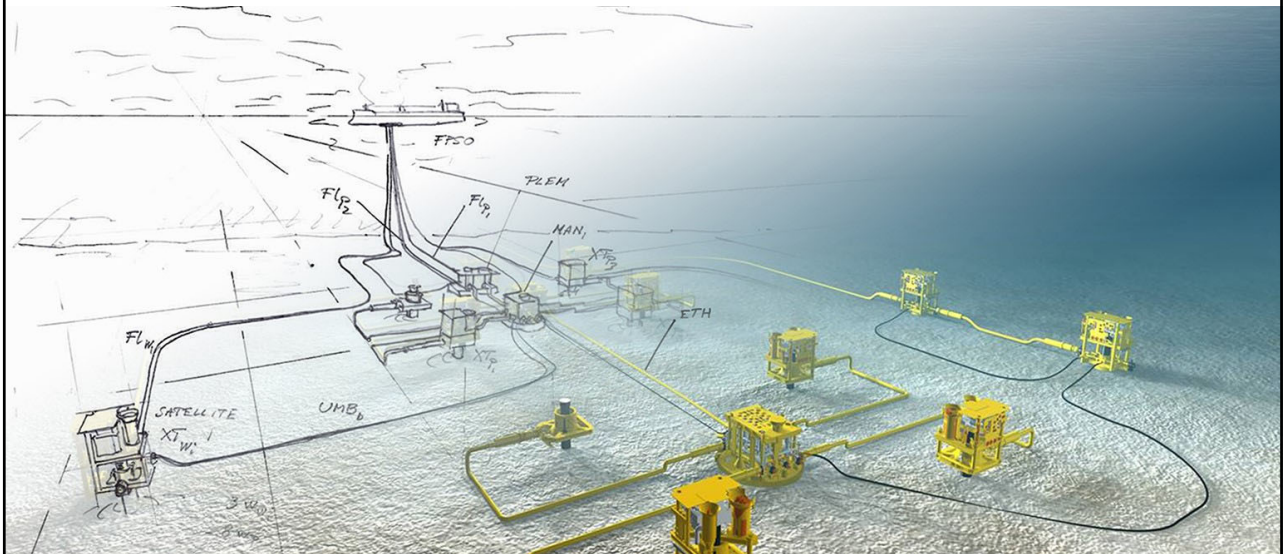


TechnipFMC

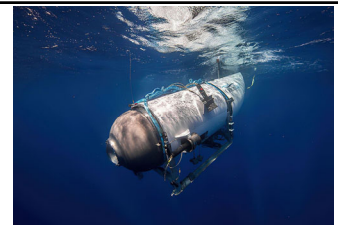


Enterprise Transformation as a Design Project

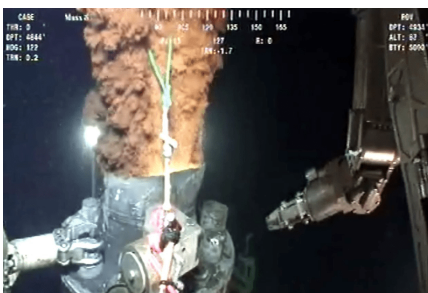
十
南
無
妙
法
蓮
華
經
 Nan
Mu
Myo
Ho
Ren
Ge
Kyo

When Help is Needed, Help Must be Provided

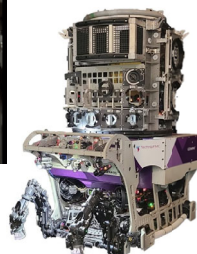
It is a pledge to oneself to never yield to difficulties and to win over one's suffering. At the same time, it is a vow to help others reveal this law in their own lives and achieve happiness.



Titanic Submarine Accident



Oil Spill Accident in GoM



First photo emerges of Titanic sub rescue fleet amid frustration over delay

TechnipFMC vessel assisting in search for missing submarine

Deep Energy, nine other private vessels assisting search for lost Titanic tourism submarine.

June 21, 2023



TechnipFMC vessel Deep Energy on site off the Canadian Coast.



LATEST IN SPECIAL R

North Sea & Europe

Twenty-four compar

licenses under Norw

ATM bid round

Jan. 10, 2024

Verticals

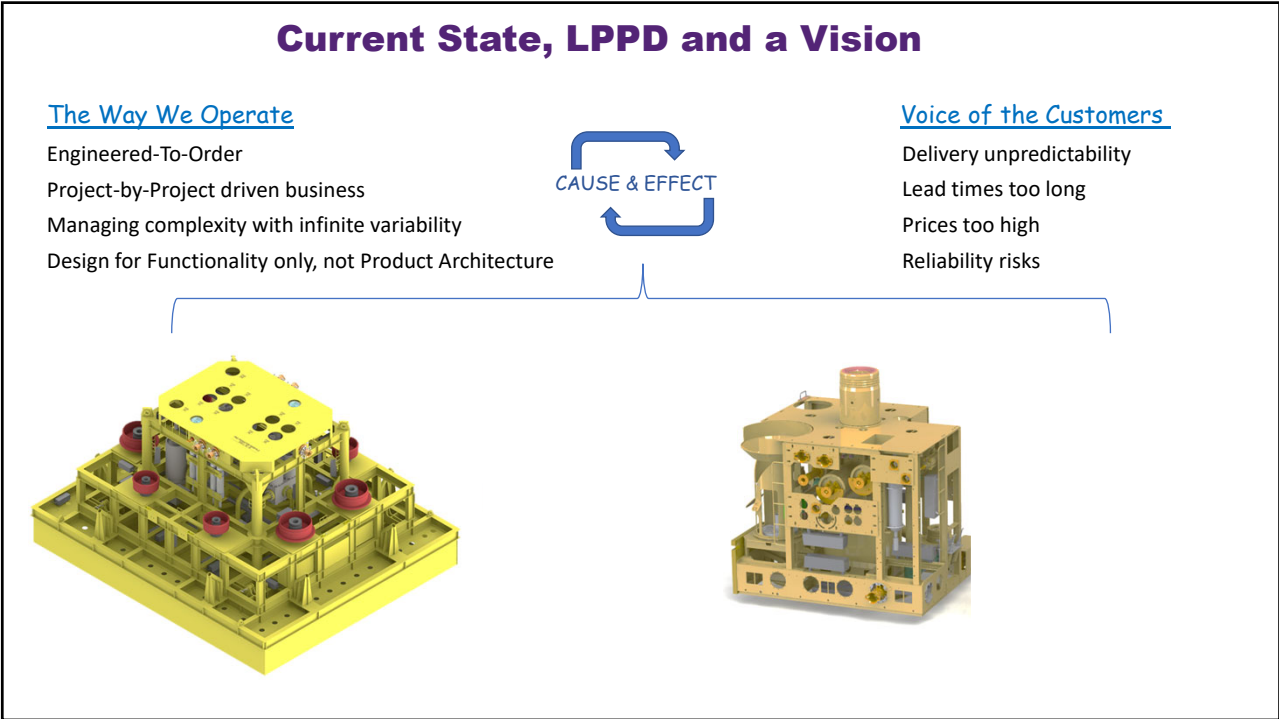
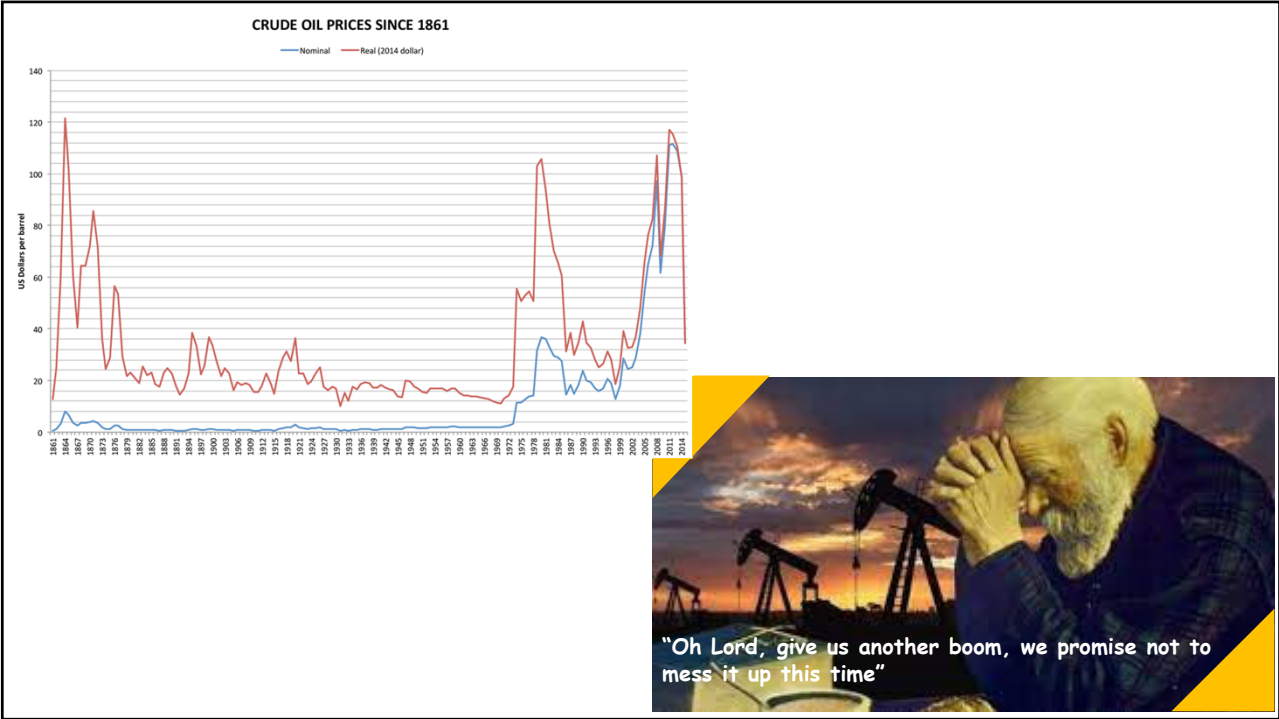
Island offshore vess

