MRO provider diversifies from government to commercial market

Aerospace



About the Client

Provider of highly responsive aircraft engine maintenance, repair, overhaul (MRO) and test services, delivering customized business solutions and supplying reliable logistics support to commercial companies around the globe as well as with U.S. and international militaries. Client has a strong reputation for quality and service.

Situation

Only in the position of Vice President & General Manager for about one year, our client was under tremendous pressure to change the culture from a government contractor to a strong service provider to commercial customers. Years of federal funding had covered up inefficiencies.

Client had also hired a new operations manager who struggled to change behaviors and mindsets necessary to transform the business. This resulted in late orders and high levels of re-work. Additionally, client had failed at the first attempt of a commercial pilot contract. Client realized that they did not have the resources to change 40 years of embedded culture.

Client agreed that DB&A's approach of focusing on frontline manager execution was a huge opportunity. The business objectives were to improve on-time delivery and performance, decrease cost associated with poor quality and establish performance metrics in the areas of Production, Quality, Engineering, Program Management, and Test Cell.

Implementation

Client retained DB&A for an initial project implementation of 30 weeks that focused on installing a uniform management system across the entire facility. The implementation involved DB&A consultants working on-site for the duration of the project. The DB&A team consisted of one project manager and six consultants.

Client's supervisors and managers struggled to get a handle on managing the schedule and costs. To help address this challenge, DB&A helped the management team implement a systematic metric-based approach to proactively manage their people and processes. This included one-on-one coaching on tools and concepts designed to help them plan and execute work, as well as provided a structure for them to control the outcome in their respective areas each day.

Operational Results

DB&A expanded the management team's capabilities and overall capacity leading to the following results:

- 17.5% improved performance to budget on Bag and Tag engines - all delivered on time and under budget using an average of 676 hours per engine
- 41% reduction in overtime from 876 to 676 hours per engine
- 20% reduction in hours per F110 engine from 905 to 724
- Engine test performance results on subsequent commercial engines (after first fail) exceeded margin standards required which opened doors to new commercial business

Financial Results

DB&A guaranteed annualized savings of \$2.38 million and completed the project with \$3.96 million in actual annualized savings - a savings rate of 166% at project completion.

Culture Shift

DB&A faced the difficult challenge of helping the client reinvent themselves as commercial service providers in response to quickly changing market conditions.

One moment of a pivotal shift in the overall culture occurred during the completion of the first full MRO engine. The final stage of the test work was lined out on a schedule by shift for the first time. The manager divided all of the work with estimates so he could communicate to the team how much true time was needed at the end of the process in order to deliver the engine on time. This allowed for proper planning and ultimately a timely execution of the work.

This was not an isolated incident. Since the completion of the project, the client has been consistently meeting and exceeding expectations in on-time delivery and quality.

What the Client Said:

"I cannot say enough about the DB&A team's professionalism and willingness to dive into any situation we needed help with." - Operations Manager