

The Basics

Industry
Aerospace Manufacturing

Division
Aircraft Completion

Employees
2,600

BPM Partners Services

- Audit/Roadmap
- Requirements Validation / Definition
- KPI Development
- Vendor Evaluation / Selection

This manufacturer's ability to do timely and effective capacity planning, budgeting, forecasting, performance reporting, and analysis had become constrained by an Excel-based system that was fragmented and time consuming. They turned to BPM Partners to provide objective, expert guidance in assessing and defining business requirements, and selecting and designing a world class performance planning and measurement system.

The Challenge

- Improve core budgeting and forecasting capabilities
- Improve performance reporting and analysis capabilities and provide more timely, accurate, and secure information
- Automate data integration and report production and distribution
- Reduce labor intensive data collection, manipulation, and reporting processes

Best Practice Approach

- Laid out strategic framework for BPM
- Assessed and defined prioritized requirements
- Reviewed KPIs and facilitated strategic KPI definition sessions
- Applied structured evaluation methodology to select the right solution

Benefits

- Transitioned many disparate Excel planning processes to a fully-integrated performance management application
- Captured plan and actual data from multiple source systems in one environment
- Developed workflow and change management tools to help ensure the stability and accuracy of data
- Integrated production planning with performance management to meet needs of finance and many other functional areas
- Reduced budget cycle time
- Future: Will leverage performance management dashboards to enhance reporting and workflow process management

"Ultimately we got more than we expected and the benefit we received from your services greatly outweighed the cost. BPM Partners proved invaluable in getting our project on track, moving in the right direction, and completed."

Manager, Budget & Forecast

BPM Beyond Finance

This division of a large European aerospace company is based in the US and has a completion and servicing operation in the south. Unfinished "green" planes are flown in from Europe and then "completed" – engineered and manufactured to the customer's final (although sometimes changing) specification, with custom avionics, interior finishing, and exterior detailing. Production scheduling and planning are key to the success of this operation.

Outgrowing Excel

As the company continued to grow, its ability to effectively plan and manage, both from a financial and a production standpoint, began to be constrained by a proliferation of Excel-based solutions that were not scalable. All planning, budgeting, forecasting, reporting, and analysis was being performed via numerous complex Excel spreadsheets, using data extracted from multiple operational systems. In addition, several Excel based production scheduling, capacity planning, and reporting/analysis models had been developed by individual functional departments within the facility to meet specific planning and reporting needs.

Maintenance of the numerous Excel models was time consuming and labor intensive. Requests from management for reports, performance analyses, more frequent forecasts, and modifications to production schedules and budgets often required changes to the Excel models, which required significant investments of time from the budgeting and business unit resources. Time spent on collecting and validating data was time not spent focusing on value added performance analysis and planning.

The result was a long and tedious budgeting cycle, inadequate reporting and analysis, and highly labor intensive processes for planning and reporting.

Complex challenges

In addition to basic BPM needs, the company's primary expense driver for planning – direct wages – is driven by a complex array of processes, including aircraft scheduling, aircraft budgeting and forecasting, completion specification change requests, and direct staffing capacity balancing.

BPM Partners helped the aerospace company find a scalable performance management solution that met the needs of both engineering and finance.

Compounding the complexity was the fact that the actual data for aircraft completion had to be captured from five disparate systems: a 30-year old Work-In-Progress tracking system, a shop floor control system, a time and attendance system, and two inventory management systems.

With data in so many distributed source systems, with no central database or repository, aircraft completion performance management reporting was inadequate. There was no "one version of the truth," and maintaining all of the separate reports and templates was labor intensive and time consuming.

The Solution

The company brought in **BPM Partners** to provide direction in forming a business performance management strategy, and in selecting the right solution to bring it all together. BPM Partners worked with management to develop a roadmap outlining the path to a scalable and effective BPM solution.

BPM Partners helped to identify the key performance indicators (KPIs) that, if properly measured and managed, would make a difference in the company's business. BPM Partners assisted with defining and assessing a comprehensive list of requirements for the new performance management solution. Based on the business requirements and technology needs that were identified, BPM Partners was able to provide a short list of vendors and guide the company through a comprehensive vendor evaluation and selection process.

The company was able to implement an integrated platform for planning, budgeting, reporting, forecasting, and analysis. It was able to handle the company's unique requirements in relation to operating expenses and other driver-based accounts, allocations, capital projects management, indirect staffing headcount planning, indirect salary and related driver-based planning, annual planning, and quarterly 18-month rolling forecasts.

In addition to meeting finance's needs for planning, forecasting, and reporting, the solution that came out of the company's work with BPM Partners enabled them to integrate their systems for production schedules, direct labor capacity planning, detailed costing, and change order management, such that all functional areas were working from one integrated platform.



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