

## Fujitsu: Creating operational excellence and increased capacity through sustainable process improvements

### Executive Summary

Between 2003 and 2006, Trinity Horne carried out a series of three projects for Fujitsu Defence & Security (“Fujitsu”). Phase 4 – the subject of the present case study – built upon the efficiency gains of Phases 2 and 3, which included capacity releases of 9% (Phase 2) and 19% (Phase 3). The objectives of Phase 4 were to sustain the process improvements and changes in management behaviours achieved in previous phases and, in particular, to monitor compliance to the management framework introduced in Phases 2 and 3. Building upon past efficiency gains was vital as Fujitsu, shortly before the inception of Phase 4 (March 2006), had been awarded a contract to provide IT support to 100,000 new MoD users (“The F Contract”).

Phase 4 took place over 40 weeks during which time Trinity Horne introduced the following:

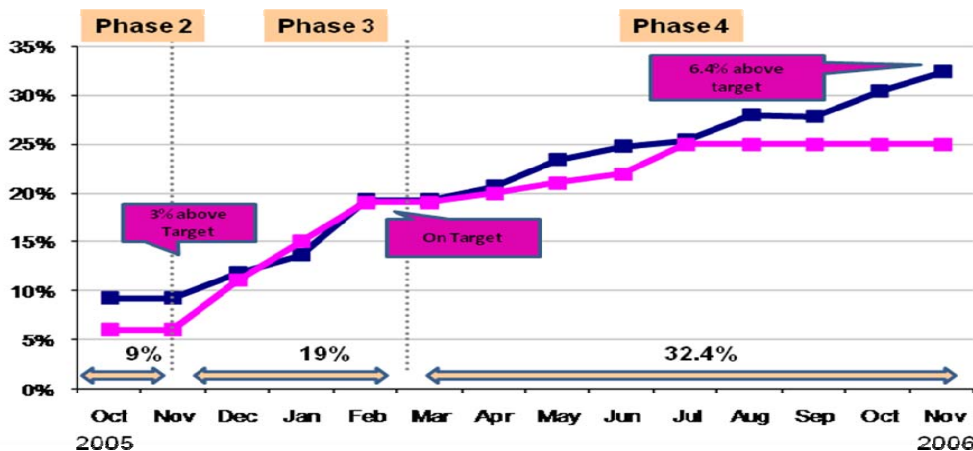
- A robust sustainability programme to maintain the benefits of phases 2 & 3
- Refresher management development workshops and further individual coaching of managers
- The review of key performance indicators (KPIs) to ensure that they remained fit for purpose
- Continued review, enhancement and deployment of new processes across the business

As a result of the project, Trinity Horne delivered improved operational performance of **32.5%**.

### What could the client not have done without Trinity Horne’s involvement?

Fujitsu recognised that on its own, achieving the desired cultural change would have been an extremely difficult task. The company therefore welcomed the support and expertise of a trusted external adviser.

### The phased stages of the FJ Operational Improvement Project



## The problem / opportunity faced by the client

The Phase 4 programme encompassed the following objectives:

- 1) Implement a robust sustainability programme to maintain and build on the benefits gained as a result of Phases 2 and 3. Monitor, track and report on compliance to process, as well as implement detailed corrective action plans where necessary
- 2) Put in place refresher training:
  - Reinforce successes to date by supporting behavioural change with refresher management development workshops, coaching and sustainability audits
  - Drive an active and engaged management style across the first and second line management community
  - Continue to assist in improving coaching and performance management so as to increase operational capacity which could then be invested in operational cost savings or new business (e.g. The F Contract)
- 3) Carry out a review of key performance indicators (KPI) to ensure that KPIs remained fit for purpose
- 4) Continue to review, enhance and deploy new processes across the business. In particular, carry out operational reviews in the bid management and F Contract areas. Specifically:
  - Review, document and critique end-to-end bid management and “F” incident management processes
  - Review methodologies used to cost and price propositions
  - Review resource requirements, operational and financial forecasting, planning, management and reporting routines associated with bid management and incident management

## Project Background

Fujitsu Defence and Security has worked with the MoD for over 40 years and is one of the UK defence industry’s biggest IT Partners. As part of a number of defence contracts, Fujitsu provided IT support to up to 50,000 MoD users for over 14 years.

In March 2006, the MoD awarded Fujitsu a new contract to deliver support to over 150,000 MoD users (the F Contract). Extra IT managers were required to meet this new demand, but Fujitsu senior management realised that if extra capacity could be released from existing legacy contracts, the number of new hires could be reduced. Phase 4 aimed at building on the capacity releases achieved in phases 2 & 3 and at creating further gains, thereby freeing up staff to work on the new MoD contract.

## Approach proposed by consultants

### Approach

The Trinity Horne methodology for process improvement is based on a collaborative approach, and involves working in partnership with the client organisation’s management and front line staff, as well as applying the Lean Sigma approach to process improvement.

### Actions taken

The sustainability work stream encompassed a number of areas within the business, including sites & estates, the help desk and system centre (3<sup>rd</sup> line help), MoD operations (e.g. engineers) security, 2<sup>nd</sup> line Web support and deployed teams.

Figure 2 illustrates the monitoring of compliance. The horizontal bar indicates the locations and the vertical bar shows the elements of the management operating framework (MOF), implemented in Phases 2 & 3, which were covered by the Trinity Horne audit.

