### Design in Practical Application,

## Creativity and Process to form an Expertise

April 2020 Johannes Schaede



### Hello Again!

Still we are in lock-down and regretfully you have to dig today through some more dry than exciting matter. Hoping that you are all well, I trust you can follow without being stressed.

### L2 Sturctures inside

- 1. Departments and their roles
- 2. Product Creation Process
- 3. Challenges of implementation



Today's lecture shall give you an insight of what departments and contributions you will find in a company building large machines or industry sites. I believe that the challenges for cooperation in any company are roughly the same. It all comes down to the question how you perceive our colleagues and whether you are able to work with a wide variety of personalities. Always remember, nobody is perfect, criticism and dispute is positive as long as it refers to the objectives in a constructive way and do not expect to always play with the nation's top scorers in every field (if you wish for this, be careful what you wish, it could be granted)

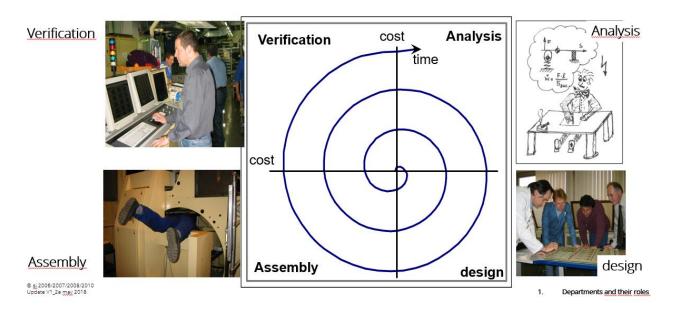
# Lamentable engineering

The solutions are not for our market! Marketing If engineers are so New developments take far too long! Sales worthy of criticism. Engineers have no clue about costs! Beancounters Production This cannot be produced, efficient! **Assembly** Is it really possible to assemble this? . . . they are the key to all solutions all What about a comprehensible documentation Service Nobody can order the right spares! tbc ... ® sj 2006/2007/2008/2010 Update V1\_2e may 2016 Remarks from the wooden siege Departments and their roles

On how you will be probably seen by your future colleagues is summarized here. It is a reflection of the echoes I keep receiving on my performance for the last 40 years, no matter what part of our company, no matter whether in Franconia, Saxony, the US, Spain or France. Whatever you will do as an engineer, will not be perfect in the eyes of the others.

A short, reflection for you: If this is so lamentable, what does it mean for the selection of engineers to be successful? It is important to you, because sooner or later you will be asked to hire engineers.

# Waterfall vs continuous improvement

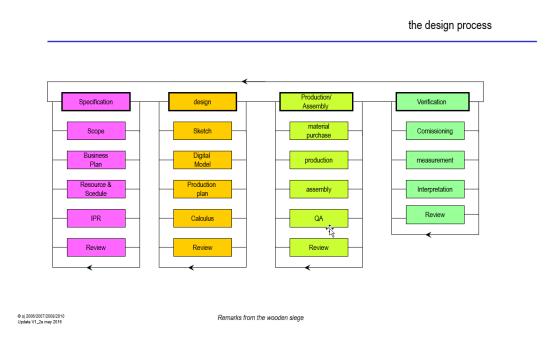


Before we move on to the different contributions of the departments, it has value to understand how successful complex developments are managed. In the centre of the slide you find a graph on the consumption of – financial - resources over the course of a R&D project. The axes expand into

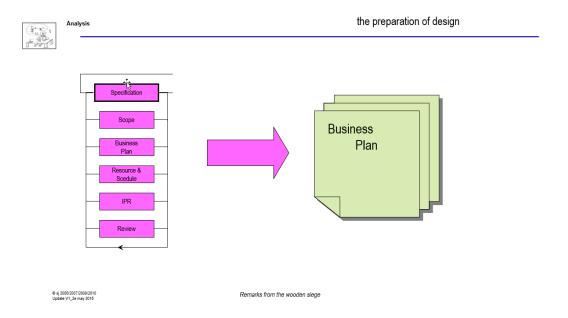
the accumulated cost space whilst the blue graph (this apparent snail) progresses along time. Any R&D has basically 4 phases as shown.

### Questions:

- 1. why did I present 3 full circles instead of just one and called it continuous improvement?
- 2. What would be a waterfall R&D in contrast
- 3. Why can we reasonably assume that method 1 is better than method 2?



