

FSL trebles SC21 customer engagement in 3 weeks



Richard Woodward and Neil Broad of FSL Aerospace Limited recognise the value of Aligned, Resilient and Coherent (ARC) relationships.

As part of FSL's continuous improvement programme, they wanted to give representatives of their customer base the opportunity to tell FSL what was working for them and what FSL could be doing better.

Keen to complement and go beyond essential Quality & Delivery (Q&D) measures, and consistent with their commitment to **SC21 (21st Century Supply Chains)**, FSL decided to use the comprehensive list of B2B measurement criteria in the Relationship Measurement Matrix (RMM) as part of a Relationship Management Review process (RMR).

FSL used the ARC RMR Service from **New Information Paradigms (NIP)** to apply the RMM in the same new ways they'd already achieved with their suppliers. Within three weeks, FSL were enabled and empowered to:

- More than treble their RMR engagement with key customers.
- Surface important performance issues, including an unprecedented 'snapshot' across multiple customer relationships.
- More clearly establish their relative importance to their customers.
- Extend their management of relationships as more of a portfolio or 'collective'.

The emerging relationship patterns and profiles now form the basis for focused account management plans and actions, together with some internal FSL business process improvements.

FSL's next steps are to identify and share improvement actions internally and externally, join up feedback from suppliers and customers for a fully-rounded picture of their performance, and set new performance targets.



Case Study

The challenge

Engaging multiple customers to obtain rich continuous improvement feedback, using the SC21 RMR process and RMM diagnostic.



The solution

Complementing Q&D feedback by applying the SC21 RMM in new ways made possible by NIP's new ARC RMR service.

How it worked

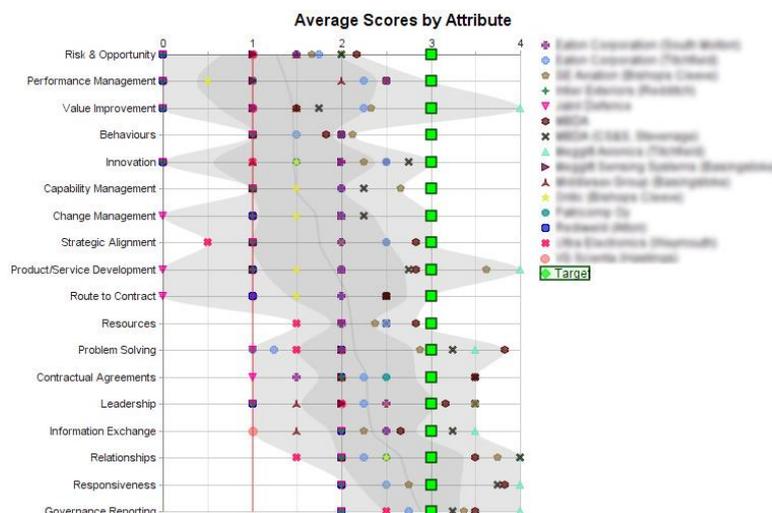
Eliminating administrative overhead associated with the Excel-based RMM; successfully decoupling the process from the workshop; exploiting the service's new portfolio analysis reports.

The results

Trebled customer engagement with the RMR; an unprecedented 'snapshot' of FSL's performance; enhanced clarity about FSL's relative importance as a supplier.

What next?

Identifying and sharing improvement activity; holistic overview through being able to benchmark against supplier feedback; setting and revising performance targets; further extending engagement.



The challenge

FSL are an SME supplier to the aerospace and defence sector. Operating within such a competitive marketplace, powerful and effective customer engagement is crucial.

Richard: *“Unless we know how our customers see us, we can’t refine and improve how we service and satisfy their requirements. Nor can we demonstrate the responsiveness and commitment to continuous improvement we believe differentiate us from other suppliers.”*

FSL use ‘traditional’ surveys and account meetings to obtain actionable customer feedback – mostly about Q&D. However, Richard and Neil wanted to engage with more customers, and they wanted more feedback on the ‘softer’ side of their relationships – to give richer context for Q&D metrics, highlight additional improvement opportunities, and deepen relationships.

