



AMP – a case study of change management

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AMP is a large manufacturer of components and systems for use in the automotive, medical and aerospace industries. It makes use of a focused innovation initiative called the ‘Breakthrough Improvement Event’ (BIE) which it runs on regular occasions. It is essentially targeted process re-engineering designed to build high involvement of its workforce in driving out inefficiencies and has been applied across businesses as diverse as manufacturing units and head offices, across its 200 facilities and 40 offices worldwide.

A cross-section of employees from every department is involved with the planning phase, and with the implementation, giving a strong sense of ownership to the changes. The process is structured into phases of data collection, analysis, planning, a final ‘Event Week’, where the changes are implemented, and a robust review phase at 30-day intervals. Each team is assigned a senior executive to act as coach, facilitator and sponsor.

An example of the process in action is the BIE targeted on the group’s UK Head Office where the benefits emerging included an increase in throughput of 43% and of responsiveness by 59% accompanied by a reduction in paperwork of 56%, administrative errors of 34% and overall process cost of 47%. These were against challenging targets set by the company of 50% reduction in all of these areas. Some specific examples help clarify these gains; they achieved:

- Corporate forecast preparation time from five days to three days
- Customer enquiry-to-quote time from 41 days to 27 days
- Price approval time from 150 hours to five hours
- Response time to key customers from 440 hours to one hour
- Paperwork from approximately 360,000 sheets per annum to 173,000

Initially, the senior management team set stretch targets and assigned a timescale from project initiation to the Event Week of 17 weeks. Team members from each participating department were identified by team leaders who chose the rest of their team members. Training was a key feature, partly to ensure that all team members ‘bought in’ to the process; the training pack developed for the BIE showed how processes can

be broken down into value-adding and non-value-adding activities, how to quantify each phase and how to approach the elimination of non-value-adding activities. Measurement techniques were also covered. Team members jointly determined what other training was required; some chose to undertake team building training while others chose training directly related to the likely changes - for example, PC training.

Teams then carried out extensive data collection and analysis breaking each administrative process down into value and non-value adding activities. From this analysis a series of interventions were planned and discussed with key stakeholders to try and ensure commitment to their implementation. During the Event Week changes were implemented by the teams ‘around’ their colleagues who then moved onto the new systems as they were completed. On the Friday, having made provision for telephone calls to be

handled by another site, the entire workforce assembled to see the teams present their results and to celebrate the success. The atmosphere was highly stimulating and provided a significant boost to morale.

A follow-up review process examined each department at 30, 60 and 90-day intervals after this and most areas achieved or even bettered their targets during the first 30 day period.

The success of the programme came partly because it was built on core principles of organizational development learned by applying the approach elsewhere across the company over several years. Key elements of this are, according to the company:

- Commitment
- Planning
- Use of an empowered Steering Group
- Training
- Teamwork.

Source: based on 'Best Practice' case study of AMP, CBI/DTI 'Fit for the future'