Here you see the overview of the entire product design and realisation process for a reasonably complex product. It should be read like a syntax diagram of e.g. PASCAL (yes I am an old fart from Zurich, admittedly) but the beauty is that any combination and extension of the individual steps and sub-steps can be constructed.



As a first step you have to write up a specification which may consist of all or more combined elements of the Diagram.

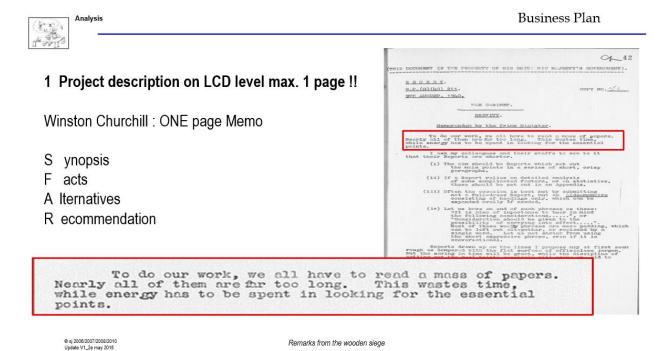
Business Plan



- 1. Project description on LCD level
- 2. Technical description of the development
- 3. Conflicts with existing and potential **new** IPRs
- 4. Required internal and external resources
- 5. Task & responsibility assignement to r&d and production
- 6. Resource plan and schedule
- 7. Risk analysis
- 8. Financial plan

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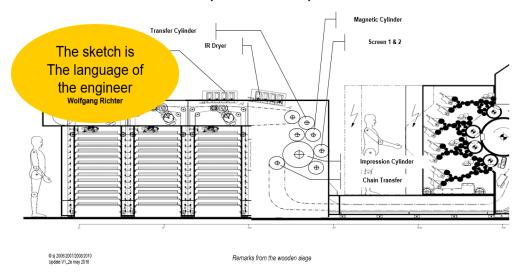
To compile a meaningful specification/business plan you will regularly all those elements mentioned here.



A project description on LCD (Laymen, Children, Directors) level is needed to communicate especially to the powers to be, what your project is about. When somewhere down the road you will be a director yourself you will have some understanding that anything longer than one page, will probably not read and understood completely, if even partially. Someone who perfectly understood this challenge was Winston Churchill. As war premier he had to take an unbelievable amount of fateful decisions every day. He introduced the instrument of the OPM (original communication enclosed.) The strictest form uses the four elements as above. If you attempt to write such Memo you will find that this takes much more thinking (not necessary time!). You may want to train this art as it will come in handy later. For example, write an OPM for your professor on your favourite Project to be accepted for your Master Thesis.



### 2 Technical description of the development



In most cases a sketch is the best short form of a technical description. It has to be complete and meaningful to the knowledgeable manager (if you top management does not understand sketches in the domain of your company, you are doomed. Alternatives: look for another job or replace the person with yourself asap). The example shows a real machine as we created it on the fly at a conference with the customer and sold it. (some time ago)



Analysis

Businesss Plan

#### 3 Conflicts with existing and potential new IPRs

- Patent rsearch (competition, regions, categories)
- Novelty/strength of potential new IPRs
- Decide for formal application or trade secret
- Timely application (get the priority)
- Conscious publications ONLY

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The topic of iPs may apply even if you ignore it. There is a defensive aspect, that you should not step into the trap of previously existing formal iPs. The offensive part is, that you may be able to protect interesting USPs against untimely copy by competition. In some cases, customers want from your company a liability and a FTO (Freedom To Operate) declaration. In case of the latter nothing is better than a granted active Patent. DO NOT use any of your novelties in public before the decision on filing has been made. Be careful with suppliers and 3<sup>rd</sup> parties as they may be tempted to file your invention against you. In such case and if you do not want to file yourself a conscious filing is a good idea to maintain your FTO by having published prior art.

### 4 Required internal and external resources

what can I do with resources "on bord"?

Minimal : IPRs

·Maximal: value chain

what can / has-to-be done by partners

· how to integrate all partners

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For your specification / Business Plan you need to demonstrate the economy of your venture. You have to define all internal and external resources you will need. If you work with external partners, you need to maintain as a minimum control over the iPs. In the best case you control the value chain.



