

New RMR Service enables FSL to scale-up relationship engagement



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

They wanted to give representatives of their supply chain the opportunity to tell FSL what was working for them and what FSL could be doing better.

Beginning with suppliers, and to give a 'voice' to the FSL supply chain, a simple survey was considered.

However, reflecting on their commitment to SC21 (21st Century Supply Chains), and working with their Training Partner, Dave Bull of TEC, FSL decided to instead use the comprehensive list of B2B measurement criteria in the Relationship Measurement Matrix (RMM) as part of a Relationship Management Review process (RMR).

Using the ARC RMR Service from New Information Paradigms (NIP) to apply the RMM in new ways, FSL were enabled and empowered to:

- Establish current relationship performance levels.
- Surface related supply chain issues, some of which were surprises.
- Begin managing 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 scale and repeat the process to identify more trends, open up selected relationships to two-way evaluation, and widen focus to include customer-facing relationships.



Case Study

The challenge

Scaling-up FSL's relationship engagement in breadth and depth, using the SC21 RMR process and RMM diagnostic tool.



The solution

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; dramatically extending the tool's reporting capability to encompass portfolio analysis.

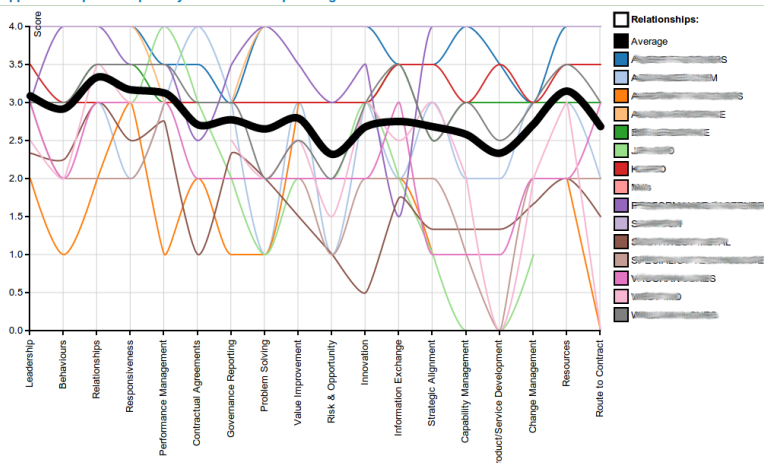
The results

Identification of previously unknown supply chain issues that could have had a seriously detrimental impact; enhanced relationships through specific feedback and consolidated portfolio insights; more efficient and relationship-specific use of resources.

A bright future

Further extending relationship engagement within FSL, primes, the tiered supply chain and the SC21 community.

Supplier Perception: Gap Analysis - Relationship Averages



The challenge

FSL are an SME supplier to the aerospace and defence sector. Occupying anything from Tier 1 to Tier 4 supply chain positions, they need to be readily adaptable whilst remaining a 'hub' for delivering cost-saving solutions.

FSL's customer and supplier relationships are therefore crucial.

Neil: "Deepening relationships is something FSL works hard at. It's a key differentiator when 'competing' for attention, and supply chains are only as strong as the weakest relationship. In FSL's language 'supply chain' means our customers as well as our suppliers, and we want to hear what they have to say – both individually and as a collective 'voice'."

Reflecting this commitment to improved performance, FSL were an early SC21 adopter. Having worked with Dave to achieve three consecutive SC21 awards, they have considerable experience of the RMR's benefits.

Neil: "I'm a firm believer in SC21, and especially how the RMR process helps improve relationships. It creates a common 'language', and it's a great way to engage – especially as the RMM covers things that just don't come up in regular review meetings. Whenever we've done an RMR, we've learned many beneficial things, and the relationship has blossomed: relationship engagement is essential for SC21 to flourish."

But FSL are also very aware of the practical constraints.

Neil: "Most companies – FSL included – just don't have the resources to run RMRs with more than a handful of companies in their supply chain. That makes engagement very difficult, leaves most suppliers without a 'voice' and it means we can't learn from them. It's important that, as a sector, we do something to change that."