Figure 2:

MOF Element	Service Desk	S&E West	S&E London	System Centre
ME1.0 - Forecasting	FI			
ME2.0 - Planning	LI	LI	LI	PI
ME3.1 Action Planning	FI	FI	FI	PI
ME3.2 1-1s	FI	FI	FI	PI
ME3.3 Quality Reviews	FI	FI	FI	PI
ME3.4 Huddles	FI	FI	FI	PI
ME3.5 Team Meetings	FI	FI	FI	PI
ME3.6 Mgmt Frameworks	FI	FI	FI	NI
ME4.1 Reports KPIs	FI	LI	FI	NI
ME4.2 Reports REs	LI	LI	FI	NI
ME4.3 Reports Production	FI	FI	FI	NI
ME4.4 Reports Feedback	FI	FI	FI	PI

FI – Fully Implemented

LI – Largely Implemented

PI – Partially Implemented

NI – Not Implemented

## ***Improvement of processes in individual areas***

Process improvements were identified using the Lean Sigma principle (define, measure, analyse, improve and control).

With areas requiring improvement identified, Trinity Horne coached and refreshed managers in the use of the management framework, so as to drive out further performance gains. The management framework formed a blueprint that allowed managers to understand what activities a successful manager should perform, and managers had been taught, in phases 2 & 3, the tools required to drive performance improvements. These tools included monthly and weekly performance meetings with teams, regular team huddles focussed on short interval control and reward & recognition, active management, coaching and feedback sessions, empowerment of teams, long and short term objective setting at team and individual levels, sharing of best practice, setting performance incentives and use of key performance indicators.

In order to reinforce the lessons and efficiency gains of phases 2 & 3, Trinity Horne also made use of its MasterCoach® methodology, designing a refresher programme of behavioural change based on the method. The first stage of the MasterCoach® methodology aimed at giving repeat lessons to Fujitsu managers on the correct use of the tools identified in the management framework, e.g. the principles of active management, how to plan and to set targets etc. Secondly, Trinity Horne gave individual managers accelerated, one-to-one performance coaching. This developed individuals through a structured approach and used techniques such as personal action plans and individual learning plans. Trinity Horne then continued to coach managers using side-by-side, on the floor support, over a number of weeks, so that the correct behaviours were fully embedded.

Throughout the course of the project Trinity Horne held regular meetings with Fujitsu senior management. The support and commitment of Fujitsu senior management was a vital factor in achieving the benefits identified in the initial project review.

## **Scope & Scale of consulting intervention**

The project spanned 40 weeks and involved some 450 people. This figure included 2<sup>nd</sup> line managers (area managers), 1<sup>st</sup> line managers (team leaders) and their teams. In addition, the methodology had to be applied to individuals working in a contact centre, a back office environment and in the field. The fact that the project spanned three very different styles of operation added a considerable degree of complexity.

## **Success factors and challenges**

### **To what extent were project objectives met and challenges overcome?**

The project achieved the benefits defined by Trinity Horne in the initial operational review. Importantly, as a result of the project, Trinity Horne achieved a 32.4% capacity release. Managers and teams previously engaged in servicing existing contracts can now deliver support to the new MoD users acquired as part of the “F Contract”. The foundations have also been put in place to cope with even greater volumes of work.

## Tangible Benefits

The success of the project was measured against agreed financial and operational baseline models. The return on investment for the project, based on the findings in the original operational review, which set the measurement baselines, was **3.7:1**

The programme started in March 2006 and, at the time of writing (October 2007) the following outstanding results had been achieved:

Area	Impact	Benefit
Overall	Improved operational performance /capacity	<b>32.4% Increase</b>
Service Level	Improved and sustained at a level of 90%	<b>5% increase</b>
Average Reassigns	No. of contacts reassigned to a second operator reduced by improved 1 <sup>st</sup> time fix and increased efficiency of 1 <sup>st</sup> line support.	<b>30% reduction</b>
Complaints	Due to increased efficiencies and operating processes complaints reduced	<b>52% reduction</b>
Calls with missing information	Level of service improved by user education	<b>98% reduction</b>
Chase calls from customer	Improved first time fix and follow up lead to reduction in customer chases	<b>78% reduction</b>

## Intangible benefits

Since the improvement programme, teams have become much more focussed on performance and quality, and have understood the benefit to the organisation of ensuring there is a balance between both. In addition:

- A consistent style of management has been introduced. Performance can be measured effectively between departments and individuals
- Managers relate work to time for the purpose of planning and scheduling
- Managers establish quality and performance expectations on which to monitor progress
- Managers organise, plan and assign work more effectively
- A “management by exception” environment has been created
- The new way of working highlights hidden, as well as obvious potential to improve operational performance

The Trinity Horne programme also complements the activities of the Fujitsu Management Academy.

## Lessons learnt from both the client and consultant perspective

### Lessons learnt by the client

The client learnt the value of a structured methodology, as well as the need for a consistent management style. Prior to the inception of the project, there had been huge variation in management styles. By reinforcing the management operating framework, the company is now able to measure performance effectively between different individuals and teams.

### Lessons learnt by the consultant

The project had excellent results and these gains hinged, in great measure, on the behavioural change brought about by MasterCoach®. Through the project, Trinity Horne realised the value of its MasterCoach® methodology.

## **The client/consultant relationship**

The Trinity Horne consultants worked closely with Fujitsu management and staff in order to design and develop the necessary process changes and improvement identified during the operational review. A programme board was set up to monitor the project and regular updates were held with senior Fujitsu management to report on progress and to address any risks or issues. The day-to-day tracking of project benefits was managed through weekly meetings and regular calls at which exceptions in performance were identified and acted on.

As a result of the success of Phase 4, Fujitsu invited Trinity Horne to embark on a fifth phase of process improvement, a fact that attests to the success of the client / consultant relationship.

## **Client testimonials**

“We have undertaken the implementation effort, improved significantly and we are seeing the benefits. Now we need to aim higher”

**David Burgon – Live Service Director**