

CMD19

Operations Strategy & Vaisala LEAN Journey

Capital Markets Day 2019

Vesa Pylvänäinen, EVP, Operations

VAISALA

WASTE
OPTIMIZATION

100%



Operations Strategy

CMD19



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



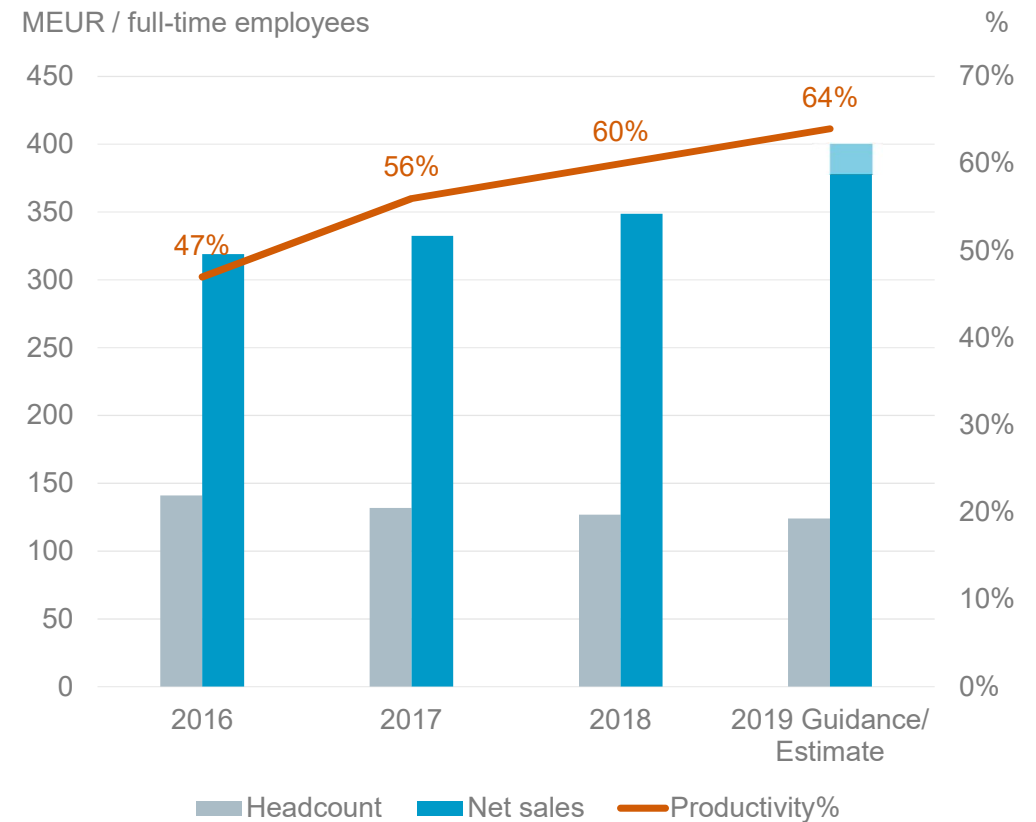
Vaisala Production System

The way we manage and continuously develop Vaisala supply chain

Productivity Increase Program in Target

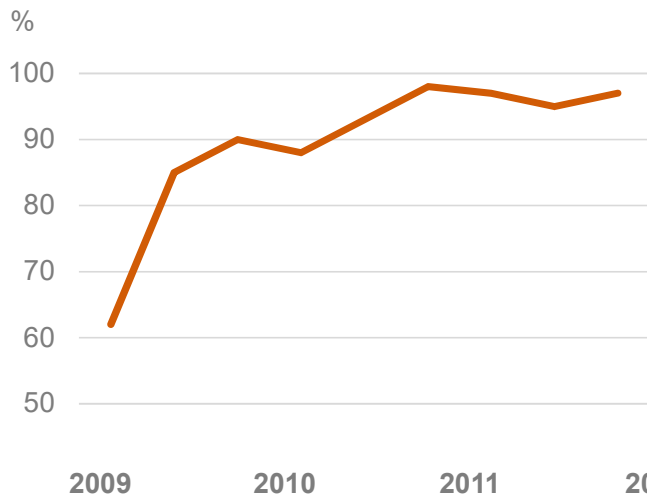
- Actions completed
 - Standard time system
 - Productivity reporting daily
 - Incentive system renewal
 - Machinery down-time reduction
 - Logistics process improvements
- Actions ongoing
 - Operative leadership renewal
 - Andon – Fast alert and reaction system

Productivity increased by 17%

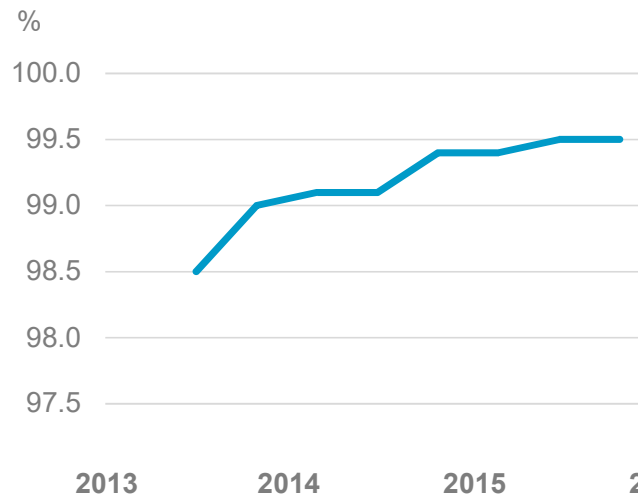


Systematic Improvement Brings Results

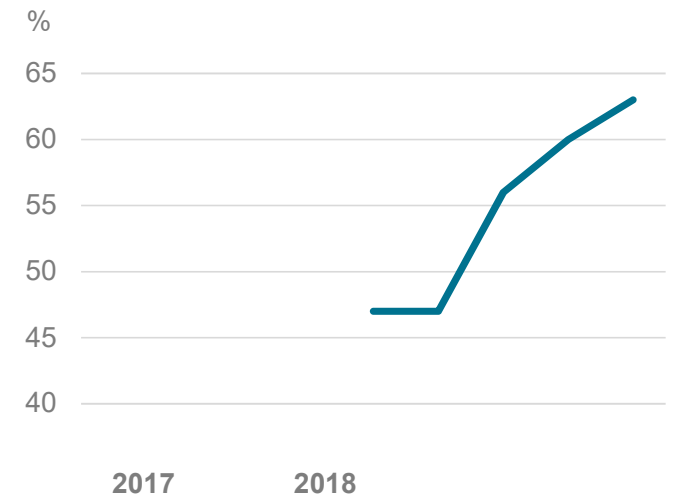
On-time delivery



Quality performance



Productivity



First lean production cells

Value stream mapping

Kaizen events

Category sourcing

PDCA practices

Delivery process development

Supplier base consolidation started

Standard work & 5S to cells

Daily management

Cross functional sourcing work

Standard work to office

Productivity program

Design for excellence & Early supplier involvement

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

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