Anaiysi

Business Plan

### 5 Task & responsibility assignement to r&d and production

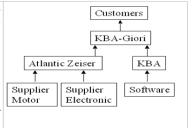
b

### 5.2. Production model

For the production phase, we plan to propose a tender to <u>Leibinger</u> and to Atlantic Zeiser for the manufacturing of our new numbering box. This strategy will give a stronger position for negotiation.

KBA-Giori will continue to sell the products directly to the customers and maintain exclusivity with the suppliers of the critical components, such as the motors and the electronic.

If the development of the electronic with KBA-Bielefeld starts, they would be the official supplier of all the electronic, control unit and of the software.

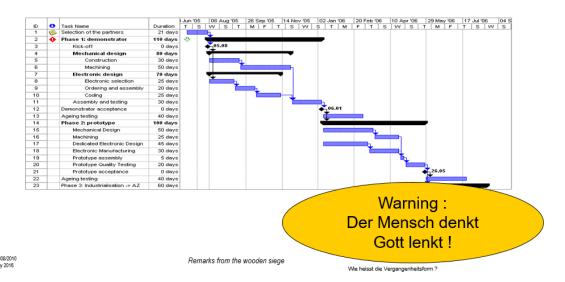


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In this early stage you are well advised to structure external cooperation concerning R&D and production. This example shows a simple case we have implemented at one point in time. These structures may become more complex as the number of contributing companies increase. Just bear in mind, that the quality of a commissioning is proportional to the inverse of the square of the number of contributors.

**Business Plan** 

# 6 Resource plan and schedule



Your management will want to know, when you will be ready with your product. A Gant chart can represent such planning in an easy way. In reality, as with all planning you will have to find the fine edge between overly optimistic estimation (you may be asked to perform according to promise) and too careful safety margins (you will not be allowed to do the development as it eats to many resources) In case of doubt use the estimation method of the Swiss artillery, we have to be careful in our exercises not to shoot outside their small country.



8 Risk analysis

B

- CYA
- What can go wrong :
  - · Laws of physics in application
  - Production
  - Market
- Murphy's Law
- Baden Powell
- What is the most useless possession in the world?

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A solid risk analysis helps to find weaknesses and to defend your project:

CYA – American Slang: Cover Your Ass

Murphy's law: what can go wrong, will go wrong

Baden Powell: Be Prepared! (who was this guy, by the way?)

The most useless possession in world is: . . . . . (have your pick in this context!)

Business Plan



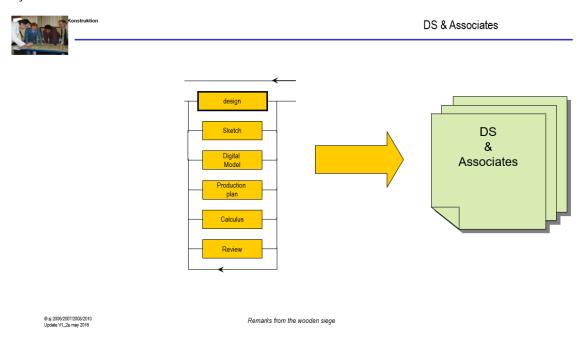
# 9 Financial plan

8.3.1. Profit & Loss si	2005	2006	2007	2008	2009	2010	2011	2012
Sales	2003	2000	2007	2008	2009	2010	2011	2012
NumBox	О	0	480	1'920	3'360	3'840	4'800	2'400
Spare parts	0	0	12	60	144	240	360	420
Training service	0	0	24	96	168	192	240	120
Total Sales	0	0	516	2'076	3'672	4'272	5'400	2'940
Cost of good sold	0	0	246	990	1'752	2'040	2'580	1'410
Gross Margin	0	0	270	1'086	1'920	2'232	2'820	1'530
Operating expenses								
Product overhead costs	0	0	96	384	672	768	960	480
Training costs	О	0	12	48	84	96	120	60
R&D internal	100	200	0	0	0	0	0	0
Development costs external	120	330	50	50	50	0	0	0
Total operating expenses	220	530	158	482	806	864	1'080	540
EBIT	(220)	(530)	112	604	1'114	1'368	1'740	990
Net Income (15% taxes)	(220)	(530)	112	513	947	1'163	1'479	842

