

## Client Story

# Sustainable Growth Through Leadership, Collaboration, and Flawless Delivery to Customers

## Expanding Business in a Shrinking Market

A division of an aerospace/defense company was growing, but not at the impressive pace envisioned by the General Manager. The executive team was running the business like it always had, fulfilling orders and making incremental annual gains. But future growth and profitability were at risk for two reasons:

1. Defense contracts were projected to decline
2. The six- to seven-year sales cycle (from order to paid delivery) resulted in extended revenue troughs

Despite these challenges, the General Manager was committed to building and sustaining profitable growth, with near-term breakthrough performance in revenue and cash. Growth would come from expanding the division's scope of opportunities and increasing their probability of winning contracts. He knew this would require the executive team to work in new ways with each other, suppliers, and customers.

### **New Outcomes Required Transformation:**

#### 1. Leadership

The General Manager's intention was to unite senior executives into a cohesive team. Rather than allowing circumstances to dictate results, he believed they could change the company's future by leading with a performance-based mindset.

#### 2. Collaboration Across Silos

Breakthrough performance in the face of bigger challenges required independent leaders to collaborate across sales and marketing, design, engineering, and manufacturing.

#### 3. Commitment to Customers

Exceptional customer service was required to maintain existing contracts and win new business. The division needed more precise visibility into customers' needs, and an unbroken record of meeting them.

### **New Commitment: 100% On-Time Delivery**

Once the executive team realized their focus had been on the reasons they could not deliver on time, they set a breakthrough, customer-centric goal of 100% Acceptable On-Time Delivery. Having customers know they were reliable to deliver on their promises would increase their ability to sustain and win contracts. This was a key driver to achieve short- and long-range revenue, profit, and cash goals.

// Customers can now look at [us] and say 'We know that when you make a promise you'll deliver on that promise and it's not going to be late.' //

MANUFACTURING EXECUTIVE

### **A Breakthrough Goal Transformed Everything**

Leaping from 60% to 100% on-time delivery in one year seemed impossible. This breakthrough goal became the impetus to transform everything. The team began to reshape their entire value chain and strengthen supplier and customer relationships.

## The Mindset Shifts

New ways of thinking caused the executives to work differently with each other and suppliers to deliver on time to their customers.

Shifts in how people used to think about the business to new, breakthrough thinking included:

From: Customers are demanding

To: We deliver what customers want

From: Circumstances make on-time delivery impossible

To: Nothing stops us from 100% on-time delivery

From: We work independently

To: We collaborate across departments to solve problems and deliver as promised

## Delivered the Impossible On Time

The entire inventory of a complex component that was needed to fill a major order was damaged in storage—and the manufacturer was out of business. Previously, the executives would have viewed this breakdown as a circumstance beyond their control. They would have explained to the customer why they couldn't deliver on time.

In the new environment, rather than viewing on-time delivery as impossible, the unified team realized it was completely up to them to work together to solve the problem. In searching the entire supply chain, they found enough parts to fill the pending order on time. And, they bought up the majority of the industry's supply of the component, ensuring 100% on-time delivery going forward.

Solving this urgent business breakdown together was just one example of how the executives accelerated their transformation from working in silos to working as an interdependent team across sales and marketing, design, engineering, and manufacturing.

This and other major wins that seemed impossible changed how they approached future challenges. The team took new pride in delivering on time, every time.

## The Results

The General Manager's conviction to deliver breakthrough revenue, profit, and cash had a domino effect that transformed everything. It all began with a commitment to 100% Acceptable On-Time Delivery.

These and other measurable business outcomes were produced by the newly aligned executive team, organization-wide accountability for execution and results, commitment to customers, and a collaborative team environment:

- Delivered their profit target (the only division in the business unit that did so), and exceeded expectations by \$1 million
- Achieved an industry-leading 100% Acceptable On-Time Delivery record in fifteen months
- Increased revenue by \$91 million
- Dramatically improved customer satisfaction scores
- Significantly raised executive team scores on The Performance Diagnostic®—a data-driven approach to increase the capacity of leadership teams to produce breakthrough business results