FSL were therefore in a dilemma: they wanted to take a lead in broadening and deepening relationship engagement, and – as strong SC21 advocates – it was natural to want to use the RMR and RMM, to further SC21 deployment.

However, the constraints of the RMR process and the Excel-based RMM presented FSL with a choice: encourage SC21, but with limited engagement or broaden relationship engagement, but in a less structured and powerful way.

The solution

Neither option was attractive to FSL. Working with Dave, they therefore began considering three new and related ways in which to use the RMM:

1. **Decoupling it from workshops**, as FSL could only have run a handful of these, and also as a workshop would have been too great a resource commitment for some smaller companies they wanted to engage with.
2. **One-way measurement**, at least to begin with, using the RMM to quickly obtain direct and actionable supply chain feedback about FSL (not rating the relationship, as is traditionally the case).
3. **Simultaneously engaging with multiple suppliers**, to generate portfolio insights on top of the learning within each relationship.

NIP's online ARC RMR Service made it possible to put these ideas into practice.

FSL had already run two traditional RMRs with NIP and Dave, so already knew how an online approach transforms efficiency – it was now time to dramatically scale-up the efficiency gains to a relationship portfolio, and extend the basic RMM reports to handle true cross-relationship analysis.

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, but 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). Overall:

- The vast majority of suppliers feel 'disenfranchised', receiving little or no focused relationship engagement (especially beneath Tier 1).
- The opportunity to consolidate learning across portfolios is lost (reinforced by the RMR and RMM's focus on one relationship at once).

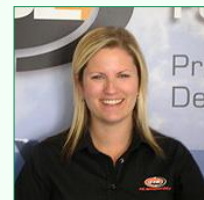
Key People

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.



Carly Prickett, Purchasing Manager (FSL)



Carly is responsible for FSL's supply chain relationships. She has been extremely impressed by the RMR process, and is keen to see its uptake accelerate – within FSL's supply chain and beyond.

Dave Bull, Director (TEC)

Through his work at TEC, one of the leading SC21 Training Partners, Dave quickly saw and embraced how online tools can transform the traditional RMR and expand RMM supply chain coverage.



How it worked

Twenty suppliers were identified to run the process with. Even a conservative estimate of the time needed using the Excel RMM would be ~300 man hours – a majority being administrative overhead – spread across many months.

The ARC RMR Service eliminated virtually all of this overhead, compressing the process into a few weeks. Responses began arriving within 48 hours of invitations being sent, and reminders were automatically issued as needed.

Carly: *“If we’d tried to do this on our own, we’d have found it hard to know where to start, but the process was largely hands-free – we did contact most suppliers to introduce the process, but all we then needed to do was send NIP the contact details and wait for the results.”*

By being online and database-driven, the service handled the high volume of data and respondents with minimal effort needed. Results were then presented online in a series of automatically-generated and interactive graphs and reports, with each new response immediately incorporated:

- Familiar gap analysis, “0s & 1s” and radar charts were all available, but extended to consolidate all feedback; not just from one relationship.
- Powerful new visualisations of the data made the overall picture clearer, which also provided rich context for the detail.

FSL had continuous access to these, enabling them to see how the portfolio analysis was taking shape – immediacy simply not previously possible.

Neil: *“Visually, as a tool, it’s outstanding. I loved how we could easily drill down into specific relationships, questions, responses and comments to get a clear sense of what was behind the overall averages”.*

The results

Helpfully, the results largely confirmed where FSL believed they had strong relationships and performance. But they also uncovered issues FSL simply didn’t know about.

Carly: *“For example, one high performance supplier had five people that responded, each with loads of comments and none of which came up when we met in person just a week earlier. We’ve now re-prioritised the order of our visits, and I think suppliers will really appreciate and value FSL’s commitment and openness in addressing the issues they’ve identified.”*

In some cases, FSL are now using the RMM to gather internal feedback on the issues that have surfaced. This allows for comparison of perspectives, and – where it would be beneficial – may lead to traditional RMR workshops.

However, as workshops weren’t the fixed goal, FSL can now effectively engage resources as appropriate to each relationship, armed with a rich context for follow-up actions that will benefit their specific relationships and their business as a whole.