undergoing convers

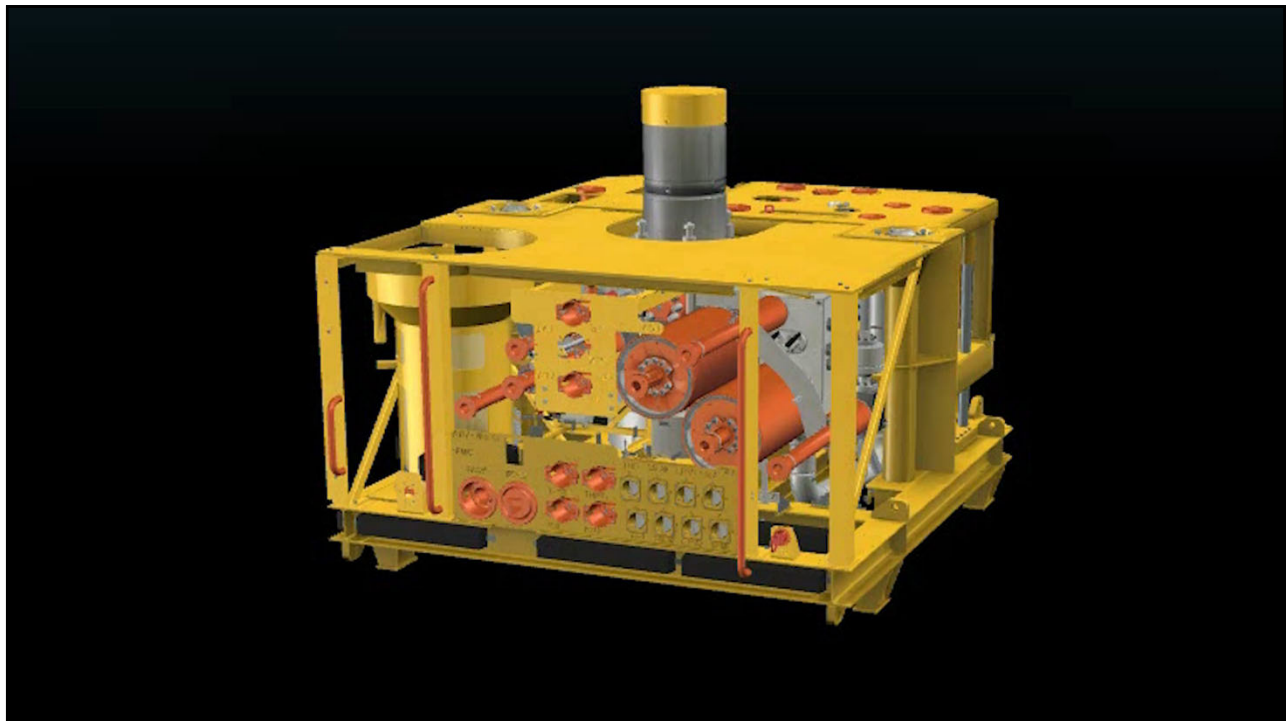
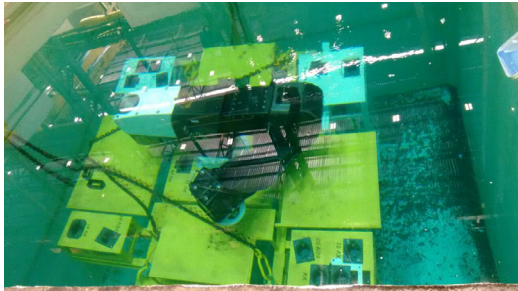


2024

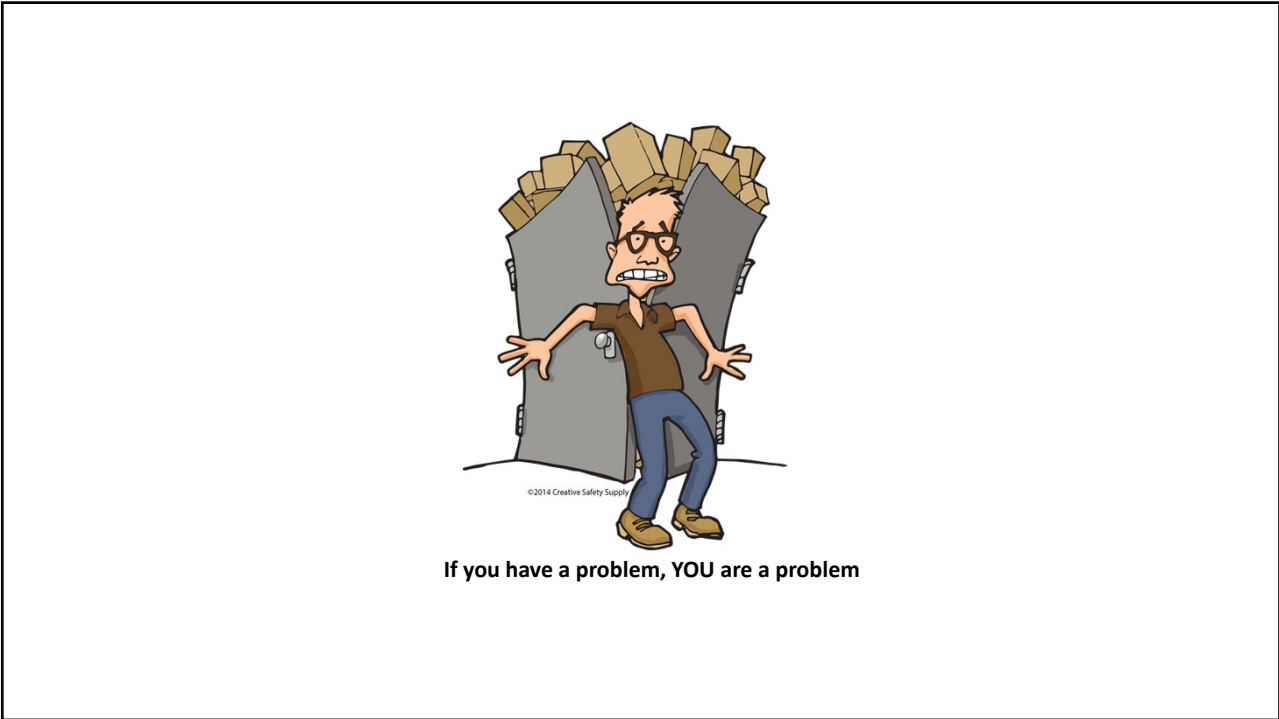
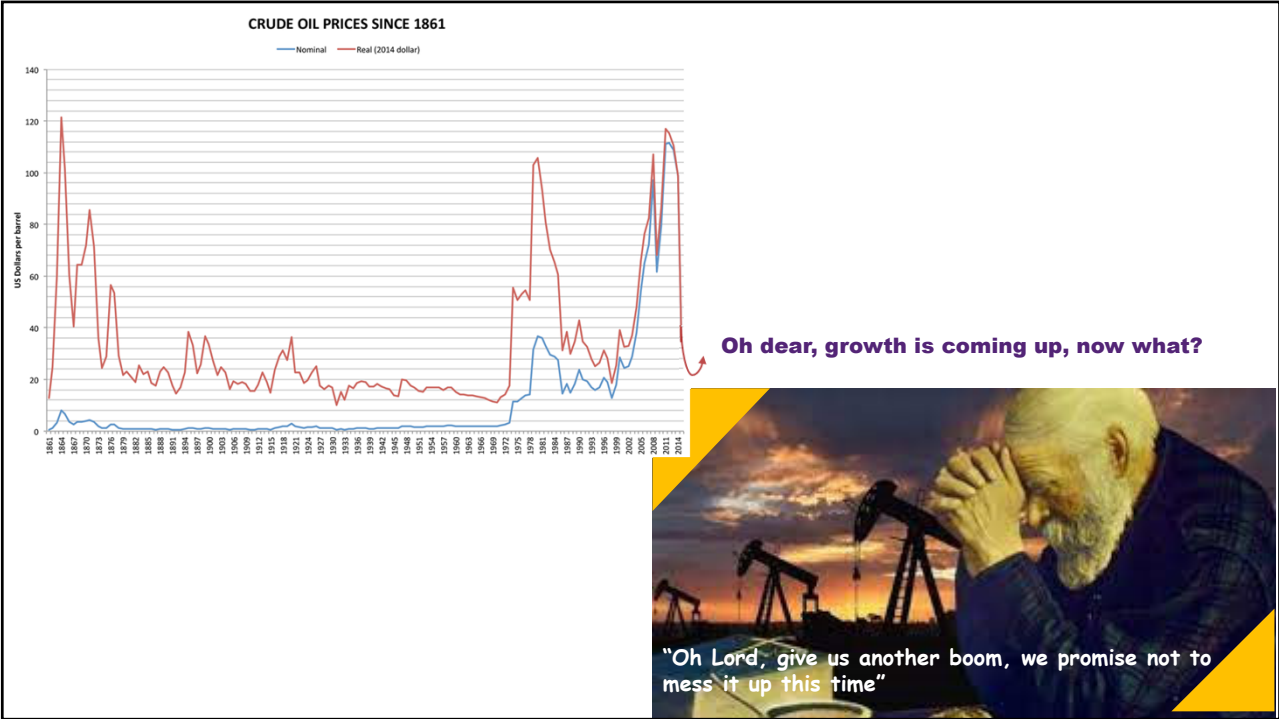
Lean Summit

