

**TDG Saves Client \$7 Million Annually**

**Delivers 23:1 ROI**



***Background***

Our client is a “Fortune 100”, aerospace manufacturer of precision jet engine parts for commercial and military use. The facility was the most advanced of its kind in the world. The manufacturing process, material handling and quality assurance systems were highly automated in this plant, designed as the factory of the future.

Employing over 900 people, this facility was staffed with a young, highly trained work force. In preparation for the challenge of managing this facility, extensive internal technical and managerial training was conducted on an ongoing basis. The training received by the managers and the work force consisted of:

- 80 – 120 hours of technical training per year.
- 60 – 80 hours of management and supervisory training (all managers and up to 40% of the work force).
- 40 – 55 hours of classroom training in teamwork and team leadership (all managers and up to 40% of work force).
- 6 – 60 hours of problem solving and Q+ (Quality Plus), depending on the individual’s role and involvement in problem solving teams.
- External training in seminars, universities and vocational schools.

The organization was two years into developing a “team concept” and hoping to progress with employee involvement to self-directed work groups. The facility had reorganized into a flat structure with only four levels in the organization (from hourly employee to plant manager). They had been receiving conceptual assistance in the development and implementation of the “team concept” from a professor at Harvard University, Graduate School of Business.

Several programs were in place and functioning to improve the quality process within this facility such as Statistical Process control, Operator Certification and Vendor Quality Certification.

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**Case Study: Aerospace Industry/page 2**

In summary, a significant amount of money was put into training programs, automated equipment, and systems to improve the operation and quality. With these advantages, plant management recognized the need to activate the training (transfer concepts and philosophies from the classroom to the factory floor) by contracting Team Development Group's services.

***Needs Analysis Findings***

The initial attitude of Quality Assurance managers was, "we're good already, we don't need help." However, further analysis showed there were improvement opportunities in:



- Improving the level of trust with operations.
- Increasing departmental morale and effectiveness.
- Improving product quality and reducing the "Cost of Quality".
- Developing departmental objectives, goals and measurements.
- Getting all areas in the department to work as a team.
- Eliminating unhealthy competition between shifts.
- Enhancing management/supervisory leadership skills.

The previous leadership training had created high expectations from the employees. Managers were trained in the "team concept" theory but not in how to implement employee involvement and the "team concept".

***TDG's Involvement***

Implementation of the process took place over 22 calendar weeks. The expectation of the client was that TDG would guide the Quality Assurance Department to:

- Establish goals and clarify expectations.
- Identify team member accountability.
- Increase communications & cooperation.
- Enhance leadership skills.
- Obtain greater employee participation/involvement.

With Client personnel making these managerial and conceptual improvements, results would occur in the following measurable areas to increase Quality Assurance's effectiveness.

- Improved productivity and product throughput.
- Reduced cost of quality.

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**Case Study: Aerospace Industry/page 3**

***TDG's Methods***

TDG, together with the client, developed an approach which was custom designed to meet identified needs. The approach centered around one-to-one, on-the-job coaching of the Quality Assurance management group and hourly personnel. They were coached in:

- Developing a vision for the Quality Assurance Department.
- Sharing the vision with the employees.
- Building teamwork and soliciting employee involvement.
- Developing methods of measuring success.
- Communication and management skills (leadership, creating a motivating environment, delegation).
- Holding the team and team members accountable.
- Utilizing internal resources (financial, human resources, equipment and training).
- Interpreting financial and budgeting information.
- Time Management.
- Conducting effective team meetings.
- Determining internal "customer" requirements.



TDG consultants created a personalized management/leadership action plan for each manager in the Quality Assurance Department through a skills inventory instrument, (completed by each manager and his superiors), and a management practices questionnaire (completed by the manager's subordinates). The consultants summarized and reviewed each manager's inventory, using this information as a development tool. The inventory was also used as a resource in coaching the manager's in leadership skills during the execution of his/her daily duties on all shifts.

***Results***

Within six months from the start of the program, the Quality Assurance managers had accomplished program objectives. Measurable results included:

- 30% increase in productivity
- 22% improvement in product throughput,
- \$7 million annualized cost improvement.

Based on the preceding cost improvements the client yielded a 23 to 1 return on investment within the first 12 months after the program started. A \$7 million dollar cost savings was realized on an investment of less than \$300,000.

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