

Honeywell



Case study

Name: Honeywell
Sector: Technology & Services
Location: Bracknell, UK

UK performance improvement initiative generates impressive growth

UK performance improvement initiative blossoms into a global service improvement programme at Honeywell

Background

Honeywell's Automation Control Solutions (ACS) service division undertakes installation and scheduled and reactive maintenance for mechanical, electrical, fire, security and control systems within public and commercial buildings.

Intense competitor activity had put the division's scheduled maintenance business in the southern region – which includes the prestigious 'square mile' in the City of London – at risk. To reverse the downward business trend and recover profitability, Honeywell needed to enhance the performance of its service delivery structure and manage its resources more effectively.

Key challenges

- Reverse service delivery under-performance and recover profitability
- Change working attitudes and behaviours
- Increase service margins

Key gains

- Service delivery volumes increased by 40 per cent
- Non-chargeable engineer overtime fell by 48 per cent
- Achieved £700,000 gross margin improvement in just 20 weeks
- Created a template for service improvement across the UK and Europe

The challenge

The management team turned to Managementors to understand the scale of the challenge. A productivity assessment revealed the region's service team was under-performing against best-in-class benchmarks by an alarming 40 per cent. The analysis revealed that repeated organisational change had created a disillusioned workforce exhausted by numerous 'initiatives' that had done little to overcome entrenched 'that's how we do it around here' working practices and attitudes.

What's more, although engineering personnel represented the single most expensive resource in the service delivery operation, inadequate workload forecasting and planning structures meant supervisors were 'flying blind' when it came to maximising the operational performance of this critical resource.

The team turned to Managementors to drive a 20-week performance improvement project at the region's Dartford branch. As John Cathrine, Interim Service Leader at Dartford explains: "We needed Managementors to define new working approaches that would boost performance – and profitability – and help us tackle head on a long-standing resistance to new ways of working."

A new approach

The primary goals of the high-impact project were to clear the existing engineering backlog and get on track with the planned preventative maintenance programme, while bringing variable costs under control.

Working alongside the Dartford-based teams, Managementors enabled the creation of a new monthly operating system that included sophisticated scheduling and forecasting tools for service leaders. Alongside this, contract managers were coached in new proactive management practices and techniques.



Everyone at Dartford got fully behind the programme. Managementors' unique inclusive working approach, combined with a powerful 'changing mindsets' communications programme led by Managementors, meant everyone understood the goals of the programme and the part they had to play, and felt included in the entire process.

Within weeks the new scheduling system – combined with a review of territory management that meant engineers were reassigned to locations closer to their home base – began to generate morale-boosting results. Productivity improved while a fall in unplanned overtime costs and a reduced reliance on external contractors meant the region's performance was once again on track.

"Managementors gave us the process knowledge and rigorous management implementation that not only resulted in significant productivity gains but ushered in a new service-focused attitude amongst engineers and managers alike," confirms John Cathrine.

"Managementors created a new service culture and energy here, which has become an inspiration for service regions in the UK and beyond."

John Cathrine
Interim Service Leader,
Dartford, Honeywell ACS

Examining the gains

In just three months, service delivery targets in the region jumped by 20 per cent, with gross business margins achieving an impressive seven per cent growth. Meanwhile, non-chargeable overtime fell by 48 per cent, while sub-contractor spend reduced by 12 per cent. This massive performance turnaround attracted considerable interest at a national and international level within Honeywell.

As a result, the service performance improvement was applied across other UK ACS service regions and in Germany too. Longer term, there are plans to deploy the programme throughout Europe and also launch a pilot project in the US.

“Managementors created a new service culture and energy here, which has become an inspiration for service regions in the UK and beyond,” confirms John Cathrine. “They equipped our management teams with the skills and tools to manage more effectively and give clear leadership to the personnel they direct – all of which ultimately pays dividends for customers and our business.”

A brighter future

The lasting legacy of the Managementors performance improvement programme means the Dartford branch has now achieved a 40 per cent increase in its service delivery targets. Gross margin improvements achieved during the 20-week project represent revenue gains of £700,000, with further annualised increases projected.

But by far the greatest gain has been the creation of a newly invigorated service brand that’s proving adaptable enough to keep pace with changing market needs. “In a market where customers are increasingly sophisticated, we’re now able to respond with new service offerings designed to keep mission-critical environments operational,” concludes John Cathrine.

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Contact us to find out what Managementors can do for you

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