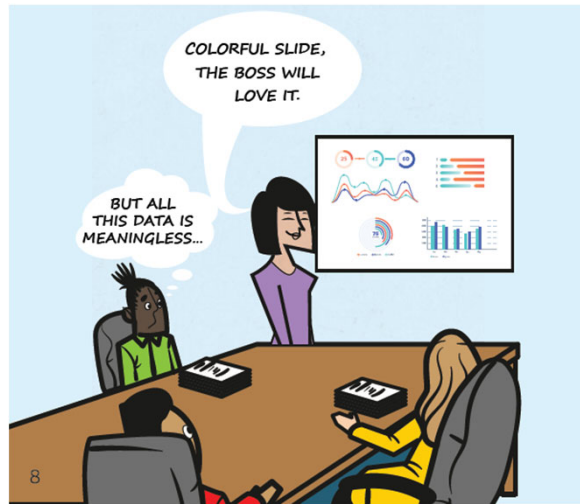


Fundamental Change in the way we Develop New Products in an Extensive Technology Development Program









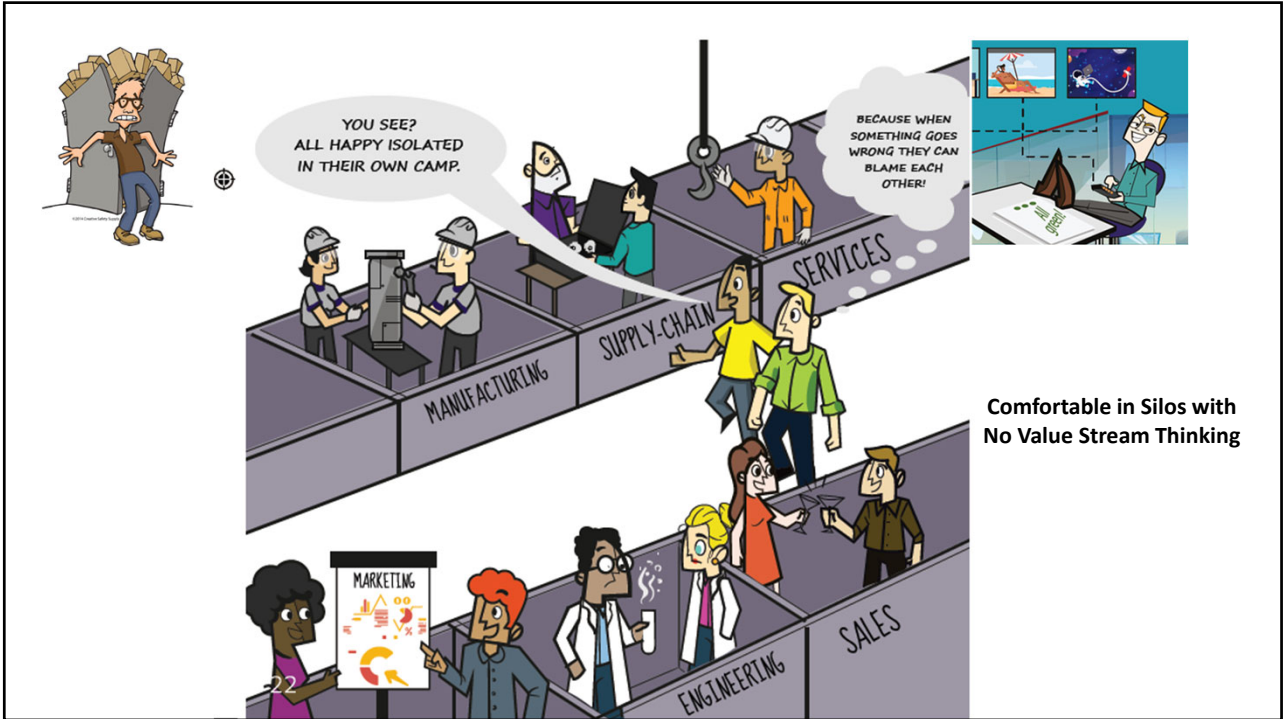
Management by PowerPoints



People Fabricating Perceptions of Reality

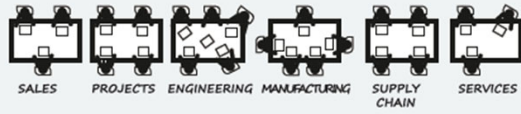


Management by Remote Control

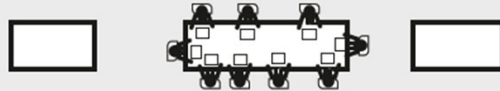


Comfortable in Silos with No Value Stream Thinking

ONCE UPON A TIME...



SOMEONE HAD A SIMPLE IDEA

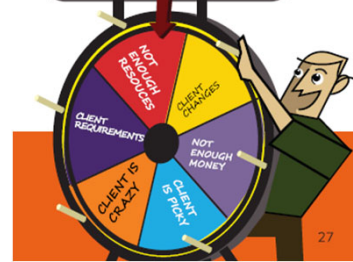


...AND THEY LIVED HAPPILY EVER AFTER.

