IPMA – ITT Friction

PM Transformation History

Torino
June, 16th 2016

ITT Motion Technologies

ITT
ENGINEERED FOR LIFE

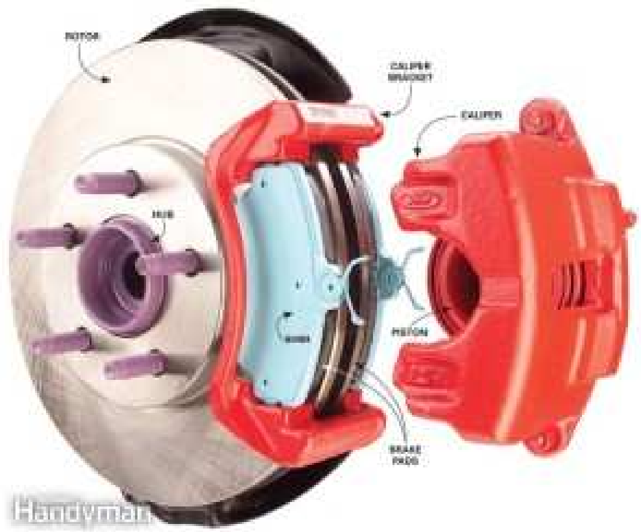
ITT Friction Products

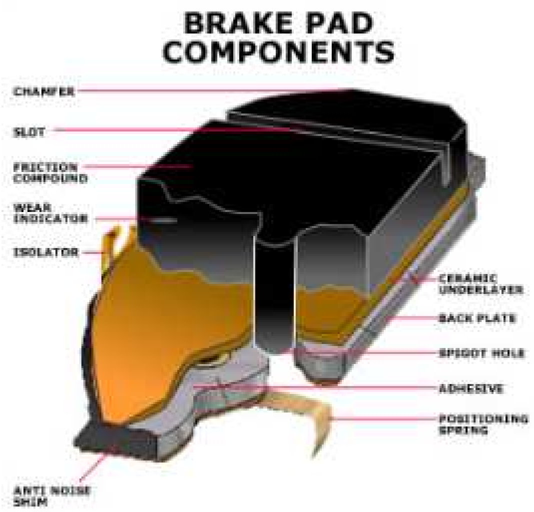
Customer (OEM / Brake manufacturer)

- Vehicle Model
- Brake system definition (geometry)
- Brake performance
- Project Schedule

ITT Friction (Brake Pad supplier)

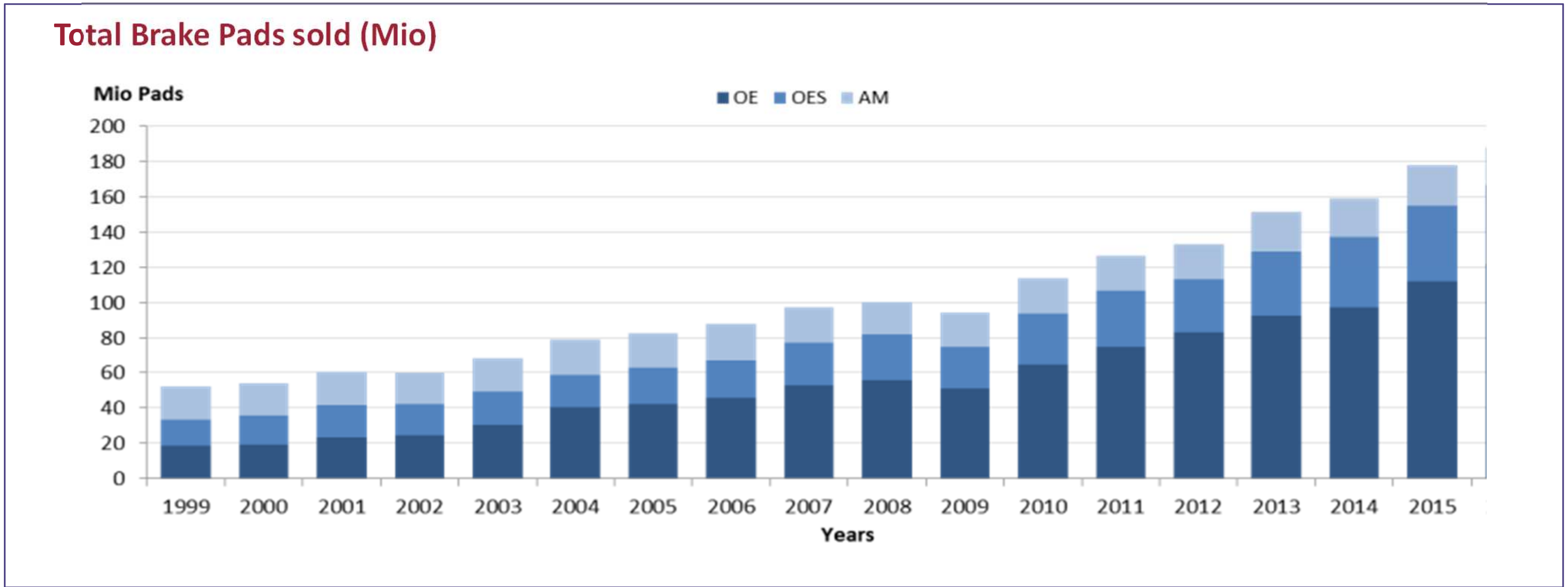
- Development, testing and release of a friction material and production process to meet technical requirements
- Kick-off tools and equipmets
- Secure the Project Schedule





