



Proudfoot

ENGINE  
MANUFACTURER

"It's a completely changed culture, where people feel like they're back in control."

CLIENT VICE  
PRESIDENT

What if you could...

# get a \$150 million contract back on track

With Proudfoot, you can.

**A world-leading aircraft component manufacturer needed to get a \$150 million contract back on track. Cutting production weeks by 64% for a critical component was just the start.**

Delays at this defence contractor placed lives as well as valuable strategic contracts at risk. In just eight weeks, we identified the solution, upskilled workers and had a viable plan to turn around performance.

Our client is a long-established, world-leading aircraft components manufacturer based in North America. We were called in after the company fell significantly behind delivery schedule for a strategically-important, \$150 million-plus military contract. Delays were endemic at the plant, which had a

long list of operational issues. But one component in particular stood out as especially problematic.

The component in question is common to 13 variants of the final assembled unit. It passes through 57 production steps and took 83 days to produce, against an original target of 28 days. Delays here rippled outwards, dragging plant-wide efficiency down. That's why attention to this part became one of two priorities for Proudfoot consultant Wesley Willis and his team when they arrived on site in October 2018.

## RESULTS

Reduced production time for key component from 83 to 41 days in just three weeks

Identified and corrected root causes of non-value-added queue times across 50+ production steps

Implemented active management and lean tools and behaviors with 200+ front line workers to change the culture

Financial benefits equivalent to \$9 for every \$1 spent on consulting fees.

“Armed with this new information, the joint client and consultant improvement team set an ambitious target of cutting production time for this key component from 83 to 41 days in just three weeks.”

**WESLEY WILLIS, PROUDFOOT**



Each of the final assembled units supplied by the company costs between \$750-800,000. **And every day of delay with this particular component costs around \$34,000.** They were behind schedule on 186 out of 200 units ordered. For our client’s customer, this meant fewer combat-ready aircraft available. As well as the business impact for our client, military objectives were at risk because of the delay.

“On top of this, the client was currently bidding for a new military contract with the same customer. Its chances of winning would be reduced if it continued to underperform on the current contract. Not surprisingly, the pressure to get delivery back on track was significant,” Willis explains.

Multiple reorganisations and poor succession-planning over several years were the root causes of the firm’s current problems. **Knowledge accumulated over generations had simply disappeared, allowing**

**inefficient work to go unchecked.** And management lacked a clear-enough view of the plant’s highly-complex production processes and work flow to make informed decisions.

The catalyst for change was the arrival of a new executive with lean management expertise. He quickly realised help was needed to up-skill people on modern practices and lean operations. This became the second priority for the Proudfoot team, says Willis.

“We taught lean principles to fourteen front line managers who had collective responsibility for about 200 front line workers and supervisors. We also realised they needed to practice active management techniques to maximise the effect, so we coached them on this too.”

At the same time, a separate work-stream focussed on speeding up the slow-moving critical component. First, the team used **Proudfoot’s proprietary Aerial Mapping tool** (see box).

This identified the root causes of delay throughout the plant. For the most critical component, this turned out to be the waiting time in between each of the 57 production steps it goes through. Minimising this particular constraint became a priority.

“I know something’s happening because the guys aren’t complaining!”



#### KEY FACTS

**Military equipment manufacturer**

**Unit cost \$800,000**

**Each day delay costs \$34,000**

**Each unit was taking 83 days instead of 28**

Armed with this new information, the joint client and consultant improvement team set an ambitious target of cutting production time for this key component from 83 to 41 days in just three weeks.

On top of this, through a combination of additional improvements, the team determined a way to set an even more ambitious, longer-term target of only 28 days within 12 weeks.

More generally, we introduced new work-in-progress software to improve visibility of all component production, plant flow and final assembly.

Information from this fed into a new regime of management meetings held three times a week to check progress and address any issues arising, explains Willis.

**“Instead of reacting to problems as they arise, team leaders and supervisors are now on the front of their feet, acting to iron-out every snag before they blow up into bigger ones.”**

“We’ve created a long list of action items extending out several months, and the team steadily worked through them as part of the new, continuous improvement regime.

It’s a completely changed culture, where people feel like they’re back in control.

As one quality inspector said, ‘I know something’s happening because the guys aren’t complaining!’”

Work now continues to bed-in the new ways of working and ensure that the

#### ENTERPRISE AERIAL MAPPING

At its core, Enterprise Aerial Mapping is a management insight and people engagement tool that can be likened to organisational ‘truth serum’. We created it to allow leaders to begin major change or transformation programmes with higher confidence and certainty, and lower risk.

Aerial Mapping uncovers rich company-and-situation-specific insight. It shows the links between people, process and technology. It reviews the interfaces, shows the dependences and highlights the gaps across functions, units and the company. Forensic-like in approach, Aerial Mapping allows you to see your business from any angle, from any stakeholder position and therefore in an entirely new light.

Using Enterprise Aerial Mapping allows executives to make better, fact-driven plans involving engaged people; to replace guesswork, risk and hope with certainty, clarity and security of outcome. Aerial Mapping is our unique IP; no other consulting firm approaches change and transformation the way Proudfoot does.



Our client has realized financial savings equivalent to \$9 for every \$1 spent on consultancy fees.

revised targets are consistently met. Initial results are already remarkable, considering the scale and complexity of the challenge, the small consulting team and the time pressure they worked under.

**Our client has realized financial savings equivalent to \$9 for every \$1 spent on consultancy fees.** But more importantly, its delivery schedule has improved significantly and will continue to do so.

The company is living proof that, with the right approach and an engaged workforce, it's possible to make a dramatic shift from endemic under-performance to operational excellence in just a matter of weeks.

## Contact Us

**To secure significant productivity you must engage your people to be successful.**

**To find out how we can help please contact Pamela Hackett, CEO, email: [pamelahackett@proudfoot.com](mailto:pamelahackett@proudfoot.com)**

### About Proudfoot

To our very core, we understand the people element of transformation. We introduce new capabilities, and we employ the power of your people to create performance multipliers and an engaged culture. Recognized for our speed and the magnitude of benefits we generate for our clients, we have been doing it — not just planning it — for more than 70 years.

**Tomorrow's results. Today.**

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