Operations Strategy & Vaisala LEAN Journey

Capital Markets Day 2019
Vesa Pylvänäinen, EVP, Operations
Operations Strategy

Strategic programs
- Productivity increase by 20% points in production
- Early involvement to product creation
- Scouting and deploying latest smart factory technologies

Strategic choices
- Lean Supply Chain Management
- Centralized manufacturing close to R&D
- In-house manufacturing of core technologies
- Fast order fulfillment without finished goods inventories

Vaisala Production System
The way we manage and continuously develop Vaisala supply chain
Productivity Increase Program in Target

- Actions completed
  - Standard time system
  - Productivity reporting daily
  - Incentive system renewal
  - Machinery down-time reduction
  - Logistics process improvements
- Actions ongoing
  - Operative leadership renewal
  - Andon – Fast alert and reaction system

Productivity increased by 17%
Systematic Improvement Brings Results

On-time delivery

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Quality performance

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Productivity

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First lean production cells
- Value stream mapping
- Kaizen events
- Category sourcing

PDCA practices
- Delivery process development

Standard work & 5S to cells

Standard work to office
- Productivity program
- Design for excellence & Early supplier involvement

Supplier base consolidation started

Cross functional sourcing work

Cross functional sourcing work

Cross functional sourcing work
LEAN – Improved Performance and Capabilities

**Improved performance**
- Faster time to market
- Higher reliability
- Higher efficiency

**Targets**
- Execution plan / X-matrix
- Target setting

**Current state**
- Visual and daily management
- Value stream mapping

**GAP**

**Systematic problem solving**
- Coaching
- Kaizen event
- PDCA
- Good Vaisala Practices

**Culture and capabilities**
- Improve visibility and transparency
- Continuous learning
- Improved co-operation and engaged people
- Respect
Observations for a Better World

VAISALA