



Honeywell Aerospace's Journey to Becoming Customer Centric



Bob Johnson
President & CEO

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Case Study: Honeywell Aerospace

1994: The Situation

- **AlliedSignal: multiple business units with varied cultures from numerous acquisitions**
- **10-plus businesses interacting with customers**
- **Customer survey: AlliedSignal difficult to work with, confusing**

Case Study: Honeywell Aerospace

1995: Initial Organization Alignment With Customers

- 180 Account Teams
- Formed a “Customer Excellence” function
 - Voice of the Customer, surveys, customer intimacy key to Customer Excellence strategy
- All employees trained – 10 days/12 months
- Transformation from addressing the screaming customer to customer account management

Case Study: Honeywell Aerospace

- **Video clip**
 - **What gives customers the blues**
 - **How to learn from them, engage their feedback, develop a responsive process**

Case Study: Honeywell Aerospace

1995-1997: Institutionalizing Voice of the Customer

- Listening
- Connecting back end to front end
- Aligning different businesses with our customers' expectations
- Systematic approach
- Still found we needed to broaden our approach/many lessons learned

Case Study: Honeywell Aerospace

1998/1999: Organization maturity

- Customer Relationship Management maturity through leadership involvement
- Goal alignment throughout the company
- Customer satisfaction part of the “Balanced Scorecard”
- Began thinking “outside-in”

Case Study: Honeywell Aerospace

We innovate to make flight safer, more secure,
more reliable, more cost effective . . .

Honeywell

The unlimited

partnership

. . . more enjoyable

Case Study: Honeywell Aerospace

2000/2001: Customer Strategy Alignment

- AlliedSignal/Honeywell merger – combined best of both to form Customer Advocacy
- New products, new customers at the table
- Move from products to systems, from parts to services
- Focus on working in an “Unlimited Partnership”
- Reinvigorated Voice of the Customer (VOC) process
- Tied to Customer Relationship Management software – Aerospace Total Account System

A Voice of the Customer Screen in ATLAS

http://skyfs703.phx1.aro.allied.com/acweb/SKYFS709/E125496/AS_VOCCQ.roi:5?ViewDefault - Microsoft Internet Explorer

Address http://skyfs703.phx1.aro.allied.com/acweb/SKYFS709/E125496/AS_VOCCQ.roi:5?ViewDefault

VOC Card Current Quarter Detail Honeywell

VOC #: 1-23MOS **Account:** Canada 3000 Airlines **Interview Dt:** 11/12/01 **Multi Contact Ind:** Y
SBU: AES **Account Type:** Charter Airline **Account Market:** AT&R **Contact:** John Barnes Mr.
SBE/Group: AT OEM **Year:** 2001 **Quarter:** Q4
Program/ Prod Ln/ Site: **Supplier Rating System:** No **Interviewed By:** Joe Gallo **Overall Satisfaction:** Green - Somewhat Satisfied

	Metric Type	Cust Rating	Metric	Metric Goal	Source	Weight %	Root Cause/ Context
Value	% reduction in Year-over-year catalog pricing	Blue - Very Satisfied	3	3	Customer	20	complied with 2001 price catalog
Delivery	OTD% for LRUs and Spares/6 month avg	Yellow - Somewhat Dissatisfied	90	98	Customer	25	poor delivery performance of piece parts impacting customer ratings
Quality	Acceptance rate %	Yellow - Somewhat Dissatisfied	97	99	Honeywell	15	Display failures impacting rating
Reliability	MTBUR in hours	Green - Somewhat Satisfied	25,000	15,000	Honeywell	20	exceeding contract MTBUR
Responsiveness	Order placement with no errors	Blue - Very Satisfied	100	100	Customer	10	no order processing errors
Service/Support	Repair TAT in days	Red - Very Dissatisfied	25	15	Customer	10	poor TAT

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Automated Process in Place to Look at Every Aspect of our Business



Correlating Service Requests to VOC Attributes

The screenshot displays the Siebel CRM interface for a Service Request. The main window is titled "Service Request" and contains the following fields and sections:

- SR Number:** 1-6PFV, Priority: High, Status: Open
- Abstract:** DC10 Reliability Improvement Plan
- Account:** Northwest Airlines
- Contact:** Mr. John Huntoon
- Work #:** (612) 726-2738, Fax #: (612) 726-7896
- SR Creator:** Tim Kelly
- Role (Creator):** CS-Americas
- SR Owner:** Tim Kelly
- SBU (Owner):** AES, SBE (Owner): AT Airlines
- Site (Owner):** Redmond, WA, Role (Owner): CS-Americas
- Reference #s:** PO #, Invoice #, FSR #, RMA #
- Status/Resolution:** 3/7/99 cross functional team of Boyne City, Teterboro, Sun
- Initiated (m/d/y):** 9/29/99 12:00:0, Date Closed (m/d/y)
- Customer Due Date (m/d/y):** 1/29/02 12:00:0, Reason Changed: Customer Investigation f
- HON Commit Date (m/d/y):** 1/28/02 12:00:0, Reason Changed: Field Evaluation Needer
- Classification:** 3 - Quality/Reli., 3.1 - Hardware
- Created:** 9/29/99 10:24:06 AM
- Updated:** Terry Eitz, 1/22/02 4:02:26 PM
- Checkboxes:** VDC Critical Issue, Post Closure Follow Up