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Finally, you should set up a financial plan for your project. It is always re-assuring if you plan to make money with your efforts. The period of ROI (Return On Investment) may vary from business to business, but be realistic and it is always good to be better than promised (use reserves in your favour)

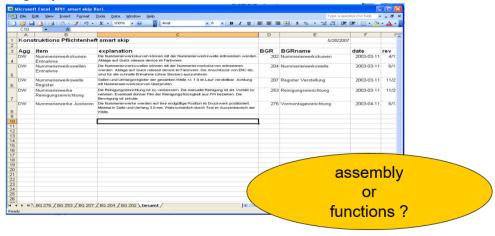
All this may appear to you a little bit lengthy and not very technical. But your ability to apply your creativity extends to the formal documentation on what you want to achieve, more so than you may believe.



Finally we are getting serious to design something and start again . . . .



# 1. Design Specification DS



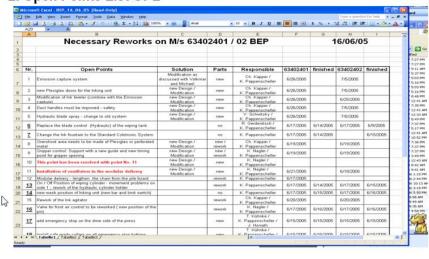
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.... with a specification. Before you start designing, please give every engineer in your team the respect to explain and document what is expected, with which budget in resources and manufacturing costs and until when.



DS & Associates

### 2. Open Points List OPL

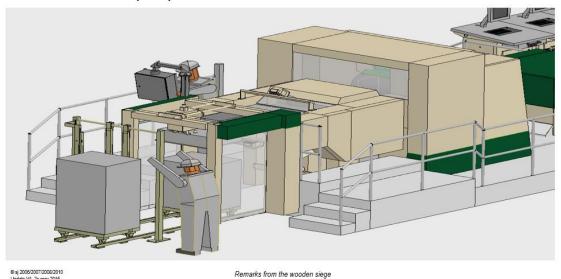


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Following up your development you should maintain an Open Points List not to forget anything and to remind the team of given commitments



# 3. Model (3D?)

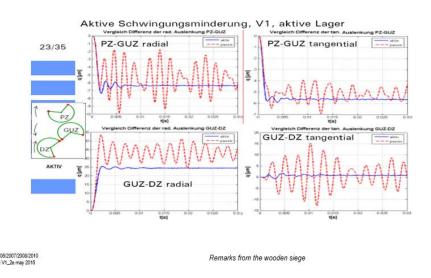


Your design needs to be properly documented. In today's time is certainly digital. The tools shall be adequate to the purpose and have the necessary compatibility with all other iT systems of your company. You should be suspicious on efficiency, when the number of iT Systems to be mastered by engineers becomes n>2

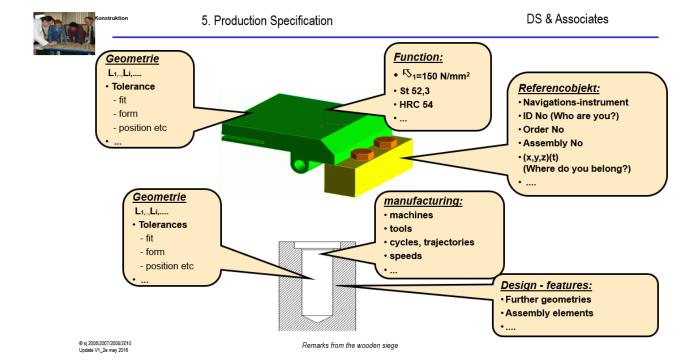


DS & Associates

### 4. Calculation

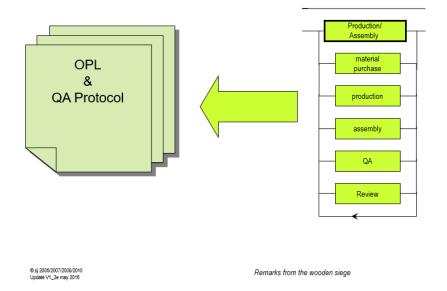


Engineers are mostly capable to predict their functionality by simulation. Wherever feasible use these methods as they shorten your timeline and safe costs. Just make sure that you stay tight with the verification between simulation and reality. In case of doubt verify. And : any simulation without plausibility in a second avenue is : FALSE



A lot of additional information is carried by your design objects. They concern production, purchasing, logistics, standards etc. Just make sure that the data is maintained by those responsible for their content. Do not waste engineer time on administration as far as possible. A perfect example is compliance with export control regulations. If logistics or service need them, let them take care of it.