ITT Friction Products

ITT Friction – Business Growth



Sustainable and organic growth with gain of **market share** from the competition and opening to **markets/products new to ITT Friction**

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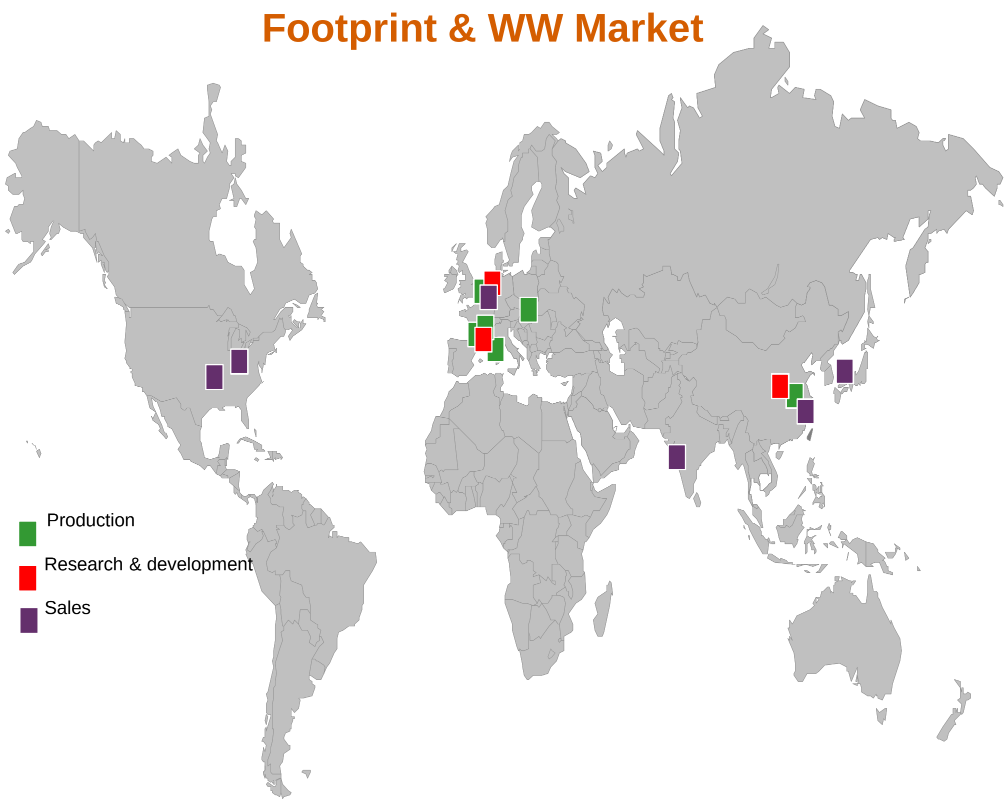
Why to start a PM transformation Journey?



- Increased complexity on OEM Platform Strategies (development costs, project risks, time to market, etc.)
- WW Market
- Global Footprint
- Increased number of projects (over 300 during 2015)
- Business opportunitities selection (capacity planning, project profitability, etc.)

THE ROADMAP (IPMA DELTA)

Initial

The achievements of Project Management are at a personal level. There are individuals who perform well, but performance is coincidental. The organisation has no formal PM standards, structures and processes in place

Defined

There are partially defined PM standards, structures and processes in place which are partially applied in the organisation

Standardised

There are fully defined PM standards, structures and processes in place which are mostly applied throughout the organisation

Managed

There are fully defined PM standards, structures and processes in place which are fully applied throughout the organisation, which the Management actively controls

Optimising

There are fully defined PM standards, structures and processes in place which are fully applied throughout the organisation, which the Management actively controls and continuously develops.

PM Training Program – Objective?

TIER 1

Create a common and
shared Project Management language/culture.