Neil: *“Q&D improvement certainly helps relationships, but I’m a firm believer that the SC21 RMR process is the best way to improve them. It creates a common ‘language’, and it covers things that just don’t come up otherwise. Whenever we’ve done an RMR, we’ve learned many beneficial things, and the relationship has blossomed.”*

FSL had recently used the RMR in new ways to transform supplier engagement, but they see their “supply chain” as both customers and suppliers, and – unlike most Q&D measures – the RMM’s questions apply equally with both.

If FSL could find a way to use the RMR to also transform customer engagement, it would therefore be possible to consolidate learning across all relationships, for a far richer and more holistic view of performance.

However, the traditional RMR process involves a very heavy resource commitment: most suppliers can only run one RMR at a time, and they typically struggle to engage most, or even any, of their customers with it.

The process also typically takes two or three months, which drastically limits its use for performance feedback. Issues and priorities rarely stand still in the time between collecting feedback and the workshop, and – because RMRs can’t easily be run in parallel – the problem only gets worse when considering multiple customers: feedback is spread across months or years, preventing meaningful patterns being identified.

Neil: *“The RMM covers all the right areas, but most companies – FSL included – just don’t have the resources to run the process with more than a handful of companies. Suppliers can’t engage with their customers and learn from them, and vice versa. This needs to change.”*

The solution

Reluctant to sacrifice the goal of broader and deeper customer engagement – or to let go of FSL’s SC21 commitment – Neil and Richard decided to use NIP’s online ARC RMR service in the same ways FSL had pioneered with suppliers:

1. **Decoupled from workshops**, to exponentially reduce the resource commitment and dramatically lower the engagement threshold.
2. **One-way measurement**, retaining the richness of the RMM, but using it to quickly obtain direct and actionable performance feedback.
3. **Simultaneously engaging multiple customers**, to generate a ‘snapshot’ overview of performance, on top of learning within each relationship.

The work FSL had done with suppliers proved that the RMR process can finally be scaled. It also produced new and powerful ‘real time’ performance insights that aren’t possible when running RMRs individually. FSL now wanted to see if they could realise the same benefits with customers.

SC21, the RMR and the RMM

SC21 was launched by A|D|S in 2006 and is *“...designed to accelerate the competitiveness of the aerospace and defence industry by raising the performance of its supply chains”* at a time of rapid growth.

SC21’s RMR process describes how two companies can use the RMM questionnaire to assess eighteen key areas of their relationship, voicing issues and pinpointing specific areas to improve.

However, adoption has been constrained, due to:

- **Overhead created:** relying on a spreadsheet to distribute, collect and collate RMM responses leads to significant additional work.
- **Resources required:** attending a workshop to discuss results and agree an action plan is a very large commitment for most companies.
- **Time needed:** scheduling a workshop usually takes many weeks, extending the process dramatically when quick action might be needed.

The RMR and RMM are extremely valuable.

However, even larger companies end-up using them with relatively few relationships, and often just to react to known issues (missing the opportunity to identify potential new issues):

- Rightly or wrongly, the vast majority of suppliers feel ‘disenfranchised’, receiving little or no focused relationship engagement.
- The opportunity to consolidate learning across relationships is lost (reinforced by the RMR and RMM’s focus on one relationship at once and the time the process takes).
- The relationships performance element of SC21 is deferred – often indefinitely – in favour of diagnostics focused on internal capability, which seem more ‘achievable’.
- Performance issues fall between the cracks – including because companies are wary of being overwhelmed by improvement actions.

Key People

Richard Woodward, Sales Manager (FSL)



Richard is responsible for FSL’s client relationships and recognises the importance of the RMR process as a way to gather their perceptions – the essential first step to future relationship improvements.

Neil Broad, Sales & Marketing Director (FSL)

Neil is an active and influential SME representative in the SC21 Collaborative Working Special Interest Group, keen to encourage greater adoption of SC21’s relationship aspects.



How it worked

Richard and Neil knew that engaging customers would present new challenges.