This context also includes cross-relationship reports that highlighted important overall patterns – clarifying known issues, and helping pinpoint new ones that might have otherwise remained ‘weak signals’ within separate RMRs.

Carly: *“Even though we’ve only scratched the surface, we’re even clearer now on our strengths and weaknesses. FSL is performing well, but several things have been surfaced that could potentially have turned into serious issues left unchecked. The RMR is too often seen as just corrective and ‘fire-fighting’, but it’s also preventative”.*

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.

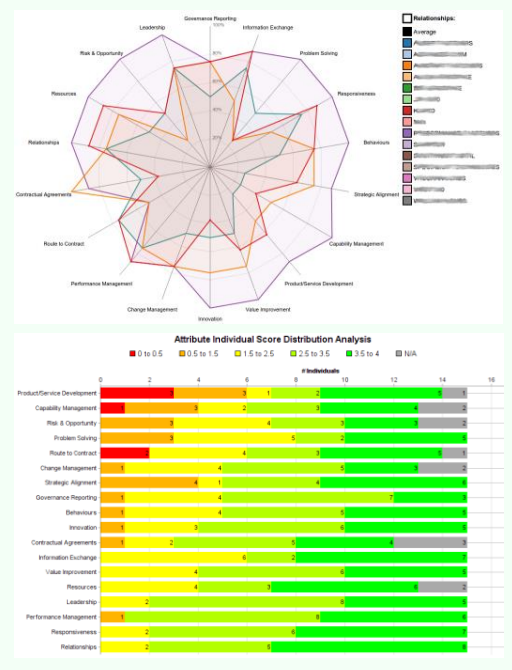
This frees users to focus their attention and resources purely on engaging with relationships in situation-appropriate ways, including:

- Dealing with **critical supply chain issues**.
- Developing **supply chain awareness**.
- **Regular monitoring** of effectiveness.
- **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 RMM reports



A bright future

Having now proven possible the previously impossible – simultaneously engaging with many relationships in appropriate and powerful ways – NIP and FSL have already been working to make things even better:

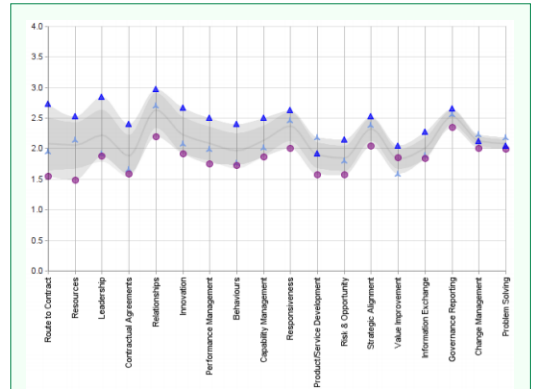
- The presentation of the RMM has been enhanced further, and reports and graphs have been made tighter, clearer and more informative.
- Thought is also being put into how to guide service users from the data and reports towards clear next actions, which will be especially useful for those who are new, or relatively new, to the RMR and RMM.

Meanwhile – fully familiar with how to use the process to deliver impressive results – FSL are also planning to run it with their customers, and to repeat it with suppliers.

But possibly their ultimate hope is that others will be inspired by what they've achieved, including larger companies:

Neil: "It's a reality check against the rose-tinted view companies often have of themselves. FSL are a high performance company, but we've learned a vast amount – how much more might others learn who aren't as far along as us? Instead of just focusing on beating down suppliers on price, we all ought to be working with them to identify areas to improve... and then sharing that information with them. A higher percentage than ever is being invested in external relationships: why not listen to where you're spending your money?"

Within a month of completing the initial FSL process, two aerospace primes reached similar conclusions, and began working with the ARC RMR service.



Facts and Figures

- **35 responses** from **20 companies** – for many, their first RMR and RMM engagement.
- Almost **200 automated emails** sent, each 'wave' of reminders prompting responses.
- **74% of responses** contained comments that expanded on the scores given – a significantly higher proportion than usual.
- **Most respondents waived anonymity**, signalling willingness to discuss further – clearly indicating successful engagement.



For more information



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