

Increasing customer value with Lean

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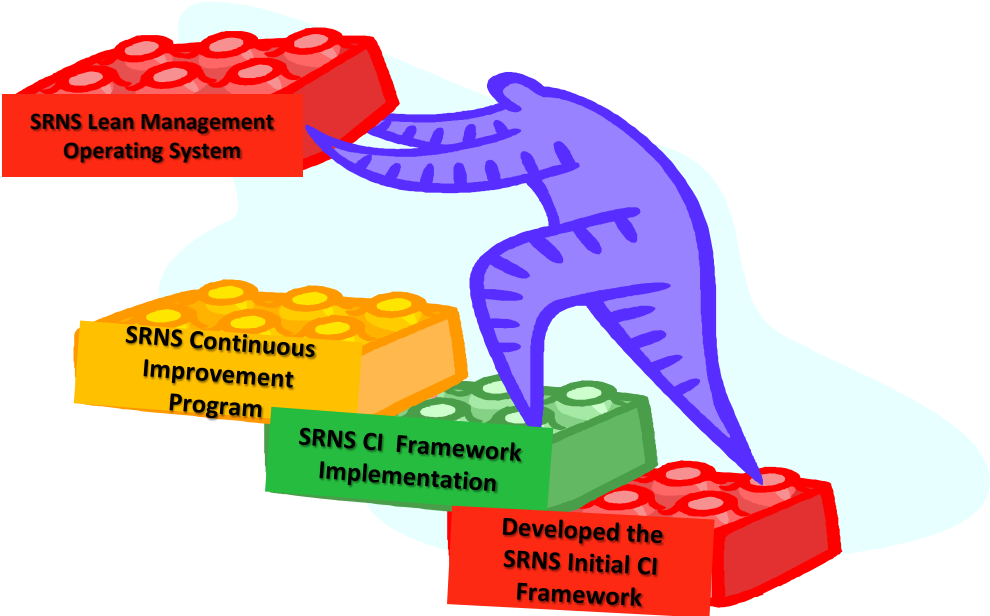
Focused Improvement Transformation (FIT)

SRNS raised the bar in 2015 by introducing a new Focused Improvement Transformation (FIT) Lean operating system. FIT is a collaborative, closed-loop, process focused, and disciplined approach to aid in:

- Raising employee satisfaction
- Reducing costs
- Increasing productive capacity
- Improving quality and timeliness of product delivery, and
- Increasing value to SRNS customers



FIT builds on the current Continuous Improvement Framework



Continuous Improvement Productivity & Efficiency Savings Summary 2008 to FY 16

SRNS Indicator	FY 16 \$ Goal	FY16 Current \$ Amount	% Goal
EM Productivity & Efficiency Cost Savings	\$15.6 M	\$27.3 M	174%
NNSA Productivity & Efficiency Cost Savings	\$6.0 M	\$17.8 M	297%
SRNS Productivity & Efficiency Cost Savings	\$21.7 M	\$45.1 M	208%

FY 16	Submitted	Cost Savings	Implemented
SRNS IDEAS	1382	\$1.7 M	270

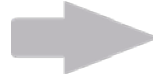
Since SRNS assumed the contract in 2008, CI productivity and efficiency cost savings total over \$280 M.



Acquisition Management - Year 1 Summary

Scope:

Trigger: Defining the need



Done: End user receives the product or service

Our Approach:

Conducted a Value Stream Analysis including all organizational elements that participate in the flow. Created a common vision and strategy to achieve the aim, resulting in a completion plan that included **8 rapid improvement events, 4 projects, and 7 just-do-its.**

Assessing the Impact:

Value targeting with qualitative and quantitative data. Where we found the costs:

- Initial requisition documentation discrepancies
- Overall requisition process cycle time (requisition initiation to product delivery)
- Purchase order line receipt to product / material delivery



**\$1.956 M
Impact**

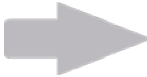
Key Solutions:

- Flowing transactions through a simplified and measured process with in-line triggers
- Tightly-connected flow cells
- Documented standard work
- Visual management
- Managing for daily improvement

Project Management - Year 1 Summary

Scope:

Trigger: Project Screening



Done: Project is Closed Out

Our Approach:

Conducted a Value Stream Analysis including all organizational elements that participate in the flow. Created a common vision and strategy to achieve the aim, resulting in a completion plan that included **7 rapid improvement events, 10 projects, and 4 just-do-its.**

Assessing the Impact:

Value targeting with qualitative and quantitative data. Where we found the costs:

- Screening for project management controls
- Cost versus capital project categorization determination
- Financial closure of a project after beneficial occupancy



\$2.251 M Impact

Key Solutions:

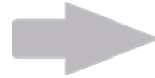
- Developed appropriate and concise project screening criteria
- Developed scope criteria for cost versus capital project categorization
- Developed a standard training process with roles and responsibilities



F&H Lab Pipette Availability - Rapid Improvement Event

Scope:

Trigger: Receipt of the pipette



Done: Disposal of the pipette

Our Aim:

Develop and implement a standardized process for pipette receipt, use, storage and disposal, which ensures the pipette is available at the point of use when needed by the laboratory technician. The process must be efficient, measurable, visible and verifiable.

Assessing the Impact:

Value targeting with qualitative and quantitative data. Where we found the costs:

- Evaluating the calibration of the pipette prior to using in the laboratory
- Point of use availability of the pipette
- Proper disposal of a pipette



**\$396 K
Impact**

Key Solutions:

- Vendor was able to calibrate the pipette before shipping to the site (resulted in a 77% reduction in the cost of the pipette)
- Developed standard work for the following:
 - Point of use availability
 - Troubleshooting potential issues (knowledge transfer)
 - Proper retiring/disposal of a pipette after use

Back-up Slides



FY 16 - Launched Nine Value Stream Analyzes (VSA) Aligned with our SRNS Strategic Goals

1. Supply Chain Management (SCM)
2. Project Management (PM)
3. Integrated Priority List Process Development
4. Information Technology Software Development Lifecycle
5. Security Incident Response
6. L-Basin Inventory
7. New Employee Hiring Process
8. EMO Planning
9. Subcontractor Safety

FY 16 - Nine Enterprise Level RIEs

1. Employee Concerns Process
2. Month End Closing
3. Work Planning Process for Suspected Asbestos Containing Materials
4. QA Corrective Action Process
5. F & H Laboratory Pipet Availability (Cradle to Grave)
6. The Documentation and Validation of Employee Training
7. Chemical Management & Storage
8. The Process of Planning and Executing Site Tours
9. Jumper Fabrication

Value Stream Analyzes Planned For 2017

1. Qualification of Production Operators
2. Pu Blend Down
3. Acquisition Management Refresh
4. Best Business Model Process
5. Project Management Refresh
6. Acquisition Management Complex Contractual Agreements
7. Work Control and Planning
8. Alternate Feed Stock 2
9. Streamline the Procedure Process