Richard: *“We knew we were ‘upping the ante’ by extending our new approach to the RMR to customers. With suppliers, we were the customer, but the shoe would now be on the other foot, and we didn’t want it to be dismissed as ‘just another form’. We’re one of many suppliers competing for our customers’ attention, so we had to make it even easier and even more compelling for them to take part.”*

They decided to focus on just their top fifteen clients and carefully drafted an introductory message that explained how FSL would share the feedback they received and turn it into action. They reordered the RMM’s questions to better reflect customer priorities, and – to later help interpret and present results – they recorded their own view of performance within each relationship, whilst also categorising invitees into job roles.

The ARC RMR service then handled the rest, compressing the process from several months into just a few weeks, eliminating virtually all administrative overhead. Progress was dynamically tracked, and results presented online in enhanced, automatically-generated and interactive graphs and reports.

The results

FSL’s immediate focus was rightly on performance in individual customer relationships. The results largely confirmed where they already thought they were performing well, as well as known issues that mostly reflect the difficulty of engaging with customers. But there were also fresh issues uncovered, and a rich set of detailed comments to follow up.

Richard: *“The RMM surfaced things simply not covered in surveys and account meetings, and although nearly half of respondents waived anonymity, it empowered them to give feedback they might be less likely to give in person – much of which is directly actionable.”*

FSL have also been able to highlight differences in perception to feed forward to account reviews – or even possibly a fuller RMR process, where appropriate.

The ARC RMR service’s new cross-relationship reports provided a ‘snapshot’ that then highlighted important overall performance patterns – including when consistent feedback revealed issues that might have gone unnoticed within separate RMRs. This simply wasn’t possible before – especially as the time between RMRs would have made apparent patterns far less significant.

FSL also learned much about their relative importance to their customers.

Richard: *“It has helped clarify where we stand. For example, one customer scored us low on ‘Strategic Alignment’, but said this reflected the nature of our relationship. Another said they wouldn’t participate in such a process with most suppliers – a strong indicator that we’ve got a good relationship with them. Others didn’t respond at all or said they were too busy, and that also tells us a lot. We’re not always where we want to be with our customers, but to have any chance of changing things, we first needed to know where we’re starting from.”*

But probably the most important and striking result of the process was how FSL have again ‘changed the rules’ of SC21.

Neil: *“In the last two years, we’d only persuaded three of our fifteen key customers to engage with us using the RMR. In just three weeks, we more than trebled that number. Having also previously engaged twenty of our key suppliers, that now covers over three quarters of our key supply chain stakeholders – an increase of over 900%. I imagine that makes us unique as an SC21 SME...?”*

NIP’s online ARC RMR Service

The managed ARC RMR service from NIP automatically distributes, manages and analyses RMM responses online in a way that is:

- **Infinitely scalable** in numbers of respondents, roles, relationships and repeats of the process.
- **Fully flexible**, being equally suited to one- or two-way measurement, and with or without a workshop as a goal.
- **Easy to engage with**: respondents just follow a link, fill in the RMM, and click “Submit”.
- **Immediate, comprehensive and incisive**, generating enhanced reports in real time.
- Able to **affordably deliver significant savings** and incremental value.

The administrative burden and associated costs aren’t simply transferred; instead, they are almost wholly eliminated – the process can even be fully run within an hour, e.g. at an account meeting.

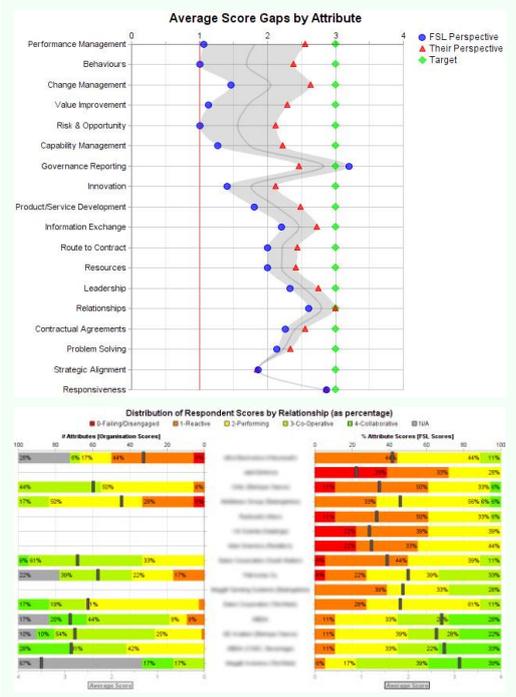
Users are freed to focus their attention and resources purely on engaging with relationships in situation-appropriate ways, including:

- Dealing with **critical performance issues**.
- **Regular monitoring** of effectiveness.
- Developing **awareness and capability**.
- **Full portfolio management**, e.g. identifying overall opportunities, strengths and weaknesses; rationalising, refining or expanding supply chains, etc.

The result? Relationships that are more:

Aligned
Resilient
Coherent

New, incisive RMR reports



What next?

FSL's immediate priority is to consolidate this unprecedented customer engagement by identifying the resulting actions, reporting them back to customers, and then carrying them out.

Richard: "We plan to communicate the results back to everyone that responded, and possibly also those that didn't. This will actively demonstrate our commitment to continuous improvement, 'reward' participants for giving feedback, and help us repeat the process in future – perhaps even with those customers that didn't take part."

Targets are already being set for repeating the process, and FSL also plan to add further value by looking at the presentation of the RMM questions themselves. Although respondents were struck by the ease of the assessment process – an endorsement of the online approach – there were also numerous comments about how some of the questions weren't clear.

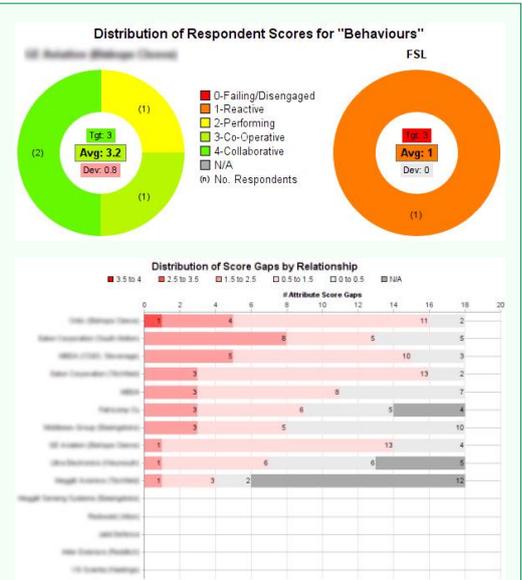
Finally, the 'shared language' and benchmarking opportunities of the RMR and RMM mean that FSL can 'join up' the new learning with that from their suppliers earlier in the year. A more complete picture of their performance will be provided, and it will also bring customer- and supplier-facing teams closer together, enabling them to share knowledge and insights.

Neil: "To some of our customers, FSL's performance pretty much fully depends on how well we're performing with a particular supplier. Equally, to many of our suppliers, our performance very much depends on the success of specific customer relationships. The two feedback perspectives therefore very much complement each other and give a total picture of the overall supply chain's performance."

But that means there's a challenge for all other SC21 companies:

Neil: "SC21 suppliers need to recognise that customers have limited resources and get creative in how they engage their customers. FSL are at the early stages of using the RMR and RMM in new ways to do that. But we're proving it's possible, and SC21 customers equally need to respond to their suppliers – if they don't, the whole supply chain is weakened. The industry needs to work together as a whole if we're going to rise to the challenges facing us – primes need to widen their vision, encourage suppliers to appropriately engage with them and reward those that do."

Effective and productive relationships are in everyone's interest; lowering the barriers to entry means everyone can engage.



Facts and Figures

- **17 responses** from **10 customers**, including **5 large primes** – for most, their first RMR engagement with FSL.
- A **38% response rate** that compares favourably with typical customer surveys – especially as the RMM has more and richer questions.
- Over **50% of responses** contained full comments expanding on the scores given – a significantly higher proportion than usual.
- **Nearly half of respondents waived anonymity**, signalling willingness to discuss further – actionable feedback that indicates successful engagement.



For more information



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The information in this case study is subject to change without notice