25

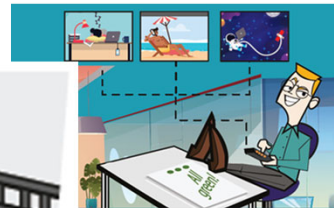


WHEEL OF EXCUSES



27

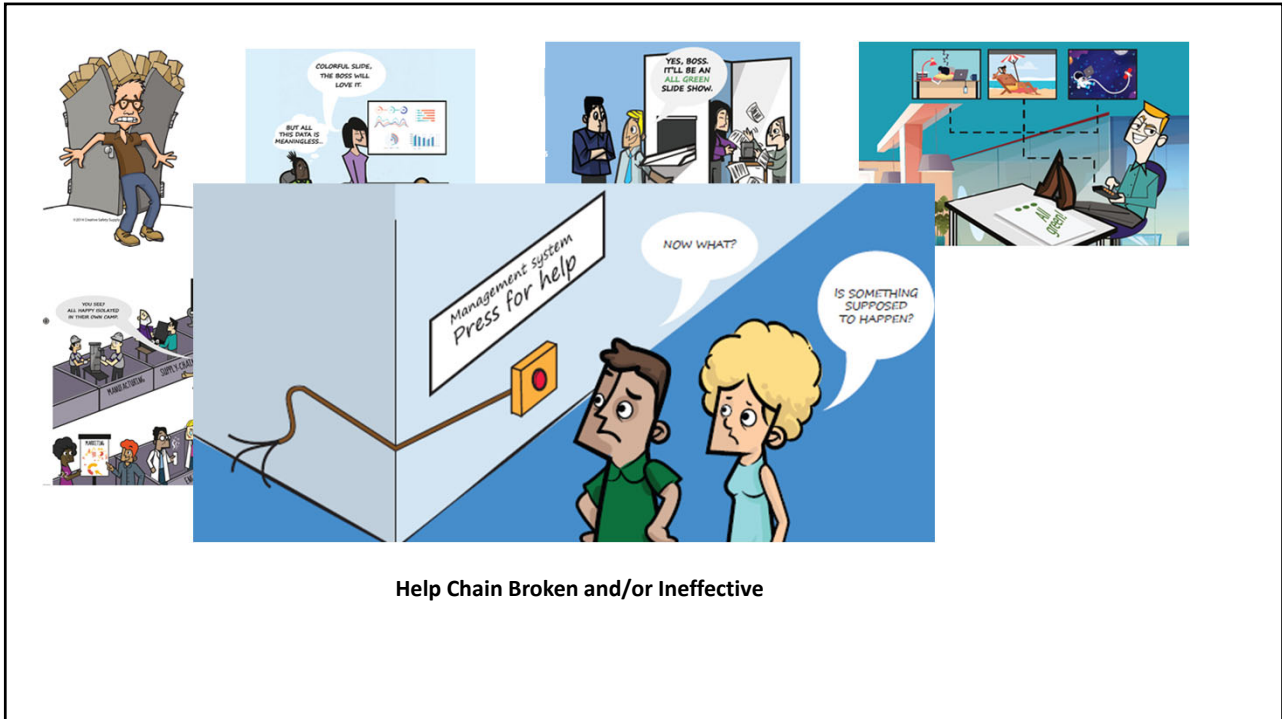
Silo Thinking Driving No Accountability



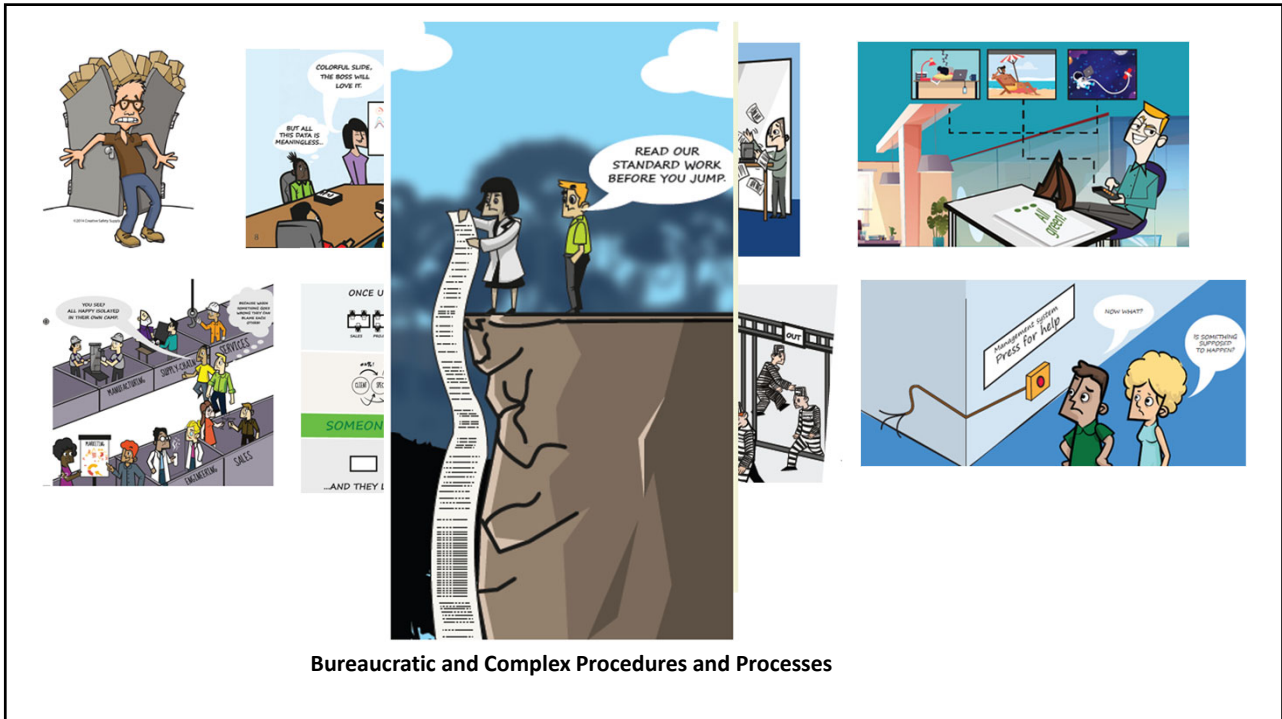
Problems Constantly Reoccurring



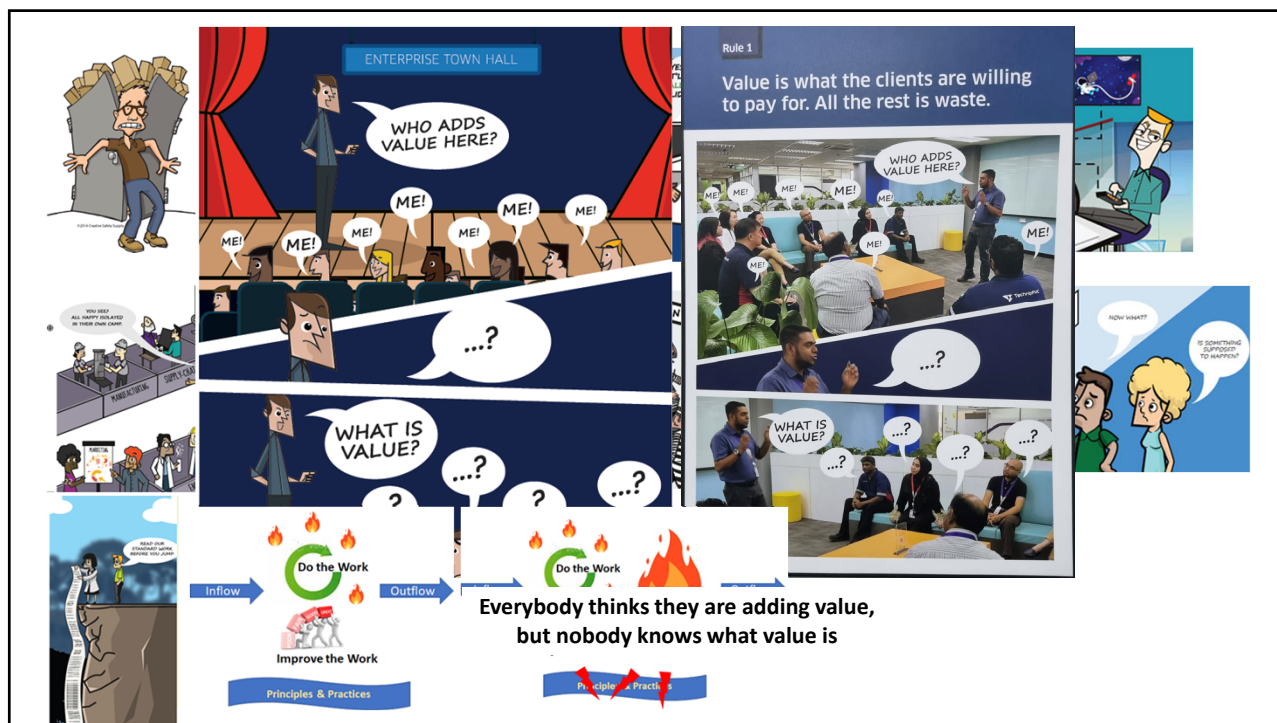
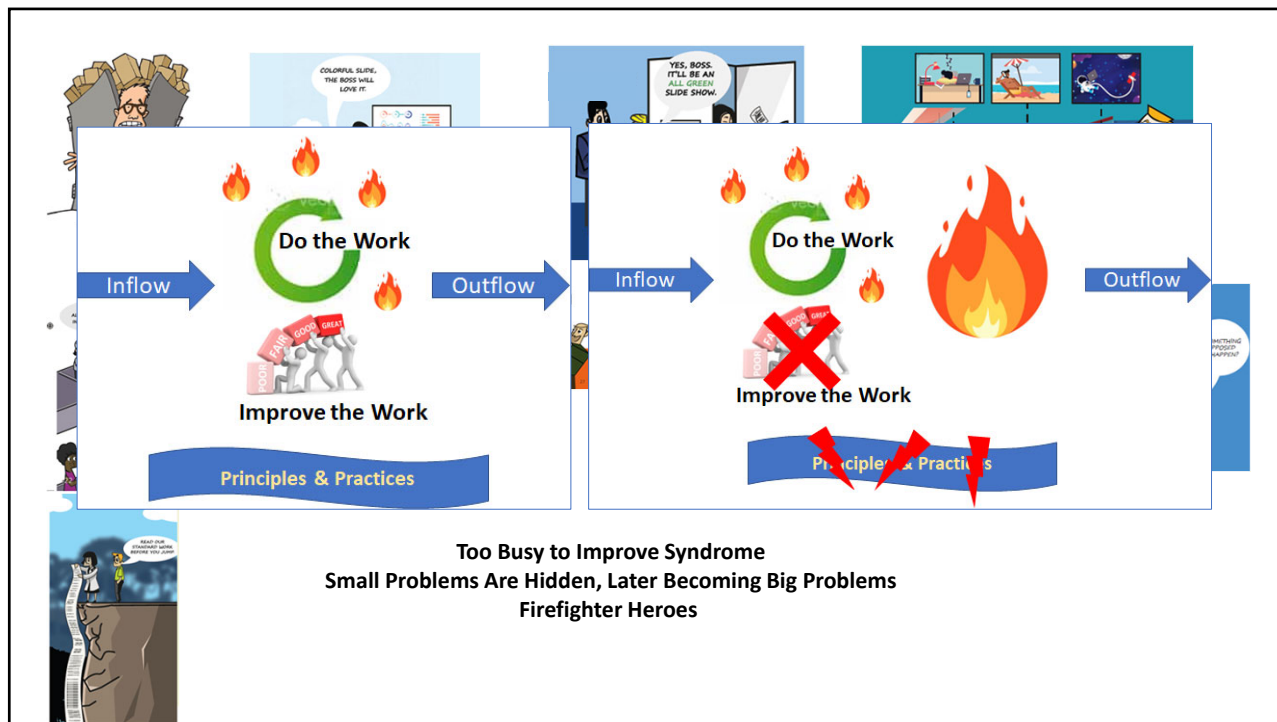
2024
Lean Summit



Help Chain Broken and/or Ineffective



Bureaucratic and Complex Procedures and Processes



Unclear Direction Leading to Complacency with Status Quo

Inflow → Do the Work → Outflow → Inflow → Do the Work → Outflow

Improve the Work → ~~Improve the Work~~

Principles & Practices → ~~Principles & Practices~~

WHAT IS VALUE? WHO ADDS VALUE HERE? NOW WHAT? BETTER JUST STAY HERE!