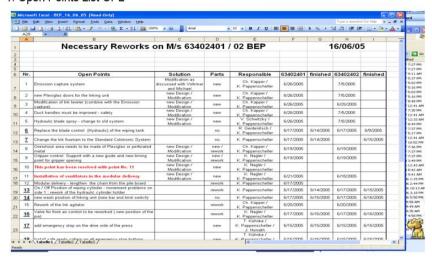
Once we reach the stage of production, engineering will follow up as far as required. It is now in the hands of the operative executive. In case of doubt you will be recruited to help with decisions. Some of them really interesting, when production has messed up a part, but not so completely that it is unusable. This is when you will be super-hero of production when you help to save it or their doom as they have to swallow loss and quality costs. Let aside to catch up time. By the way a proven method to blackmail the engineers . . .



Auf/Einbau

OPL & QA Protocol

### 1. Open Points List OPL



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Again an OPL will help you to follow with the production team to the final date of completion

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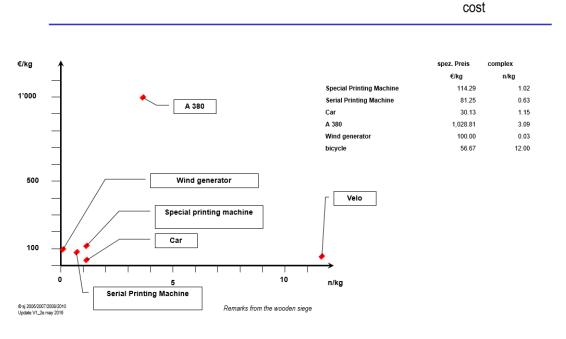


# 2. QA Protocol



Remarks from the wooden siege

As responsible person for the project you may have to follow the QA procedures. More often than not you may have to assist production in setting up the right QA procedures. Though this may be tiring, it is only once you are at the necessary level. God help you if the faulty quality is distributed worldwide. Just be aware the certificate is only meaningful if it reflects the actual action. It is good practice to test this from time to time (SPC!).



A small excursion on cost: what do I do if I have to estimate the unknown? I have no or little data on my new machine or device. Also there is little historic data to support. Still sales need a budget long before you have started to design. The magic wand is: Price per weight. This is surprisingly constant within a certain business / machine type / design principle. The difference is the complexity.

Question: Why are the cluster points of complexity versus price/kg spread as they are for the examples given?

# When are changes in design allowed ?

#### 1. Does not work!

- · It does not work as intended; trap : correct Analysis
- The customer requires a different (better?) functionality; trap: customer abuse as whip

### 2. Too expensive!

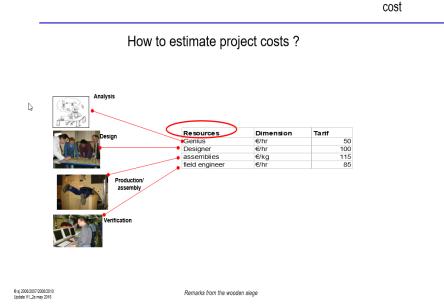
- The competition is so much cheaper; trap: miracles are the monopoly of gods not engineers
- The customer does not get the required ROI; trap : trimester-bean-counting-acrobats
- The savings come back immediately; trap: missing facts



One additional remark on cost. One of the most disastrous drivers in cost in special machinery (and other industries) are changes in design. Above you find the only two justifiable reasons for a design change.

Just reflect two questions:

- 1. Under which category above do you find a product improvement or even a new product?
- 2. Have you ever experienced a design change on a product you are using which does not fall under the two categories above and which you perceived a nuisance?



If you have to estimate a more complex design project the following estimates, I am using in my field may serve as an orientation on how you may set up your own set of tools of project cost estimation. Admittedly you will not find this very helpful in your today's work, but I am sure you will remember it when the time comes and someone forces you to make such estimates before he is willing to liberate your R&D or project budget.

