

Enterprise Wide Operating Model Deployment

- 89% reduction in Turn Around Time
- Throughput improvements of 41 days on average
- Deployment of the Enterprise Wide Lean Operating System to 7 European Agencies

The Background

Lufthansa Technic is a leading independent manufacturer and provider of maintenance, repair, overhaul and modification services for civil aircraft with tailored maintenance programs and state-of-the-art repair methods. They operate MRO Agencies with the capability to perform checks on customer aircraft at locations around the world.

Project7 was engaged in designing and implementing a Project and Performance Management Operating System to address underperforming Turn Around Times and poor schedule adherence and create the conditions for organisational sustainment by developing the Operating System guidance and benchmark standards to roll out across the Lufthansa European Agencies.

“Project and Performance Management has been our most successful initiative in recent years and has driven a fundamental shift in agency performance coupled with creating standard ways of working across our agencies.

Project7’s experience and coaching of our people has been critical to ensuring the success and sustainability of this initiative.”

VP Maintenance, Lufthansa Technic



Challenges

Turn around time (TAT) was being exceeded leading to a poor delivery performance, with an average of 46 days delay and significant penalty costs which affected capacity, created financial loss and deterioration of reputation internally and with customers. The additional days also reduced line capacity by C.400%.

Lufthansa Technic had increased its European footprint through the purchase of additional strategic agencies. These agencies had differing levels of performance and challenges such as the cost per man hour. Lufthansa Technic wanted to drive improved, standardised way of working enable best practice to be replicated across the network quickly and tackle the performance gaps some agencies currently had. In addition to the above significant cost reduction targets had been cascaded to each Agency and our client wanted rigour and transparency of this to provide confidence and the ability to react quickly should any areas struggle to meet these challenges.

- Targets and performance was traditionally managed by the management levels of the business, without full accountability and any early warning system existing at a Technician level.
- Problem solving was adhoc with no systematic triggers to drive its structured application to business performance as well as technical issues.
- Although a mature internal improvement community existed, the level of capability and experience to design, deploy and coach in a full operating system did not exist.

Solutions



Project & Performance Management Operating System Rollout:

1. Collaborative KPI and Target definition and cascaded from front line technicians to site Balanced Scorecard
2. Visual Performance Management at every level, vertically and horizontally throughout the organisation
3. Performance dialogues at every meeting based on the Visual Performance Management status and short interval control mechanisms.
4. Robust Process Confirmation by all leaders and managers to reduce variation and coach improvement.
5. Practical Problem Solving trained and delivered at all levels for repeat issues
6. Leadership Development through Sensei Coaching practices [Kata & TRGOW]

Creating the Conditions for Organisational Sustainment

Following the successful deployment of the Project and Performance Management Operating System, the challenge was to maintain performance standards following the direct Project7 Consultancy support and create improvement benchmarks that encouraged continuous improvement in a standardised way across the entire Organisation.

We designed Lufthansa's Organisational Maturity Assessment, improvement roadmap and Lufthansa concept documents for the Operating System. The assessment aimed to guide the same thinking way coached by Project7 and addressed the physical deployment of the system, mindset, capability, and behaviours of the people. Project7 successfully piloted the assessment and used the framework to coach the operating system with a Train the Trainer programme and our 4-Step Knowledge Transfer methodology. This systematic deployment ensured we built robust internal capability across the Process Specialist community and guaranteed long term sustainability.

The Organisational Maturity Assessment was defined and packaged to mitigate subjectivity when the teams deployed the assessment and establish an objective standard against which other Lufthansa's Agencies could benchmark themselves. The increase of internal maturity and capability provided confidence to the Organisation that Project7 could reduce its support and limit its involvement to conducting periodic evaluations and offer external calibration to the internal teams and Agency Network.

Our Impact on Performance

As a result of the deployment of Project and Performance Management and support from Project7, the Pilot Agency which was once the lowest performing of the Lufthansa Technic Agencies became the best performing both in terms of quality, delivery and cost metrics.

- Throughput was reduced from an average of 46 days delay to an average of 5 days delay during a 17 day period with Project7 engagement.
- 89% improvement in Turn Around Time [TAT]
- Lead the European wide operating system deployment, with creation of a documented “How to” concept guide for use and further deployment.
- We directly trained 25 internal assessors to facilitate the assessment with 100’s of people coached in the Operating System through the execution of the Assessments by our teams.
- Baseline maturity increased from below Bronze standard to Silver in several areas, with firm plans established to achieve Gold standard.