A dropdown menu for Classification is open, showing the following options:

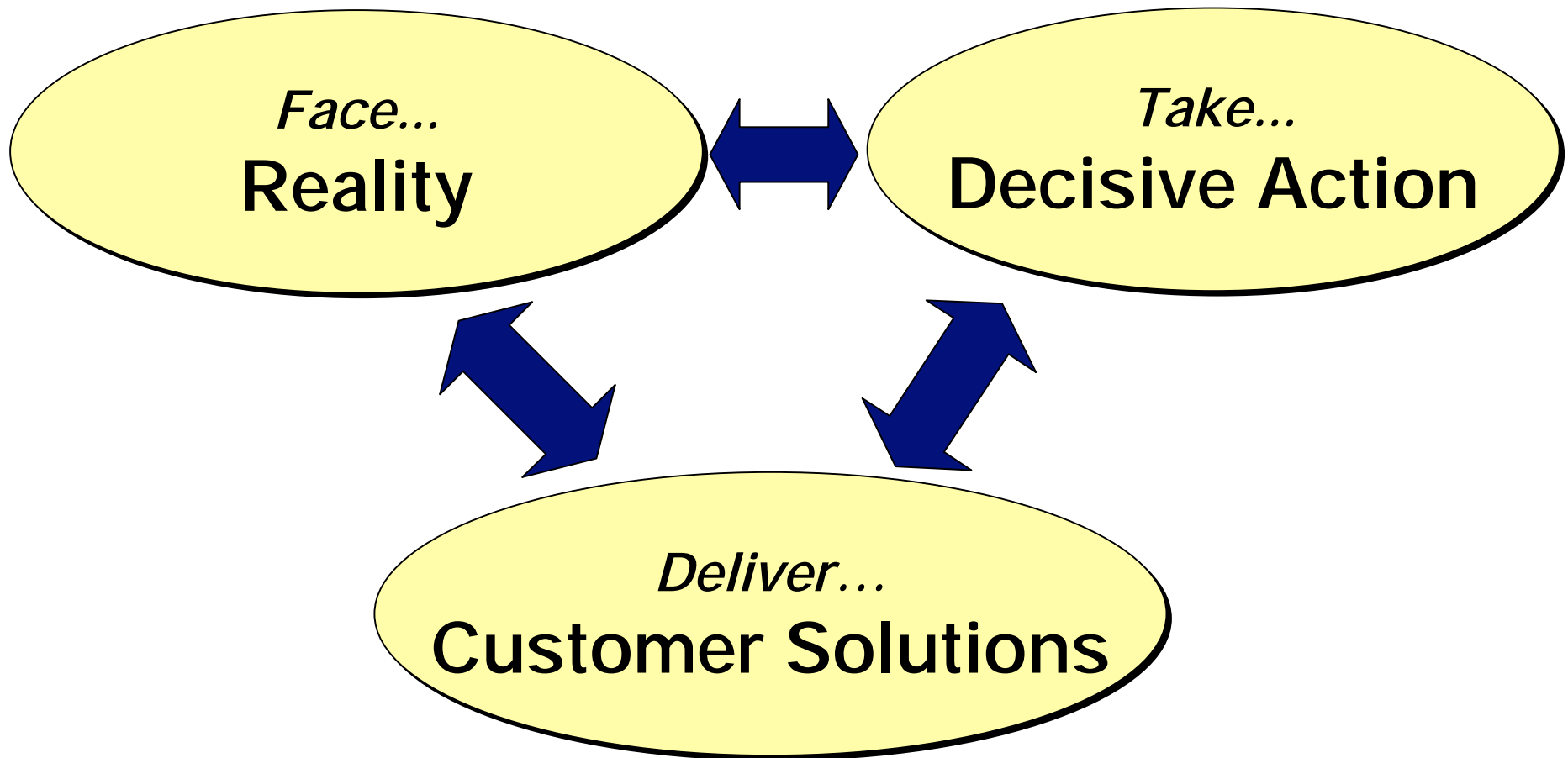
- 1 - Value
- 2 - Delivery
- 3 - Quality/Reliability
- 4 - Responsiveness
- 5 - Service/Support
- 6 - Development

