

This Regional Aircraft manufacturer is a leading provider of regional aircraft and support services to regional airlines. It is part of one of the largest global Defense Systems providers in the world. With over 800 aircraft and more than 160 customers in 80 countries, its aircraft, include the Jetstream family, the BAe 748, ATP, BAe146 and Avro RJ. The success of their aircraft in today's competitive market is a tribute to their original design and the integrated support provision.

The Company's customer base continues to grow with current customers extending their contracts and new customers signing long-term aircraft lease and support packages. This continued business growth results from the successful drive to reduce costs and the ability to meet the demanding service levels today's customers have come to expect.

The Company headquarters and centre of Engineering and Support are located in the UK including its Asset Management and Spares Logistics divisions plus a facility in Washington DC.

Customer Support continues to develop its business and products with a specific focus on driving down costs. This cost-down focus and competitive integrated support product will ensure an integrated customer service provision to its customers for years to come.



## **9/11 AND THE DECLINE OF REGIONAL AIRCRAFT MANUFACTURING**

The Regional Aircraft division found itself closing several of its manufacturing facilities in the UK due to the worldwide decline in orders for small propeller and jet passenger aircraft. The few orders which were in existence were being won by lower cost manufacturers in Brazil, France and Canada.

CAA regulations dictated that customer and technical support still had to be provided to customers who had Regional Aircraft planes in operation. In effect this meant that the business had to transform itself from a manufacturing to a customer service and support organisation while at the same time drastically reducing its cost base. Historically the business was comprised of separate business units, namely: Sales, Production, Technical publications, Design and engineering, Air worthiness, Avionics etc

Each unit had its own support functions Accounts, finance, HR etc as well as separate customer facing Account Managers.

The business needed to consolidate all these separate units into a lean and world class customer support and sales organisation

## **IMPLEMENTING WHOLESALE ORGANISATIONAL RESTRUCTURING**

The challenge to implement the change was formidable. After the closure of the production facilities the business employed approx. 900 people across four sites.

The start of the process was to draw out an ideal organisation structure which served the needs of the customer and was correctly resourced to achieve same.

The project designed and implemented the following:

- An organisation structure led by a redesigned Sales and Marketing department with dedicated Account Managers
- A sales and revenue driven culture with sectional revenue generation targets (Modifications, Engineering, Sales and Technical )
- A Modifications department effectively supported by design, engineering and technical publications
- Parts picking and response time norms (for 'Aircraft on ground') and standards within the Weybridge spares and logistics warehouse
- Processes and procedures which supported an efficient CRM system
- Sales and operational KPIs which monitored performance
- Effective management control systems
- A resource balancing and allocation model for the redesigned organisation

Duplication of roles and functions were identified and resources were assigned and allocated according to the revised structure.

The project worked alongside the HR function and the overall headcount reduction was achieved through natural attrition and voluntary redundancies.

## **THE NEW LEANER ORGANISATION**

The measurable benefits resulting from the restructuring exercise were significant:

- Overall headcount was significantly reduced
- Year on year Modifications sales increased by 30% with a reduction in cycle time of 20%
- Warehouse labour efficiency increased by 22% with a significant reduction in paid overtime
- Technical publications turnaround times improved by 25%
- Billable engineering hours increased by 25%
- 'Aircraft on ground' required response times were near to 100%
- Customer service levels were consistently reported at 93-96%
- Customer complaints reduced by 85%



## WHERE IS THE BUSINESS NOW?

The business continues to show healthy year on year revenue growth as a result of the restructure and the injection of a sales and customer service culture.

It will continue to serve their Aviation customers until there are no more Regional Aircraft planes in service worldwide.



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