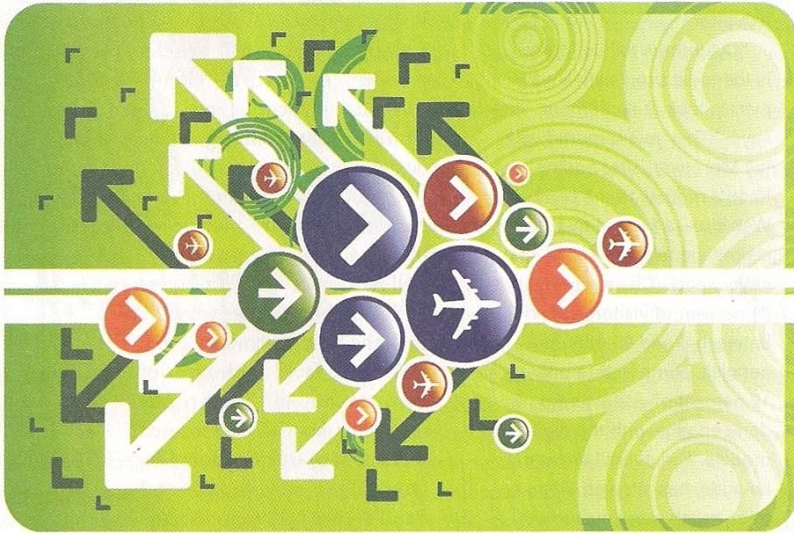


REAL WORLD

BEST PRACTICES and PROVEN RESULTS



Flying High on Customer Service

Honeywell Aerospace had to plot an entirely new flight path to navigate often-turbulent CRM skies

Airlines often end up becoming customers as much by default as by choice. In a field where the average product costs \$150 million, has components from hundreds of different suppliers, and has a lifespan of over 20 years, airline-industry executives often find themselves inheriting relationships with multiple manufacturers. For those manufacturers—and Honeywell Aerospace is one—the resulting matrix of relationships can lead to misguided CRM practices. Unwinding that mess often requires not just a strong-minded executive, but a major corporate refocusing.

Honeywell's problems stemmed from the nature of the B2B2C environment that aerospace manufacturers typically operate in. Commercial airliners are built by hundreds of suppliers: engines from General

Electric or U.K.-based Rolls Royce; wings, tail surfaces, or other body components from multiple aerospace manufacturers; and avionic, navigation, guidance, and radar systems. Final assembly and delivery is accomplished by the primary designer, such as Boeing or Airbus, which would be the customer from Honeywell's perspective—that is, until Airbus sells an aircraft to a commercial airline carrier.

At that point, service and logistical support for any Honeywell-manufactured components is taken over by Honeywell. The end result of this manufacturing maze? Airlines have little or no choice over which manufacturers—and product-support systems—they do business with. Operations for Honeywell and other manufacturers are built around R&D and are highly product-centric, with customer service an “after-market service,” says Adrian Paull, vice

president of customer and product support with Honeywell Aerospace.

Not surprisingly, Honeywell found itself riddled with customer complaints across a wide range: lack of technical expertise among service agents, slow response times, and a less-than-customer-friendly Web site. Commercial carriers and private airliners alike began to take their complaints back to Boeing and Airbus, which in turn complained to Honeywell, says Lior Arussy, president of Strativity Group—a CRM consultancy focusing on implementing customer-centric strategies—and, coincidentally, a columnist for *CRM* magazine.

To counter the clamor, strengthening customer support became one of the main goals of current Honeywell Aerospace Chief Executive Officer Robert Gillette when he took the helm in January 2005. “We never faced a problem of executive buy-in,” Paull recalls now. “Our new CEO was focused on customer centricity from Day One.” This new focus—and Paull's own current assignment—represented a smaller piece of a larger restructuring within Honeywell. “Before Gillette, Honeywell Aerospace was divided into 12 smaller lines of businesses,” Paull says, citing as an example the multiple toll-free service numbers that required consolidation. “After early discussions with customers, we realized this complexity was only making things worse for our customers.”

For assistance, Honeywell Aerospace turned to Strativity Group. Having already assisted other Honeywell divisions, Arussy decided the first step was to break the product-centric business processes that gripped the organization. To deal with the flawed employee and management perception that customer expectations were being met, Strativity used its Experience 360, a Web-based employee- and customer-surveying solution that maps the gap between employee performance and customer expectations. Arussy immediately found employees and customers were not on the same page when it came to defining a successful interaction: “Ninety-two percent of Honeywell employees said they were exceeding cus-

tom expectations, while only 26 percent of customers agreed,” he says.

Experience 360 was also used to map every touch point during a customer interaction, resulting in the realization by Paull that Honeywell Aerospace service reps were lacking in technical expertise and “industry lingo,” he says. “We could have a sales guy calling in who didn't even know what the product looked like, or it could be a mechanic who needed detailed information. We understood the environment our customers were operating in, but we were not good enough on the terminology or the specifics.”

To correct things, Strativity Group initiated an “Aerospace Customer Service 101 training course” involving approximately 500 employees, Paull says. And to make the training stick and keep the new strategies top-of-mind, Strativity “literally hijacked the communication agenda for Honeywell Aerospace for close to a year,” Arussy says. “Every two or three weeks we had newsletters coming out with updates, Experience 360 results, training progression, everything—simply harassing employees to the point that they couldn't ignore it.”

Between training and a revamping of corporate processes, Honeywell Aerospace opened a new technical support center in spring of 2006, establishing a single toll-free number, resulting in a 20 percent increase in customer satisfaction. Moving forward, Honeywell Aerospace is focusing on the details, Paull says, including investments in its Web site that will introduce features such as online product catalogues, a new order management system, and warranty administration. The makeover also helped the company land a \$16 billion deal with Airbus for the company's forthcoming A350 airliner, a deal that one Jefferies & Co. analyst said is a direct result of Honeywell's restructuring. “The biggest takeaway from this whole experience was opening a two-way dialogue with our customers. Now we're using customer feedback to drive enhancements in our processes, our services, and our technology,” Paull says. “It's a win-win situation for all parties involved.” —*Colin Beatty*

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