Unclear Direction Leading to Complacency with Status Quo

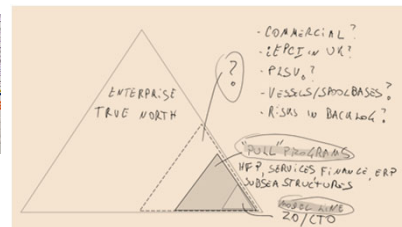
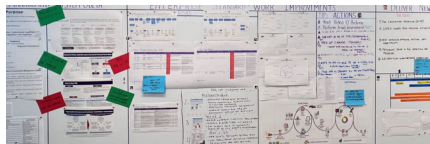
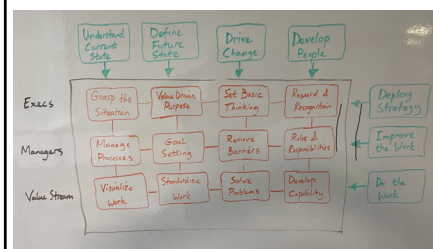
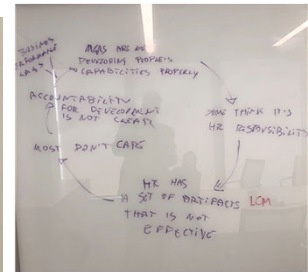
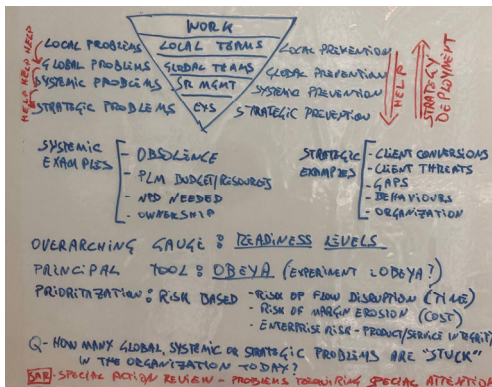
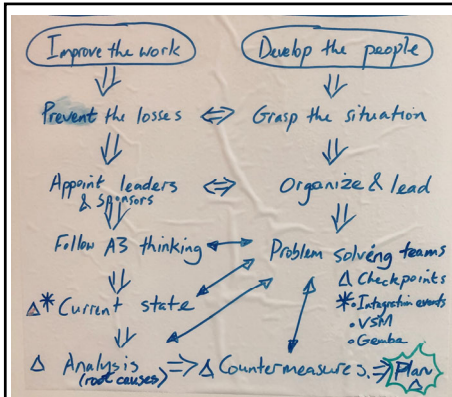
ONCE UPON A TIME... WHEEL OF EXCESS... SOMEONE HAD A SIMPLE IDEA... AND THEY LIVED HAPPILY EVER AFTER.

Inflow → Do the Work → Outflow → Inflow → Do the Work → Outflow

Improve the Work → ~~Improve the Work~~

Principles & Practices → ~~Principles & Practices~~

WHAT IS VALUE? WHO ADDS VALUE HERE? NOW WHAT? BETTER JUST STAY HERE!



TITLE: PDCA ON COST OF NON-QUALITY

BACKGROUND: CNOQ METRIC IS EVOLVING, IT'S A MATURE, EXHAUSTIVE AND USEFUL MANAGEMENT TOOL IN MANY AREAS OF THE COMPANY, HOWEVER WE CAN CLEARLY VISUALIZE IMPROVEMENTS BUT IT'S NOT THE SAME IN OTHER AREAS AND NOT REACHED THE BOARD. SOME OF THE COURSES OF THE METRIC ARE COST WELL UNDERSTOOD, PDI, FINANCE AND PLM ARE WASTING TOO MUCH TIME IN REDUNDANT PROBLEMS AND NOT USING THE PROBLEMS TO LEARN FROM. CRISIS PROJECTS CLEARLY ARE ANCHOR SYSTEM, THERE IS NO RATIONAL SYSTEM OF RECORD THAT CALCULATE QUALITY PERFORMANCE AND MONITOR THAT IN A CONSISTENT MANNER. CNOQ IS NOT CAPABLE TO MEASURE PROBLEMS OUR COMPANY IS SUFFERING.

CURRENT STATE: [Charts showing CNOQ performance]

STRATEGIC PLAN: FINANCIAL REPORT DEVELOPMENT THE QUALITY REPORTING, MAJOR AREA IMPROVEMENT THROUGHOUT THE COMPANY, BUT NOT WELL UNDERSTOOD FOR THE TOP LEVEL.

PLANNED STATE: AN OPERATIVE, STRUCTURE, MEASUREMENT, VISUAL MANAGEMENT TOOL THAT OFFERS CONTINUOUS IMPROVEMENTS.

ROOT CAUSES: BASED 2000 IS MODEL IN FINANCIAL ACCOUNTING, BUT NOT CORRECT, PROBLEMS BEING MONITORED THE PROBLEMS ARE NOT LISTED TO BE EXPANDED TO RANGE OUTSIDE THE PROBLEMS SPACE. IMPROVEMENTS IN MEASUREMENT AND ACCOUNTING, DIFFERENT DATA SOURCES.

COUNTER-MEASURES:

- THIS METRIC WILL NOT BE USEFUL AS FOR FUTURE AND FOR INCONSISTENCIES IN THE WAY WE OPERATE, BUT TO CHANGE IMPACT AND EFFECTIVELY AND MORE DISCIPLINELY ACCURATE TO BECOME USEFUL, AS DESCRIBE IN OUR FUTURE STATE.
- KEEP THE METRIC THAT ARE DRIVING IMPROVEMENTS AND CHANGE THE ELEMENTS THAT ARE NOT EFFECTIVE.

PLANNED PROBLEMS:

- COST OF NON-QUALITY → VALUE DESTRUCTION
- CHANGE OF NEGATIVE VARIATIONS FROM TOLERABLE TO EXCESSIVE PRACTICES

SCENARIO ANALYSIS (PERIOD COST):

- WARRANTY (PERIOD COST)
- LDG - FINANCINGS V. ACTUALLY PAID - DIFFERENTIAL PROPORTION
- FINANCIAL PROBLEMS (PERIOD COST)
- RISK WILL FINANCIAL COSTS
- VARIATION VARIATIONS FROM YEAR TO EXECUTION.
- RISK FROM FINANCIAL COSTS: ALL INCLUSIVE
- EXTERNAL FINANCING, COMPLEXITY EVALUATION, PROBLEMS WITH LOCAL PROBLEMS (ANYONE)
- REFERENCE QUALITIES (NOT EFFECTING PDI, IN 2007 TEND TO REGULATIONS COSTS)

Value Destruction Report:

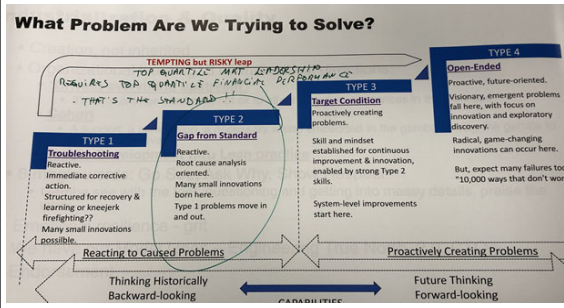
- RIG DOWNTIME (in BAS)
- VESSEL DOWNTIME (SHIP FLEET AND OUTSOURCED)



A3 - Measure the real Cost of Non-Quality

Bang!!

An Inflection Point in Dissatisfaction with the Status Quo



Enterprise Transformation as a Design Project

Introducing the role of Chief of Transformation (CoT), or Deployment Leaders. A cross-functional role with a mission:

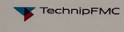
Run	Run the transformation
Create	Create a Concept Paper or a Strategic A3
Lead	Lead the planning, the pace and the execution process
Build	Build the required Management System and Help Chain
Coalesce	Coalesce the functions to support the Transformation



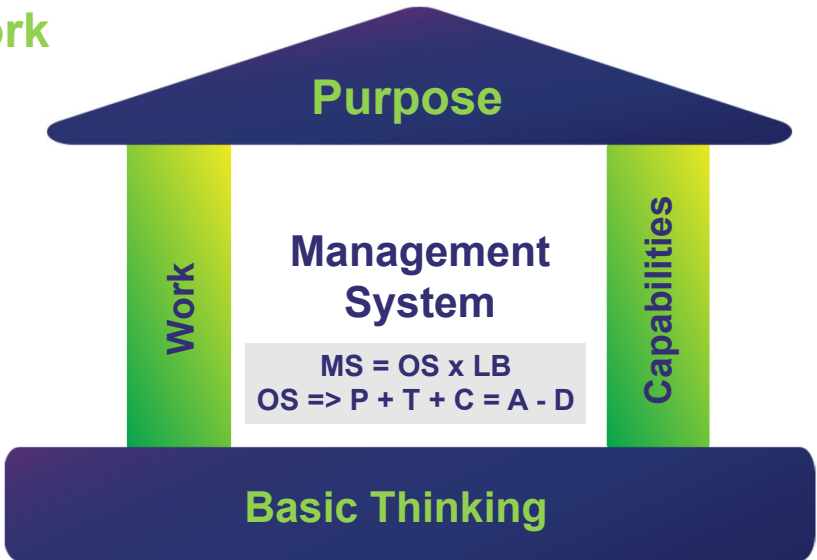
APRIL 4, 2022 - "I'm In"

ALL 22 [Signatures]