2200 hours in classroom spent in 2014

TIER 2

Create a deeper technical/behavioural knowledge/culture of Project Management

512 hours spent in classroom in 2014

TIER 3

Fine tuning to Project Management

Enable to use the ITT Project Management procedure

800 hours spent in classroom in 2015

SUPPORT

Consolidate PM Processes and Procedures

Continuous Improvement

Internal and external auditing and monitoring scheduled in 2016

ITT Projects phases – from the PAST to the FUTURE

Business Case → **Start**

- Customer request
- ITT strategy
- Market request
- Market progress
- Technologies progress
- Reduction of ecological impact on the environment
- Legal request
- Cost &Benefict Evaluation
- Planning Resource Activity
- Etc

PHASE REVIEW 0

Initiating

- Project Lifecycle
- Stakeholder
- Scope
- Targets
- Structures
- High Level Schedule
- Costs
- Main Risks (LRA)

PHASE REVIEW 1

Planning

- Charter
- Detailed plans
- Risk assessment
- Baseline

PHASE REVIEW 2

Implementing & Controlling

- Drive project
- Control
- Information
- Documentation

PHASE REVIEW 3

Closing

- Hand-over
- Lessons Learned
- Document archiving

PHASE REVIEW 4

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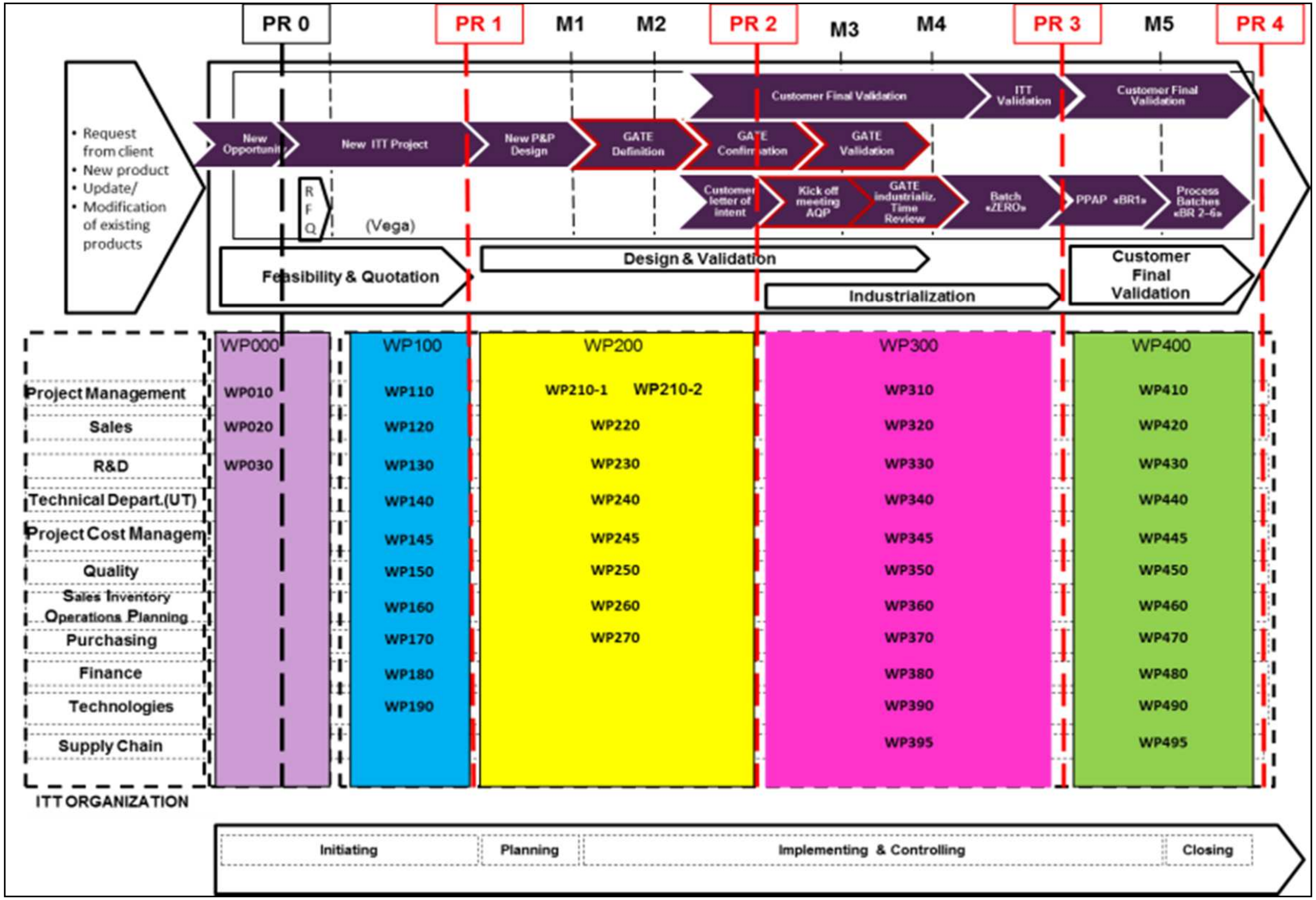
ITT Process Management



