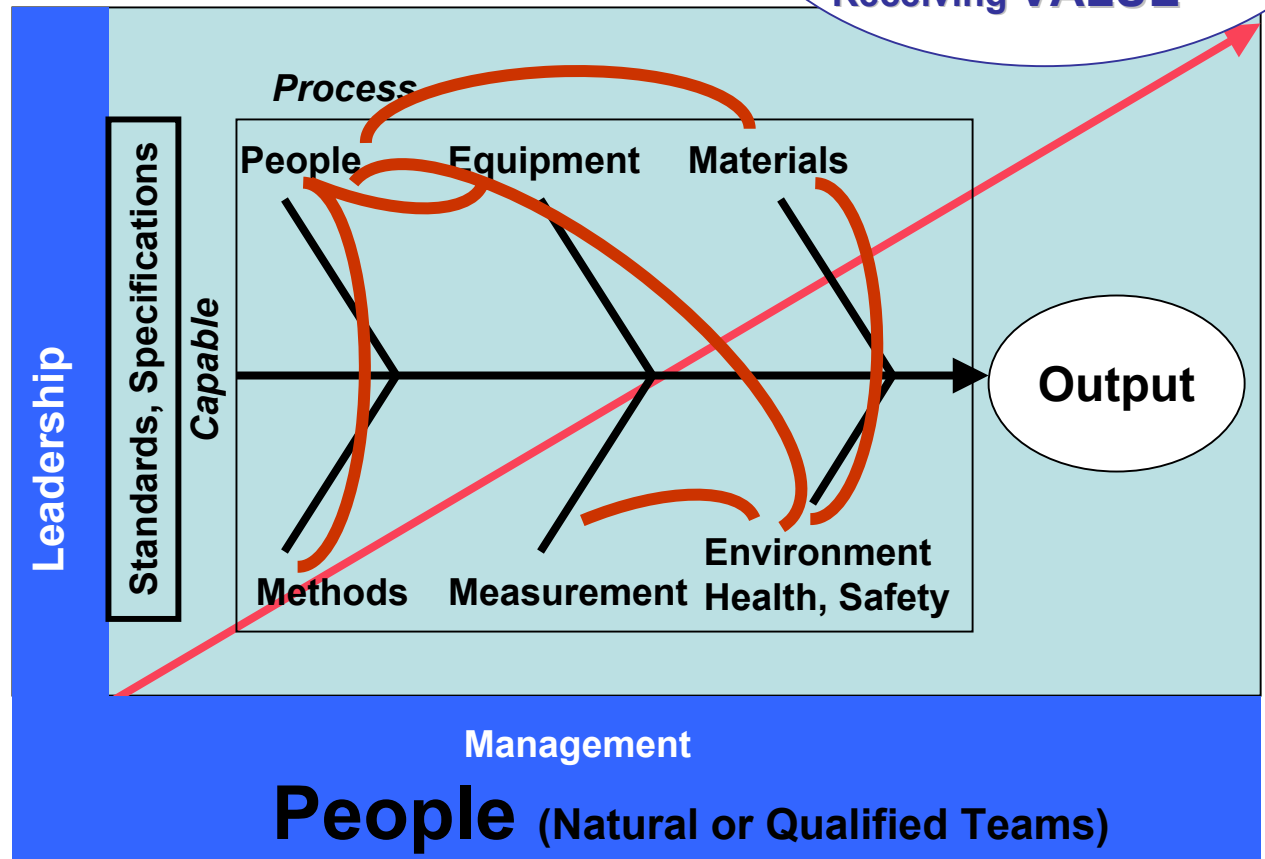
## A Tactical View . . .



