Client interview: From advanced manufacturing to real estate - a lean journey at Rolls-Royce

With a brand that is synonymous with precision and quality, it’s no surprise that Rolls-Royce has been leading a lean revolution in its manufacturing processes. But applying the same principles to real estate requires a different approach. Anja Feegel, Head of Lean and Continuous Improvement in the company’s property division, explains how her team is finding its own path towards lean.

“We didn’t want to create just another initiative that would die down quickly. We wanted something that would be slow and sustainable. Something that we could keep working at continually,” says Anja.

Having worked for several years with the company’s global estate team, Anja was assigned to Rolls-Royce’s corporate lean working group in May 2015. She started looking at how lean principles – saving time and cost, cutting wastage, removing errors – could be applied to her division.

The company has been undergoing something of a lean revolution in its manufacturing facilities and is celebrated for its strong culture of technical innovation (engineers account for more than a quarter of the workforce). But Anja realised that a different approach was needed if lean principles were to be successfully adapted to office-based functions such as project commissioning and estate management. New initiatives could not be rolled out in the same way as machine control tools.

“If we just concentrated on the processes, we would fail. I understood that very quickly,” she adds.

Her first task was to overcome scepticism within the management team. Despite decades of sector-wide initiatives to streamline construction, there was a prevailing feeling that the concept of ‘lean’ was too rooted in
manufacturing and process improvements to be relevant to property.

“People were saying, ‘we’re an office-based environment, like HR, law and finance. What has lean got to do with us?’” Anja remembers.

Even she admits to being struck by the stark contrasts between the automotive and construction sectors as she started her initial research. “Toyota identifies around 200 areas that they can improve on a daily basis,” she says. “That’s too complicated for us. We couldn’t work that way.”

Instead, she proposed going back to basics, simplifying the concept and making it relevant to her colleagues. “We’re not even calling it ‘lean’ any more. We’re calling it continuous improvement,” she adds.

“‘Go Look See’ is a lean improvement tool that has really hit home with us. We realise that we weren’t talking to people often enough. So we’ve been asking them ‘What’s your biggest irritant today? What’s slowing you down? How can we fix it?’”

A by-product of these more regular and focused conversations is that senior managers have become more visible and accessible to employees. Anja says that this is having a positive impact on morale and interactions in general.

Managers are also mapping out a variety of processes, including the capital process and reporting procedures. The benefits are already emerging. Take quarterly reporting. Rolls-Royce has five main areas of business, with a different partner assigned to each one.

“In essence, we previously had five business partners filing reports in a different way. They were different lengths and in different formats with variable content. A lot of data had to be manually gathered, so there was a wide margin for error. It was very un-lean,” Anja reveals.

So the team mapped out the reporting journey, developing an understanding of the factors that were slowing up the process. It then devised a template for presentation, aligning databases from each division to ensure that the information could be captured faster and more easily understood across the business.

Now, it doesn’t matter whether the quarterly report comes from the marine or nuclear division – all reports share the same format, are issued on the same day and can be automatically populated with standardised data.

“Previously, it could have taken someone five days to go through the figures manually. Now you can press the button on any day to get the latest output. It took quite a bit of work to align all the databases, but we’re there now.”
Having dramatically reduced the manual reporting elements of these documents, Anja estimates that the new procedures are saving the division around 16 working days per quarter.

“One of our big discoveries was that people were finding processes too long, and were looking for shortcuts, which could lead to errors. So we are now trying to simplify our procedures in lots of areas,” she says.

The same principles are being applied to the supply chain. Rolls-Royce has just carried out a value stream mapping exercise with one of its facilities management suppliers, which normally has to manage and respond to around 3,000 work requests per month.

“Last week, we sat down with our partners and mapped out the work order process, looking for the best way through it that would mutually benefit both parties,” Anja says.

She adds that working with suppliers in this way will help to change relationships and cultures over the longer term. “We’re collectively looking for the best outcomes for the project and programme. It’s much more collaborative, and less of a ‘them and us’ mentality.”

This reflects a subtle shift in Rolls-Royce’s approach across the business.

“Tools and processes – we know we’re good at those,” Anja affirms. “But there has been a realisation across the company that we need to work more on the softer areas, such as behaviours, internal cultures and partnerships. It’s about creating the right mood for what’s going on, combining it with our high performance initiative and our drive to continuous improvement. All these elements are fitting nicely together. I can see positive change happening in other divisions as well as my own.”

She is pleased that, just over one year in on its continual improvement journey, the property division is now one helping to lead the lean agenda within Rolls-Royce’s wider corporate team.

“This is down to getting total buy-in from management, and ensuring that we have removed any blocks.”

So what does the next five to ten years bring for a leaner Rolls-Royce? Anja hopes to facilitate open and transparent working with all suppliers. “It will take quite a bit of focus and time, but hopefully it will help us maximise performance and make a lot of efficiencies in the processes and everything we do. It will also free up management to be able to spend more time on continuous improvement.

“We all have a long-term plan now, and a vision that we are approaching together. And if we can achieve that through a series of small sustainable steps, then I’ll be happy.”

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