

## **Fleet Readiness Center Southeast (FRC SE): Case Study for F/A-18 Strike Fighter**

### **Job To Be Done**

In an effort to significantly increase production of re-built F/A-18 aircraft while simultaneously reducing costs, FRC SE is facing high customer demands due to the Global War on Terror, heavy top-line budget pressures and fierce competition from other government and commercial depots. In consultation with FranklinCovey, FRC leaders focused on and declared two performance gaps and one internal goal for the F/A-18 production line:

- Goal #1: Deliver 16 F/A-18 to the Navy in FY 2007, a Year-Over-Year increase of 77%
- Goal #2: Reduce average costs by \$1 million per aircraft
- Goal #3: Create a performance culture that rewards both teams and individuals through increased accountability. (will align with NSPS)

### **Solution**

FRC leaders began with FranklinCovey's Execution Quotient (xQ), a tool that measures an organization's ability to focus and execute on key organizational priorities. 242 individuals that work the F/A-18 line as well as the production support personnel participated in the census. The result of the census showed employees were unclear about the priorities of the line. With this data, the senior leaders began a process of clarifying the performance gaps, establishing the measures of success—and the initial predictive measures. From there, the leaders knew that they should not merely announce the goals, rather they knew they needed to engage employees in creating a shared agreement.

### **Involvement and Commitment.**

While all 242 voices were represented in xQ, an additional 70 members of that group also participated in 2-day work sessions. Senior leaders, managers, front-line artisans, and production support personnel worked together over a month-long period to build the Wildly Important Goals. **This process is difficult, counter-cultural and revolutionary!** Leaders nominate draft WIGs and allow the front-line to comment on the worthiness and their buy-in to the WIGs. Basically, leaders are asking their people, "How good are our processes?" The execution process is biased toward the voice of the front-line because that is where F/A-18's get built. Due to the increased accountability around specific performance goals, leaders have built increased trust with the employees. Likewise, the employees have enjoyed their increased decision making in figuring out how to best accomplish the mission.

### **Results**

On 17 September 2007, the F/A-18 line, using its pulsed single piece flow line, successfully met its annual production schedule with 16 consecutive pulses and 16 aircraft produced to promised delivery dates; **a 77% YTD production delivery improvement**. Prior to this the line had never even **once** pulsed on time. Cost savings have been substantial, **reducing 9,834 direct man-hours per aircraft. At \$105 per labor hour that constitutes a savings of \$1.032M per aircraft**. The line now has a deliberate process to continue to improve both schedule and costs, allowing managers and employees the ability to optimize the team performance.