The first slide gives some rough estimation of cost/hr for the 4 phases defined. They may need to be adjusted from time to time and also vary according to the industry.

				cost			
Analysis Design Assembly Verification							
description	example	perassembl	average values				
		Analysis [hr]	design 3D CAD Para [hr]	Assembly[%]	Verification [hr]		
more than 30% new parts; basically different function	Change from gear to seperate servo drives						
		8	200	50	60		
max 30% new parts, function is basically identical	Change of bearing due to supplier constraint	,	400	20	40		
max 10% new parts;function identical;	Adaptation of diameter of	4	100	30	40		
variant is foreseen in parameter set of	plate cylinder for Offset web						
the basic function	press	0	16	10	5		
max 3% new parts, function and design remain identical	change of paint due to customer specification	0	8	0	0		

Here are typical budgets on typical functional groups and their depth of change. You may notice that the cheapest resource receives the smallest budget in hrs. As a matter of experience any additional hour spent on the analysis – given you find an ingenious idea – is well invested and has a substantial leverage on execution time and success of the development.

cost

model calcul specia	I print machine	•	2,800,000€			
•	weight	24,500 kg				
No. of asse		250 -				
average assembly		98 kg				
average assemb		11.200 €		Prof.		
arerage accerns	, 555t	11,200		20		
machine project	no of assembl	Analysis	design	assembly	verification	
completely NEW	25	0 100,000 €	5,000,000 €	4,226,250 €	1,275,000 €	
specific changes		0 0 €	0 €	0 €	0 €	All New
adaptation		0 0 €	0 €	0 €	0 €	
maintain/repeat		0 0 €	0 €	0 €	0 €	
Total	10,601,250	€ 100,000 €	5,000,000 €	4,226,250 €	1,275,000 €	
machine project	no of assembl	Analysis	desian	assembly	verification	
completely NEW		0 20,000 €				
specific changes		0 10.000 €				
adaptation		0 10,000 €				new main
maintain/repeat	10					aggregates
Total	5.460.900					33. 3
machine project	no of assembl	Analysis	design	assembly	verification	
completely NEW		0 8,000 €				
specific changes		0 14,000 €				New
adaptation		0 0€				main assemblies
maintain/repeat		0 0€	72,000 €	1,014,300 €	0 €	
Total	4,921,510	€ 22,000 €	1,284,000 €	3,245,760 €	369,750 €	
					AG	
odel calcul special	print machine		2,800,000€	-E9.1		
v	veight	24,500 kg		1		
No. of assen	nblies	250 -				
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average assembly	-	11.200 €		Day 3 To	11	
<u>g</u> ,	,	, -,-				
nachine project	no of assembl	Analysis			verification	
ompletely NEW	0		0 €	0 €	0 €	
specific changes	30		300,000 €	439,530 €	102,000 €	
adaptation	60		96,000 €	743,820 €	25,500 €	Customer adaptation
maintain/repeat	160		128,000 €	1,803,200 €	0 €	In parameter set
Total	3 644 050 €	€ 000 €	E24 000 €	2 096 EEO E	127 500 €	

524.000 €

200 000 €

200,000 €

0 € 0 € 0 €

2.986.550 €

0 € 0 € 0 € 2,817,500 €

2,817,500 €

127,500 €

0 € 0 € 0 €

0€

verification

Maintained

Series

250

6.000 €

0 € 0 € 0 €

0 €

design

3,644,050 €

3,017,500 €

machine project completely NEW specific changes adaptation

maintain/repeat Total

Total

Here you find the model estimations for the different cases of a complex machine design and update project. As you will see the costs of the project rise almost exponential when you do everything from scratch. Not that this may not happen, just be aware of the magnitude of risk you bear and have to cope with. AND: do not forget to remind your bean-counters that even maintaining a product is NOT for free. You have to replace EOL (End Of Live) elements and adaptations driven by production and logistic chain.

# Problem-Solving fatal exception 0E



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Remarks from the wooden siege

At the end of this lengthy unit you do not have to read another book. It is just a recommendation coming from experience. If you have run with your project into a real road block and you believe that there is no good way out, order a good meal and open a good bottle of red wine (or whatever you like to drink) and sit down with the team. In this (historic 2003!) photo the five gentlemen (I am taking the photo) are obviously enjoying a luxurious lunch and seem pretty relaxed. In fact they have run into a major brick-wall with a brand new vision analysis system. At the end of the lunch – which was longer than regular – the problem was analysed and the way forward defined. The product is still in use today – with adaptations and changes nota bene.