6 Sigma/ Lean Tools

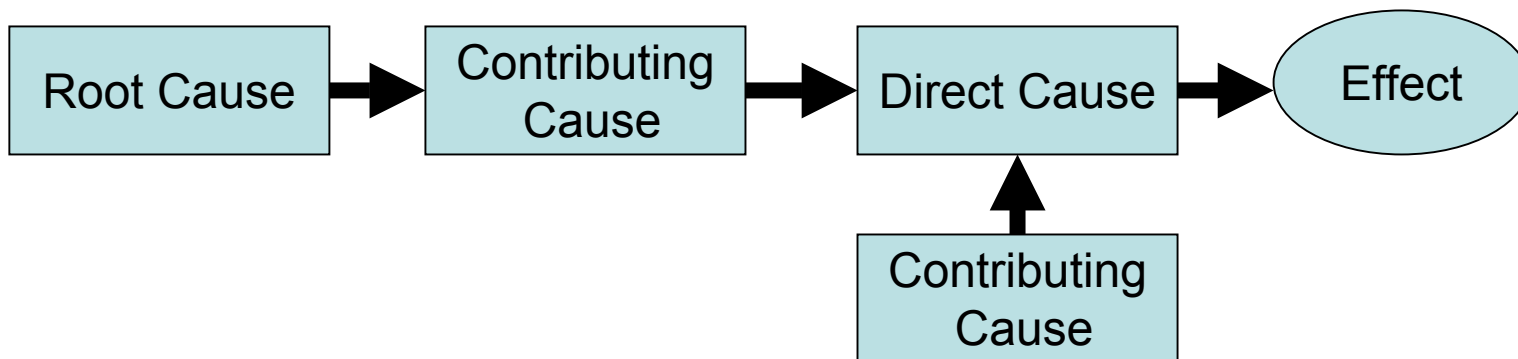
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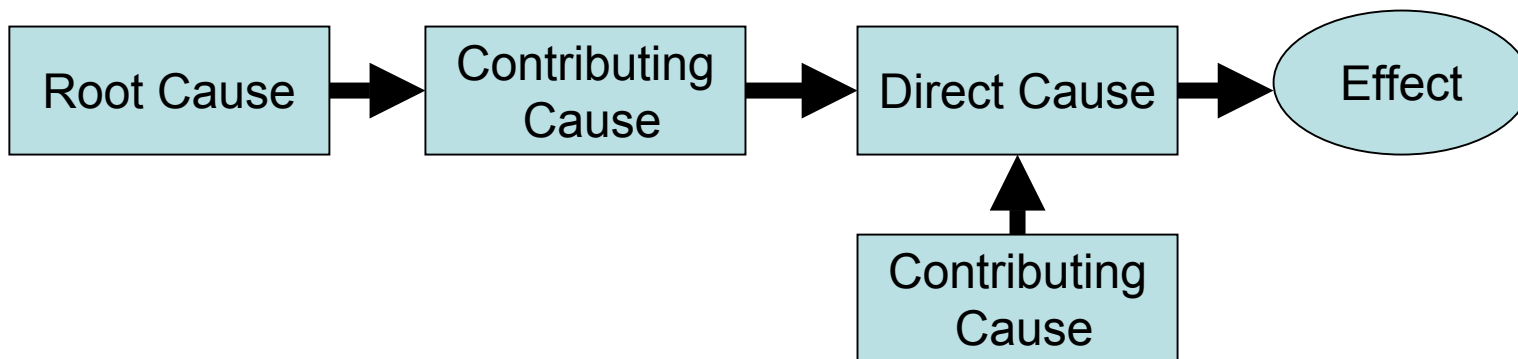


# Corrective and Preventive Actions

Focus on a process:



Apply Actions to similar processes where possible





# Adding Business Value Through EHS

## Thoughts . . .

How do we recognize the business processes on which EHS can have the greatest impact?

How do we define its value to the Business?

(In terms of Line of Sight? In terms of \$\$?)

What do we measure? How do we measure it?

What does the analysis tell us?

How will we improve the process?

Once improved, how will we control the effects on the output?

How will we standardize and integrate this improvement?

How will we monitor its effects in a changing environment?

## Rockwell Automation Project Examples . . .



# Rockwell Automation EHS Case Studies

***Current event-based initiatives: Assess, Contain, Correct***

**Basic Business System Improvements:**

- Improvements in Emergency Response
- Improved audit system and corrective action system to maintain compliance
- Enhanced business process to handle Workers Compensation Claims
- Improved system for review and maintenance of procedures





# Rockwell Automation EHS Case Studies

***Current prevention-based initiatives: Manage, Develop, Control***

**Beyond Compliance System Improvements:**

**(Correcting the causes of Environmental, Health, and Safety issues  
and**

**Preventing the causes of Environmental, Health, and Safety issues)**

- Ergonomics initiatives (People <-> Equipment)
- Safety Training initiatives (People <-> Methods)
- Hazardous Materials initiative (People <-> Materials <-> EHS)
- Recycling initiative (Materials <-> EHS)
- Hazardous Waste initiative (People <-> Materials <-> EHS)
- On-site Employee Health Services (People <-> EHS)
- Security Initiatives (People <-> EHS)

**Ultimate EHS Business value goals:**

**(Improve Employee Productivity, Reduce Insurance & Litigation Costs)**

- Provide measured results/ measured value
- Change business culture: Focus all employees on prevention-based EHS processes.