

CLIENT CASE



Touring car producer BOVA - CCPM

**New Product Development - Projected 1 year late
With Execution Management (CCPM) on time!**

The company BOVA is market leader in the segment of luxurious touring cars. Founded in 1878, the company has developed a name in strong, reliable touring cars with emphasis on **luxury and design**. Production is about 600 cars a year with 700 employees. BOVA is an example of a company that came in contact with TOC through the books of Eli Goldratt. In 1997 they were secretly working on the next generation coaches (called Magiq) that should attract a higher segment in the market without being a direct competitor to their own existing Futura model. For this new development, not only the coach itself was completely new but also the production method would be completely state of the art. In a new factory they were planning to build the cars on a modular basis. Assembly would use a chassis with engine installed and floor plates with seats already in place, after which the sides of the car would be placed, followed by the roof, front and rear. Imagine the workspace needed when you one has to install a dashboard with all its wiring when it is not yet connected to the rest of the car.

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The introduction of the New Magiq was an enormous project management success, which got all the attention it deserved. We would almost forget that the Futura model 2000 was equally important. The time between the decision to do a facelift and the start of the new season was actually too short. On top of that we had the project to increase production to 13 cars a week. To our delight the projects are successfully delivered and the almost impossible became possible. For us this is a proof that the TOC method of managing projects is a good development for BOVA. We like to thank everybody for their commitment and support and congratulate them with the achieved results.

Marc Hendrikse, CEO

In May 1999 the board and MT of BOVA followed one of our 2 day in-house workshops on Project Management the TOC way.

Most important results of these sessions were:

1. Clear priority of all running projects (over 30)
2. Master schedule based on Critical Chain planning to get the development of the Magic and the new factory finished on the original planned dates (current plans showed more than 1 year delay)
3. Clarity which projects would be frozen, in order to start working on them later, to finish all projects faster.

The first project that consultants Patrick Hoefsmit and Roel Smelt managed were to introduce 3 prototype touring cars. They had to be finished in showroom condition (no need to drive them) and introduced in September in order to get orders for the new Magiq.

RESULT: 2 of the 3 coaches drove to the fair on their own wheels - clearly ahead of schedule.

After this enormous success Critical Chain Project

Management rolled out in full to the rest of the organization: Training of Project Managers, Master Schedulers etc. as well as introducing new execution roles and rules:

1. **To limit the number of projects in execution, even if this meant keeping some resources idle. Concentrating resources on fewer projects at a time not only allows faster execution, but also reveals overall capacity to undertake more projects.**
2. **In execution, allow individual tasks to be late against the plans. That way people won't have to build (and hide) safeties in their estimates, and tasks will get executed faster because work won't have to expand just to fill the time available (Parkinson's Law).**
3. **Provide uniform task priorities across all departments and levels of management. When everyone knows what to do and when, and is working on the same priorities, projects get done much faster.**

Not everything ended within budget and on time, most of which had to do with external suppliers. For example the maintenance handbook (in 6 languages and over a 1000 exploded view drawings) was outsourced to 4 different parties and it became apparent that this would be ready many months too late. By renegotiating and offering a shared bonus, only payable when all parties would help to get the whole project on time, we managed for less than 10% extra budget to finish this within 8 weeks.

Critical Chain doesn't make the impossible possible, but it provides very good predictability, and guidance where to focus on, in order to get maximum results. TOC thinking has had a tremendous effect on the behavior of the people; the result is not the sum of local optima but the coordination to gain global flow.