

OVERALL EQUIPMENT EFFECTIVENESS (OEE)
SHORT DEFINITIONS /DESCRIPTION

1. Measures loss of time and materials. Actual production relative to capacity.
2. A score measuring the proportion of available time that is truly productive
 - a. 100% indicates producing ideal output with no waste of time or materials
3. Three (3) main loss factors are commonly used to determine the score: **Quality, Availability, Performance**
 - i. Q: Proportion of good product relative to total production
 - ii. A: Run time as a proportion of budgeted operating time.
 - iii. P: Actual output as a proportion of capacity
4. Benchmarks: What is a good score? It varies but a good start is:
 - a. 85% Superior
 - b. 60% Average, there is room for improvement
 - c. 40% Poor, there are many opportunities for improvement

CAN YOUR PLANT BENEFIT FROM AN OOE EVALUATION FOR ACTION?

1. Are manufacturing dollars effectively absorbed by products produced?
Is the cost of products affected by absorbance of unnecessary costs?
 - a. Is the dollar cost of ineffectiveness know?
 - b. Is the profit potential of productivity improvements known?
2. Is the plant's usage of budgeted manufacturing time adequate?
3. Are machines running most of the time and delivering expected output?
4. Is WIP (work in process) material waste at budgeted levels?
 - a. Is the budget waste the minimal indispensable?
5. Are there zero customer returns and sales adjustments and discounts?
6. Are there repeatedly consistent explanations for lack of goal achievement?