Page footer text | © 2022

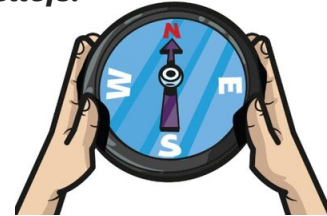


Lean Transformation Framework



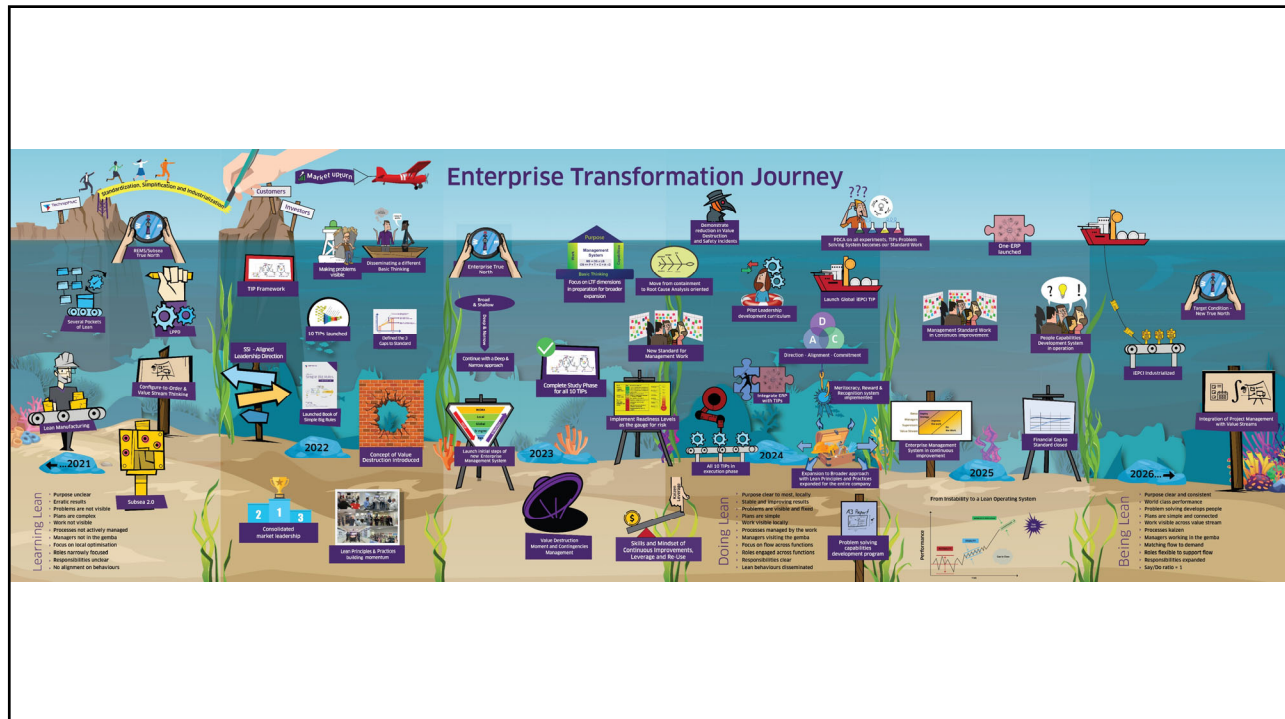
Our True North

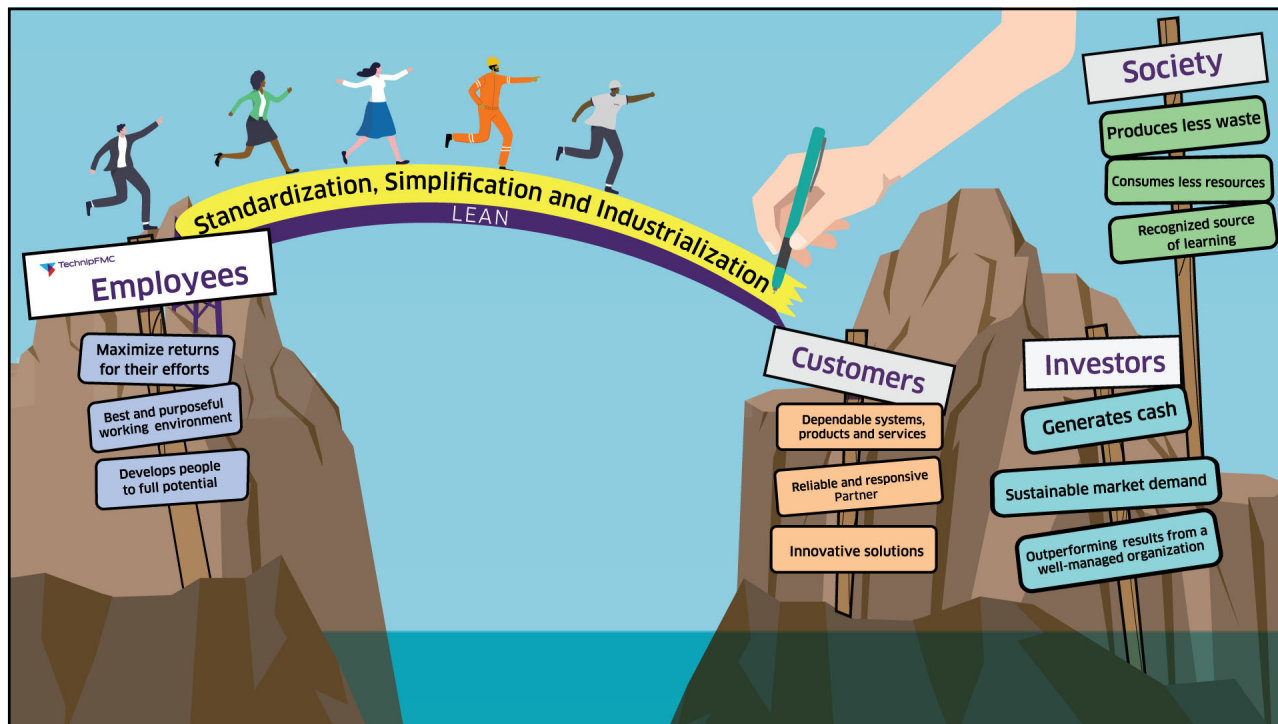
To industrialize our business and enable significant reductions in cost and lead time to generate superior returns to invest in our future growth, while never compromising on our foundational beliefs.



Our 3 Gaps To Standard

1. Profitability
2. Competitiveness in market we've created
3. People Capabilities to Industrialize our business





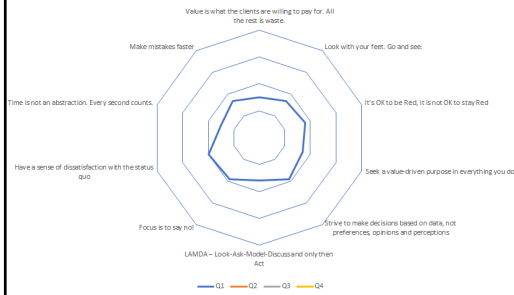
<p>Rule 1 Value is what the clients are willing to pay for. All the rest is waste.</p>	<p>Rule 2 - Look with your feet. Go and See</p>	<p>Rule 3 - It's OK to be Red, it is not OK to stay Red</p>	<p>Rule 4 - Seek a value-driven purpose in everything you do</p>	<p>Rule 5 - Strive to make decisions based on data; not preferences, opinions and perceptions</p>
<p>Rule 6 - LAMDA - Look-Ask-Model- Discuss and only then Act</p>	<p>Rule 7 - Focus is to say no</p>	<p>Rule 8 - Have a sense of dissatisfaction with the status quo</p>	<p>Rule 9 - Time is not an abstraction. Every second counts</p>	<p>Rule 10 - Make mistakes faster</p>



**No digital version
Leaders reading and discussing with their Team Members**

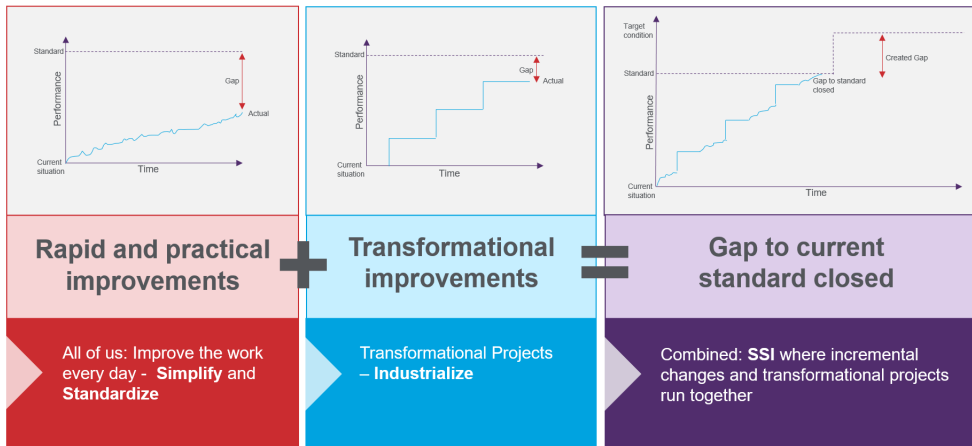
Experiment to create a "Leadership Standard"

