

The Challenge

Establish a Cost reduction Project Management Office overseeing projects delivering results straight to the bottom line of Nortel.

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Protrain China

Case study in focus

Nortel Network a world leader telecom equipment manufacturer was facing some challenges in coordinating product cost reduction projects from all its entities coming from all over the world. At the core of the challenge was to establish agile processes that would allow project team to rapidly convert product cost reduction opportunities identify into results in the P&L statement. Because cost reduction projects didn't fall under the R & D envelop, they needed to develop anew business model to allocate fund and resources to viable projects.

To meet the needs of Nortel, Protrain china leaders were mandated to establish a global cost reduction PMO to oversea all CR projects.

The Protrain China Solution

The solution deployed by us was based on the introduction of a completely new style of project management office with a mandate to identify, re-resources , launch, manage and deliver projects with impact in the P & L of product cost reduction of minimum 15% year over year. The processes included an opportunity identification phase using Value Analysis Value Engineering techniques, a justification phase with business case analysis and funding recommendation and an implementation phase using the alpha, beta

The Deliverables

This project was managed completely from Montreal & Calgary Canada, Boston, Raleigh USA, Paris France, Galway Ireland, Monkstown, Northern Ireland and included :

- Development of an opportunity identification practices using VAVE techniques
- Development of a self funding mechanism for new opportunities using cost reduction results
- Development of a powerful product cost modeling tool
- Development of a web base reporting integration tool
- Alignment of 7 system house to the same methodology and processes

The Results

The Cost reduction PMO was a tremendous success across all the corporation. Every business units benefited immediatly of cost reduction from opportunities that would not being implemented without this PMO.

- First few years of the PMO major cost reduction gain higher then 15% year over year
- VAVE are now institutionalize within Nortel development program and continuous improvement philosophy
- The self funding committee has been created to oversea investment allocation in new projects using cost reduction results from pas projects
- The PMO team has won many awards over the years for their contributions to the bottom line of Nortel.