A Systematic Way to Track and Monitor Customer Issues

HONGWANG

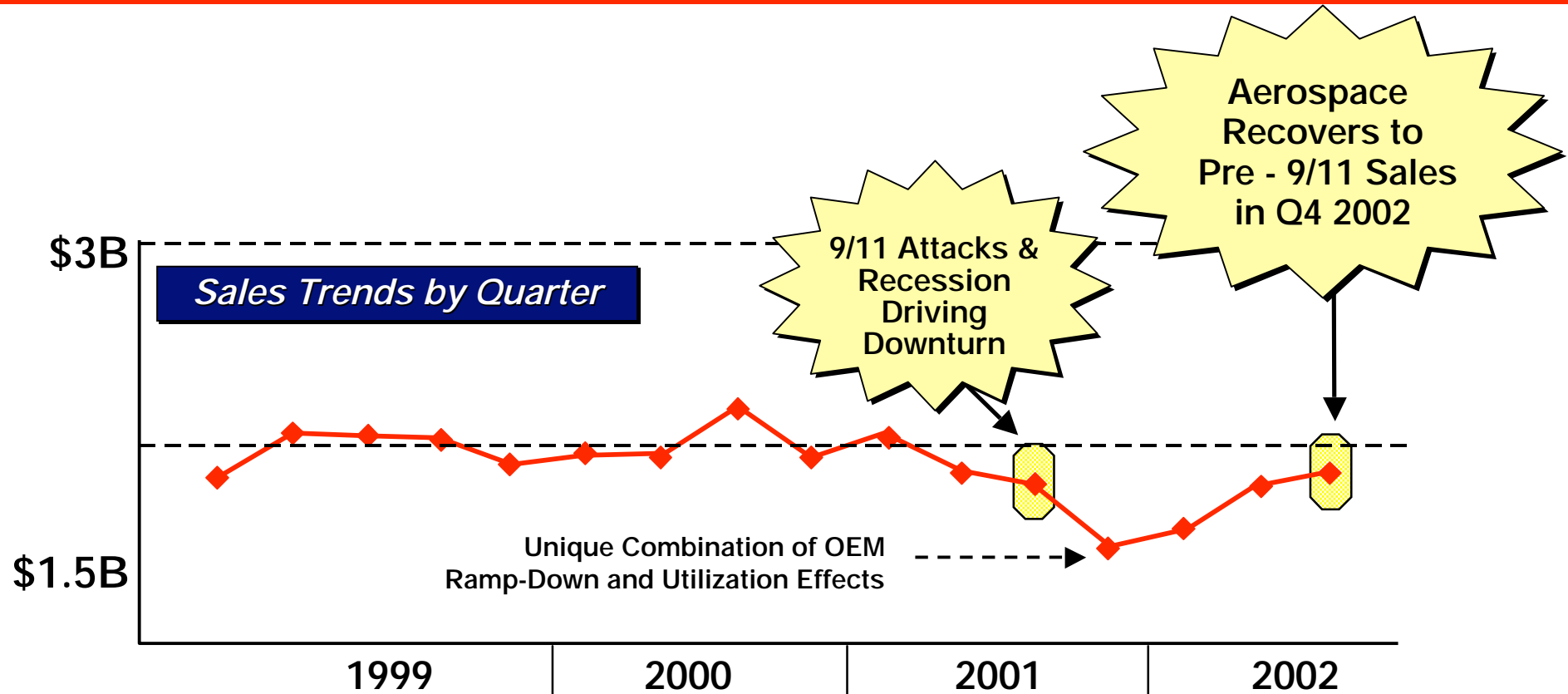
Today . . . The “Age of Vulnerability”

Great Companies . . .



. . .we must change with the ever-changing world

Being Customer Centric Key to Recovering Lost Ground



Market Swings Cause Tough Situations, A Good Plan = Equilibrium

Honeywell Aerospace . . . Driving Ahead

Successful Aerospace Companies

1. Differentiate Technology
2. Installed Base / Growing Segments
3. Service Business – Full Life Cycle
4. Systems Integration
5. Software and Knowledge Base
6. Packaged Solutions
7. Tools to Improve Cost / Productivity

Honeywell's Advantage

1. Electronic & Mechanical Technology
2. Present on All Platforms
3. Integrated Services in Each Business
4. Flight Systems, Airframe Systems
5. Leading Technology – Primus Epic
6. Service Contracts, Power By The Hour
7. Six Sigma & Digitization

A New Unparalleled Business Model – Products, Integrated Systems, Services and Information Management

Right People, Growth Strategies, Tools ...

- Understand the marketplace → Know what your advantages are
- Have the right team and structure → Aligned to customer objectives
- Focus on the right growth areas → Ensure they are in sync with customers' priorities
- Have the right processes and tools → Six Sigma and digitization will enable growth

*... All Must be Connected to the Customer –
Essential to Success*

Driving Customer Centricity . . . Honeywell

Key Learnings

- A clear statement of commitment to customers
- The right processes and tools to deliver results
- Active listening to drive forward customer needs
- The right team/organization in place...with employees engaged in and excited about the process
- Established strategies that meet customer needs as well as your company's financial performance
- Readiness to change, adapt, transform – it's an unending journey