Leadership Self-Assessment Exposed



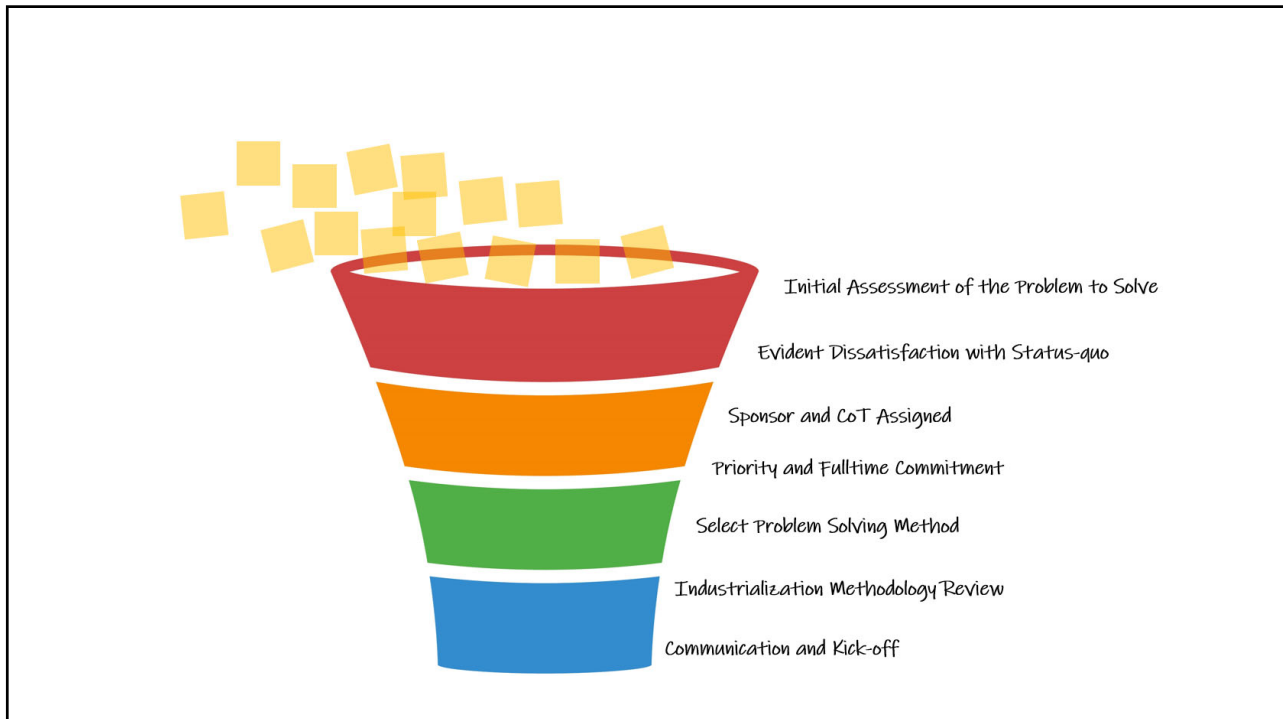
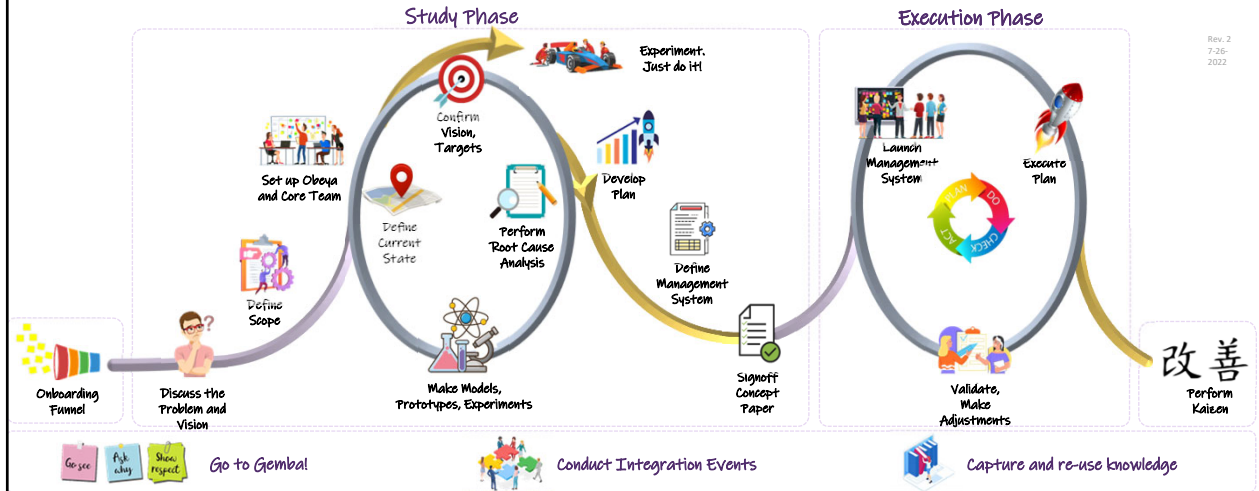
<p>Are you exposing your problems to solve them?</p> <p>I'm solving my problems, not sure I need to show them in public</p> <p>I'm starting to make problems visible, but struggling a bit to solve them</p> <p>My problems are exposed, I'm solving them once and for all ensuring they don't recur, by embedding countermeasures in the work.</p>	<p>Rule 3</p> <p>It is OK to be RED. It is not OK to stay RED.</p>
<p>What is the purpose of your work? Will it help the company close the gaps to standard?</p> <p>Purpose is unclear to me.</p> <p>I think I know how to translate the gaps to standard to my work, but not sure if it's changing the way I work.</p> <p>I'm changing the way I am doing the work and I have evidence of my contributions towards closing the gaps to standard</p>	<p>Rule 4</p> <p>Seek a value-driven purpose in everything you do.</p>
<p>How do we make decisions?</p> <p>Mostly, I take decisions by myself on my own.</p> <p>I normally involve others with the expertise</p> <p>I drive decisions based on documented evidence and/or experimental</p>	<p>Rule 5</p> <p>Strive to make decisions based on data; not preferences, opinions and perceptions.</p>

Work



- Design Project => Transformative Industrialization Program
- Chief Engineer => Chief of Transformation
- Sponsor => Sponsor

Transformative Industrialization Program Framework



TIPs Framework Standardized Work

The purpose of this step is to begin organizing the project.

Work	Purpose	Quality of Event (Output)
Establish Obeya	To visualize the work and make transparent problem to be solved, actions, and milestones	<input type="checkbox"/> Visualization of work and milestones <input type="checkbox"/> Problems are made visible <input type="checkbox"/> Help chain established <input type="checkbox"/> Cadence of Obeya interactions established <input type="checkbox"/> Core team defined and engaged with right behaviors disseminated
Establish Cadence	To define when to meet, who should be there	
Establish Core Team	To define the functions and resulting people needed to join the study phase	

Where to Learn

- Developing Your Obeya, Stage-by-Stage - Lean Enterprise Institute
- Obeya, Planning, and Visual Management - WELL Page

Tools

- Obeya-Template

Introduction to Obeya

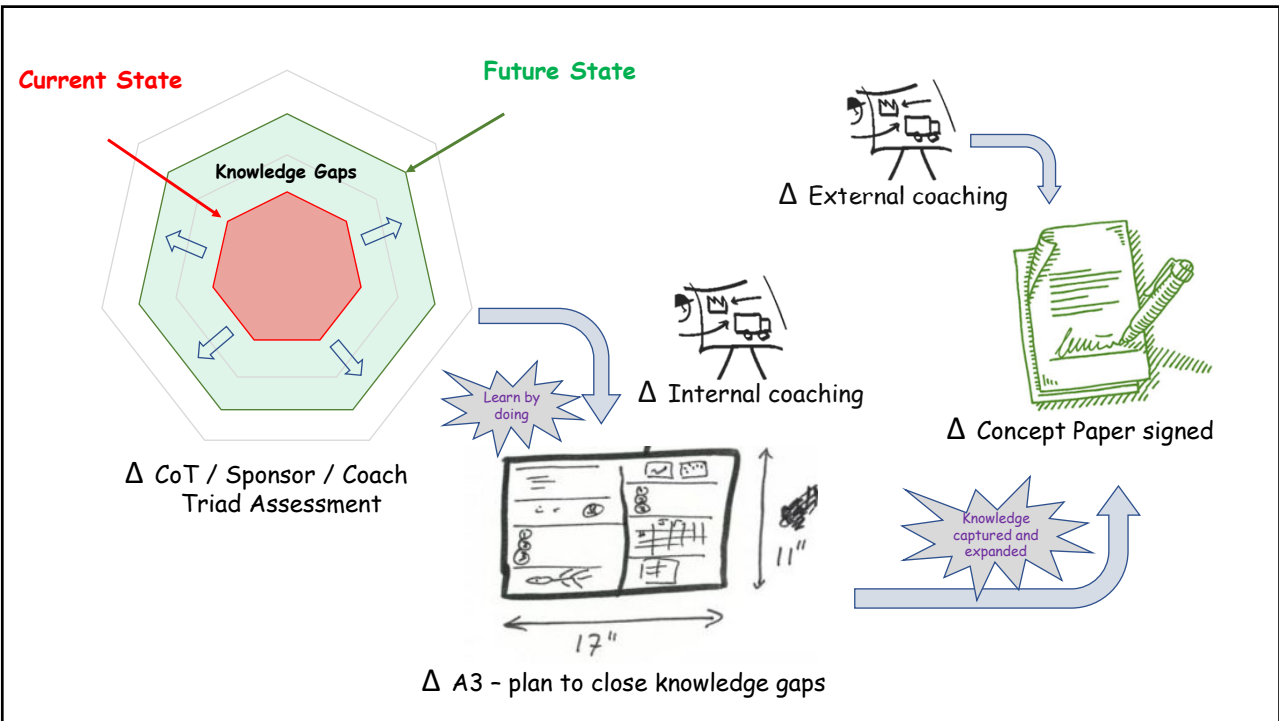
Kerry's Helpful Hints

Start with something simple to visualize the work; can expand as more people are brought in.