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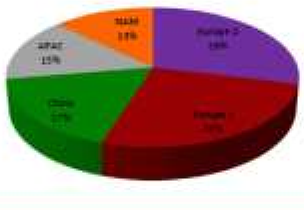
ITT Friction - PM Metrics

Average Nr of Projects by Area

- The graph below shows how many projects (all categories) with PM involvement are allocated to each area

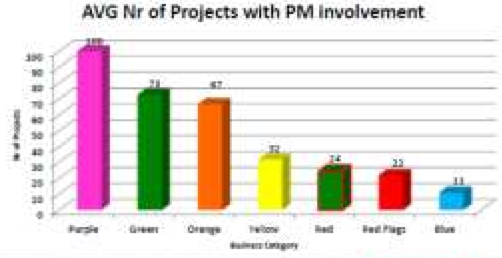
PM Area	Avg Nr Of Project Q1	%
Europe 2	95	29%
Europe 1	86	26%
China	57	17%
APAC	49	15%
NAM	42	13%
Totale complessivo	328	100%



ITT Europe 1 and Europe 2 cover the 55% of all ITT projects with PM involvement Yes

Average Nr of Projects vs Business Category

- The graph below shows how many projects with PM involvement are present in BU according with the business category



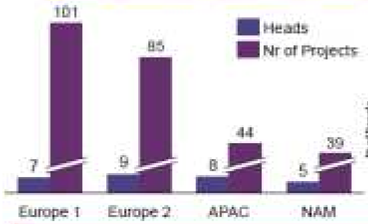
- ✓ Blue = Future Opportunity w/o RFQ
- ✓ Orange = Future Opportunity with RFQ
- ✓ Yellow = Replacement to re/win
- ✓ Purple = Awarded /Won
- ✓ Red Flags = Mass Production with issues

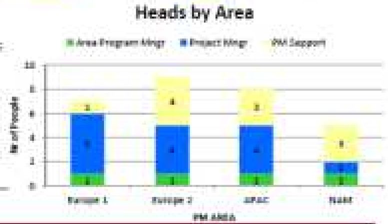
ITT Average nr. of Projects with PM involvement in Q1: **328**

Heads per Area at the end of Q1

- In this slide it is possible to identify how many person are allocated to area in percentage.

Head by Area	Area Program Mngr	Project Mngr	PM Support	Heads	% on Tot Heads	Nr of Projects	% on Nr of Projects
Europe 1	1	5	1	7	24%	101	31%
Europe 2	1	4	4	9	31%	85	26%
CHINA	* China PM Coverage is a WIP			-	0%	62	19%
APAC	1	4	3	8	28%	44	13%
NAM	1	1	3	5	17%	39	12%
TOTAL	4	14	11	29	100%	331	100%

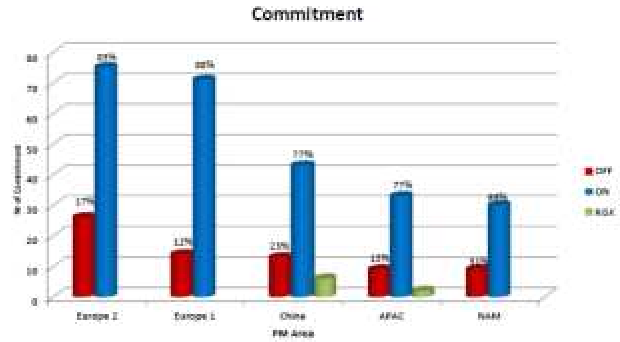




ITT Data refers to all the projects with PM involvement at the end of March 2016

Commitment at the end of Q1

- According with the sales office manager, those are the projects considered ON and OFF and where the PM is involved



ITT Risk on Lavida PQ34 (China) and Honda Vezel 2XP NAO and LS (APAC) lost, but pads shipped until September 2016

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Challenges and Next Steps

Challenges

- Culture and mindset
- Processes are not bureocratic procedures

Next steps

- Business opportunities selection
- Proper resource allocation and management
- Optimize project profitability
- Increase Company know-how and PM managerial skills
- Drive the change

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Thanks for Your attention!