



Proudfoot

**AIRCRAFT
MAINTENANCE**

"The key to unlocking higher revenue was working out how best to optimise this complex operation to increase hangar utilisation."

**ANDREW XU,
PROUDFOOT
PROJECT LEADER**

What if you could...

free up 250 employee days of hangar capacity?

With Proudfoot, you can.

We enabled a leading aircraft maintenance company to take on 10 percent more work with no extra resources. And with no safety or quality compromises.

When our client called Proudfoot in December 2016, he knew he needed experts in creating people-driven, sustainable change. He had an ambitious goal: to get more out of the same business resources, to secure year-on-year revenue increase and to do both quickly and safely.

Our client is the chief executive officer (CEO) of one of the world's largest maintenance, repair and overhaul (MRO) services. His customers include household name airlines and aircraft manufacturers.

The company employs some 4,500 employees working in six hangars totalling 460,000m² in area. It's the equivalent to more than 100 football pitches. At any one time, up to 12 wide-body aircraft and five narrow-body aircraft are using these facilities.

The key to unlocking higher revenue was working out how best to optimise this complex operation to increase hangar utilisation, says Proudfoot project leader Andrew Xu.

CLIENT BENEFITS

\$12 million in strategic sourcing benefits

\$3.6m key account margin improvements

25% productivity improvement at 200% of target

Eliminated some third-party warehouses

Capacity to secure a new airline client

"The need to use front-line people to lead, communicate and drive successful change has become the accepted belief. I think many leaders know this. But that's not the same as knowing how to make it happen. Proudfoot knows how. That's what they are expert in and that's why we chose them to help us."

CLIENT VICE-PRESIDENT

ENTERPRISE AERIAL MAPPING™ EXPLAINED

We utilise an approach called Enterprise Aerial Mapping™: starting with a bird's eye view, we map across the scope including interfaces, relationships and connections, using a variety of tools and techniques, to determine the opportunities and uncover barriers to achieve your results.

"Aircraft on the ground are not earning money. So efficient use of the hangar slot to get planes in and out quickly, while preventing 'dead time', is vital. More 'hangar days' means more clients and significant revenue improvement. We had to achieve this with existing resources while maintaining safety and quality standards. It was no small task."

Built-in factory floor involvement

The first step in the project was to form a change team of employees working on the front lines of our client's operations. Almost immediately Xu realised how open and willing this team was to change.

"Our own research* over many years repeatedly shows that most front-line employees want to be involved in change but are often excluded. And sometimes they don't know where or how to start.

Change is something that's directed at them, not planned by them. Involving people where the work gets done is vital to ensure engagement and commitment to the entire process," he explains.

With the project team formed, Proudfoot provided coaching and capability development in key change skills via processes like **Aerial Mapping™**, a proprietary methodology. This analyses all the people, processes and systems involved in getting work done. It gives people detailed clarity and understanding of what work happens, why, when, where and how.

With the Aerial Mapping™ completed, the result was a clearly-defined set of improvement opportunities, generated internally and directly linked to operational indicators.

Over the next four weeks, the change team returned to the business, using





this new understanding to begin resolving inefficiencies.

“The need to use front-line people to lead, communicate and drive successful change has become the accepted belief. I think many leaders know this. But that’s not the same as knowing how to make it happen. Proudfoot knows how. That’s what they are expert in and that’s why we chose them to help us,” says our client CEO.

A forensic approach to improvement

Next, Proudfoot helped the client team set up a ‘war room’ for project governance and results tracking. This allowed progress tracking of all opportunities, some at hourly intervals. It measured significant improvements. This almost forensic-level of tracking kept the project on track. It allowed it to gain momentum as the team could quickly see its impact.

A key finding was the need to improve planning capability. The teams need to understand that planning is the precursor to the results they wanted to achieve. As in most industries, the quality of a plan determines the quality of outcomes. In commercial aircraft MRO services this is even more critical. Shifting complexity out of the operation means people focus on the work and not solving issues. It is also safer. Improved planning means more efficient turnaround time for critical path control and risk mitigation. When your planning improves you free up capacity – people and hangars. When you free up hangars you improve service levels and the ability to generate more revenue.



ABOUT OUR CLIENT

4,500 employees

460,000m² in six hangars

12 wide body aircraft and five narrow body at any one time



"Proudfoot has conducted research* which repeatedly shows that most front-line employees want to be involved in change but are often excluded. [Proudfoot] helped bring clarity and define new processes for people creating a positive culture of change within the organization. "

Proudfoot delivered 10% improvement in turnaround time without extra cost

The result of this change in emphasis was a 10 percent improvement in turnaround with no extra manpower but the real benefit came from freeing up capacity. This allowed them to secure a new client.

Improvements like this have become routine in the business. People now have the skills and capabilities needed to continue identifying fresh opportunities. A new culture, centred on the importance of planning, has increased our client's confidence in their ability to deliver change.

So impressed was he by the results of this six-month engagement, our client CEO re-hired Proudfoot. This time the

focus was on materials management. Here, the aim was to review on-site stock levels. It included reducing inventory and improving demand accuracy.

While it's still early days, the two parties are confident in their ability to secure significant additional improvements. They have identified a way to dramatically reduce the accumulation of non-moving stock while maintaining a high fulfilment rate.

Our client was able to free up 250 more hangar days. A few months later he was able to add a significant client to his customer base, something that would have been impossible before..

*** Triggering Transformation, Proudfoot 2018 People Solutions Survey shows that 87% of front-line staff want to be involved in change.**

Call Us

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

To find out how we can help please contact Dennis Santare, MD US Industrials, email dsantare@proudfoot.com

Proudfoot

**Tomorrow's results.
Today.**

E: info@proudfoot.com
www.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.



Agribusiness



Automotive



Chemicals



Consumer packaged goods



Engineering



Food and beverage



Industrial Products



Healthcare



Mining & Metals



Building Materials



Energy & Utilities



Oil & Gas



Logistics & Distribution



Insurance



Transportation



Aerospace & Defense