The core team should show a subset of functions implementing the execution.

When an item is help c...

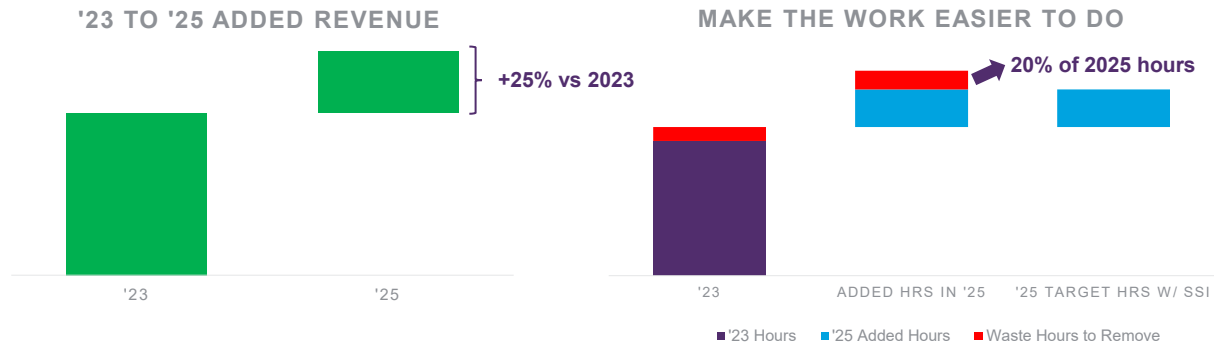
Triad Assessment



Subsea Services TIP example:

- We are already full!
- We already have the highest profitability in the company!
- What else do you need?

OK, how can we do 25% more work in 2025 with less hours?



Obeyas, Targets, Kaizens – Changing the way we do the work

North America
Implement ██████████
PDCA ██████████
Std Work ██████████

Europe
Implement ██████████
PDCA ██████████
Std Work ██████████

APAC
Implement ██████████
PDCA ██████████
Std Work ██████████

South America
Implement ██████████
PDCA ██████████
Std Work ██████████

Africa
Implement ██████████
PDCA ██████████
Std Work ██████████

TechnipFMC

38

TechnipFMC Readiness Levels						
Revision 02; 15 July, 2020						
	Technology Readiness Level (TRL) <small>Only applicable for Startups</small>	Product Engineering Readiness Level (PERL)	Manufacturing Readiness Level (MRL)	Supply-Chain Readiness Level (SCRL)	Service-ability Readiness Level (SRL)	Commercialization Readiness Level (CRL)
Business	0	0	0	0	0	0
Concept	1	1	1	1	1	1
Application	2	2	2	2	2	2
Application	3	3	3	3	3	3
Application	4	4	4	4	4	4
Application	5	5	5	5	5	5
Application	6	6	6	6	6	6
Application	7	7	7	7	7	7
Application	7	7	7	7	7	7

For more information, reference the Readiness Levels well page.

Leadership Capabilities Development Commitment

COUNTERMEASURES

COUNTERMEASURES INPUT

MYSELF: I DON'T KNOW HOW TO LEAD. I DON'T HAVE THE SKILLS TO LEAD. I DON'T HAVE THE EXPERIENCE TO LEAD. I DON'T HAVE THE SUPPORT TO LEAD. I DON'T HAVE THE RESOURCES TO LEAD. I DON'T HAVE THE TIME TO LEAD. I DON'T HAVE THE ENERGY TO LEAD. I DON'T HAVE THE MOTIVATION TO LEAD. I DON'T HAVE THE CONFIDENCE TO LEAD. I DON'T HAVE THE ABILITY TO LEAD. I DON'T HAVE THE WILL TO LEAD. I DON'T HAVE THE COURAGE TO LEAD. I DON'T HAVE THE STRENGTH TO LEAD. I DON'T HAVE THE BRAVERY TO LEAD. I DON'T HAVE THE COURAGE TO LEAD. I DON'T HAVE THE STRENGTH TO LEAD. I DON'T HAVE THE BRAVERY TO LEAD.

3 SELECTED AND **IMPACTFUL** COUNTERMEASURES

1. Commit to Learning (by Doing) and Educating
2. Cascade Direction + Targets (GTS)
3. Define a Problem (connected to GTS), Solve IT! (Start small)

WE HEREBY COMMIT TO THESE COUNTERMEASURES FOR 2024

TechnipFMC

COUNTERMEASURES

COUNTERMEASURES INPUT

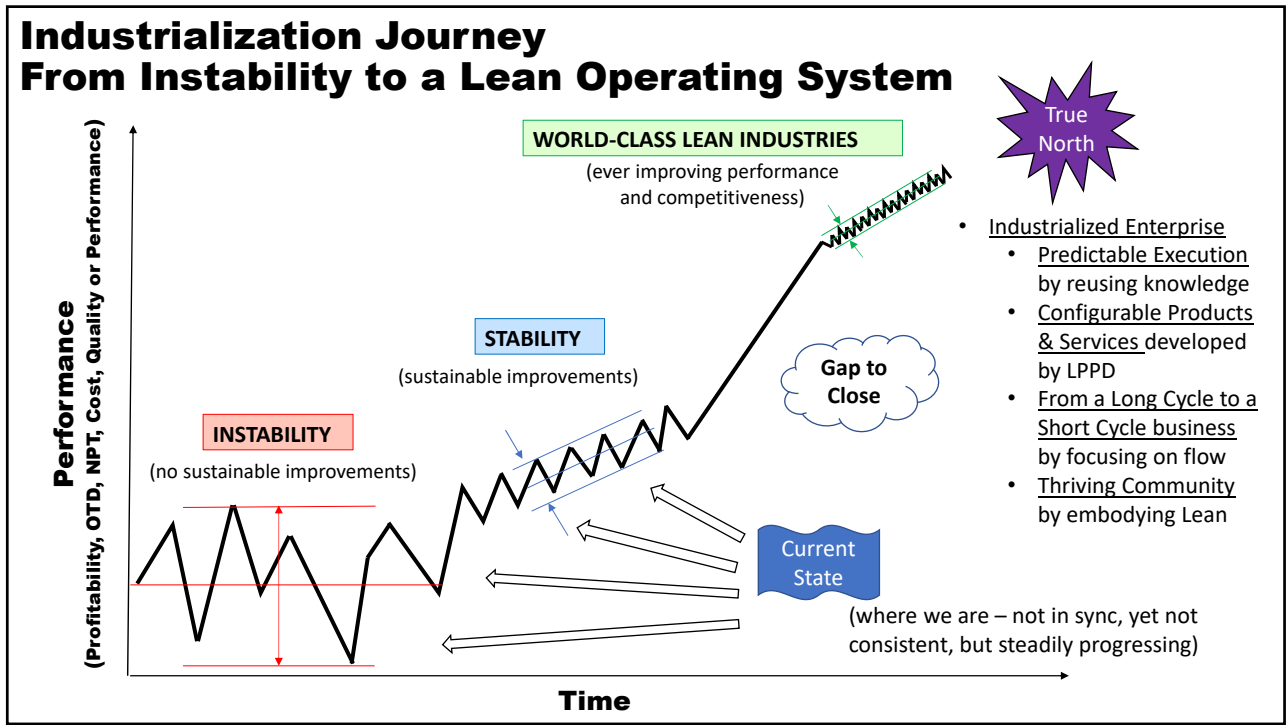
YOU: I DON'T KNOW HOW TO LEAD. I DON'T HAVE THE SKILLS TO LEAD. I DON'T HAVE THE EXPERIENCE TO LEAD. I DON'T HAVE THE SUPPORT TO LEAD. I DON'T HAVE THE RESOURCES TO LEAD. I DON'T HAVE THE TIME TO LEAD. I DON'T HAVE THE ENERGY TO LEAD. I DON'T HAVE THE MOTIVATION TO LEAD. I DON'T HAVE THE CONFIDENCE TO LEAD. I DON'T HAVE THE ABILITY TO LEAD. I DON'T HAVE THE WILL TO LEAD. I DON'T HAVE THE COURAGE TO LEAD. I DON'T HAVE THE STRENGTH TO LEAD. I DON'T HAVE THE BRAVERY TO LEAD. I DON'T HAVE THE COURAGE TO LEAD. I DON'T HAVE THE STRENGTH TO LEAD. I DON'T HAVE THE BRAVERY TO LEAD.

3 SELECTED AND **IMPACTFUL** COUNTERMEASURES

1. HAVE A STANDARD.
2. MEASURE GAP + MAKE IT VISIBLE
3. DEVELOP PEOPLE TO SOLVE PROBLEMS STARTS W/ US.

WE HEREBY COMMIT TO THESE COUNTERMEASURES FOR 2024

TechnipFMC



Thank you

