



DAV
management
redefining the management of change

BUSINESS TRANSFORMATION

Monarch Overhauls Core MRO Operation to Fuel Business Growth

Monarch Aircraft Engineering Limited (MAEL) is the technical arm of the Monarch group of companies providing maintenance and engineering services to Monarch's fleet of commercial aircraft as well as third-party maintenance and support to aircraft from well known airline businesses around the world. Employing over 600 highly skilled engineering staff working around the clock, MAEL maintains base maintenance facilities at Luton and Manchester, a state of the art hanger facility in Birmingham and further line maintenance facilities at a number of locations in the UK and worldwide.

Defining a strategy for growth

Monarch is a household name in the scheduled and charter airline sector having steadily built its business over the past 5 decades. However, in a highly competitive industry with notoriously tight margins, MAEL knew it needed to develop a strategy to support the next stage of the group's growth.

With this in mind, MAEL senior management took the decision to invest in the development of its core Maintenance Repair and Overhaul (MRO) system. Two key factors drove this decision:

- Firstly, it wanted the ability to introduce more Monarch aircraft and to take on additional third-party MRO business without a significant increase in overheads.
- Secondly, with the group having made a significant commitment to new aircraft, management knew the business needed a more robust MRO system in place to maintain and support this.

The Group CIO understood that a project of this magnitude and scope would require external expertise and invited DAV, specialists in programme, project and commercial management, to help MAEL prepare the groundwork.



The CIO explains: "We have a large landscape of projects and a finite number of resources so knew we needed extra support to deliver this project successfully. DAV helped us implement a new reservations platform some years before and we were pleased with the result. DAV has the right blend of business, IT, commercial and facilitation skills combined with a practical approach and independent outlook, which enabled us to deliver a highly successful project on time and to budget. This, combined with their expertise in IT-enabled business change - which became instrumental to the MRO project - made it a logical decision to ask DAV to work with us again."

Exchanging old for new

MAEL had been using an in-house built MRO system which the team was struggling to develop at the pace required by the business. The future seemed to present three options to MAEL: build up the current MRO system to meet the needs of business, build a new MRO solution using offshore resource, or source a tried and tested specialist, off-the-shelf MRO solution. After careful evaluation MAEL decided an off-the-shelf solution would be the best option.

From the outset DAV worked closely with the MAEL team. The first step was to conduct a five-day assessment to review the business objectives, the organisational and cultural environment, the current and future impact of the proposed project and the organisation's state of readiness to undertake such a programme of work. A key finding of the review was that activity to date had been focussed predominantly on the technical solution and little consideration had been given to the business change aspects. This was flagged as a major risk as it was clear that to deliver the outcomes and benefits anticipated by the business would require significant changes to MAEL's structure and organisation and working practices. The complex people, process and technology interdependencies this represented meant that success could only be achieved by adopting an approach that would take the strategic vision for the business and turn it into a plan of action that could be managed and delivered as part of a structured programme of change.

If MAEL treated the MRO implementation as a straightforward IT project as many companies often do, it would be in danger of delivering a solution that would not fully meet the needs of the business and therefore fail to realise the true benefits.

The CIO continues: “Working with DAV enabled us to realise that we would be completely redefining our business processes which would inevitably result in job function reviews and potentially a major restructuring. If we got this right, the business would change for the better as a result of this programme – technically from the new MRO IT system, functionally from a process and procedural perspective, and culturally as a result of business change. We therefore had to make sure we focused on the ROI and work hand-in-hand with the business to deliver this successfully.”

Moving ahead

MAEL and DAV set up a 50-strong cross functional team to evaluate off-the-shelf MRO solutions. After a thorough review over a nine-month period, MAEL chose to implement AMOS supplied by Swiss Aviation Software Ltd.

While the strategic business goals of the MRO implementation were now clear, it was more complicated to identify the steps MAEL needed to take to ensure that the full potential of the programme was realised. DAV provided a small, close-knit programme management team to work with MAEL to identify the primary workstreams within the programme, all of which were directed and managed by the DAV team and resourced by key people from the MAEL business to drive the business change:

Process: This involved evaluating and optimising current processes and then defining the new end-to-end processes before the new system was put in place. Many people in the organisation had not been through a Business Process Reengineering exercise before and strong leadership and training were necessary.

Business Implementation: This workstream managed the critical task of communication with the stakeholders and preparing the business for change. It included business change strategy definition, benefits setting and measurement, identification and implementation of organisational changes, and the planning and day-to-day management of the cutover to the new system and processes, including the transition to a new business support environment.

Systems Set Up and Data Migration: Technical engineering and maintenance records dating back 40 years were checked and migrated to the new system. This was partially a technical migration exercise and partially a manual data cleansing and set-up task, involving many areas of the business over many months.

Infrastructure: MAEL had a complete technical makeover: 500 PCs were replaced or upgraded and the entire network in the engineering company was upgraded. In addition, a new high performance and resilient server infrastructure was required to run the AMOS software. MAEL worked closely with Swiss Aviation and IBM in a successful two-week cooperative test phase at the IBM Labs in Hursley, UK, where a simulated test environment was created to ensure the new solution would work.



Training: A comprehensive training programme was implemented covering the new system, processes and procedures. This focused on role-based rather than system training to support the acceptance of the business change and involved training almost all MAEL staff over a period of three months.

System Change and Interface Development: MAEL’s combination of in-house and third-party maintenance processes required some fundamental changes to be made to AMOS. This project managed the specification and introduction of those changes and the development of the interfaces to the remaining MAEL core systems.

Testing and Solution Verification: A key element of the business change was to test the system and processes in “real-life” scenarios to enable user acceptance from day one and ensure that the MAEL business requirements were met. This critical activity involved a significant number of MAEL staff over a two-month period.

Of all the workstreams, MAEL found Process and the associated organisational changes the most challenging. While it was understood that the right people in the right roles with the right resources and the right objectives needed to be in place, it’s natural that some people are more comfortable with change than others. Lack of integrated processes, which were a result of the old MRO system, meant that some areas also worked in isolation - a situation that needed to change with the new MRO system.

The CIO comments: “We restructured our whole business around these new processes and it’s certainly not something we took lightly. This kind of change comes maybe once in a decade and it’s fair to say that at times people found it tough”.

“DAV was very good. They provided clear guidance and knew how to handle the issues our employees were experiencing. They were passionate and tenacious, able to drive the project forward and achieve the results needed for large scale change, while managing to keep everyone on board. They also excelled at maintaining the communication channels between IT and the business, which further accounted for the success of the project.”



All systems go

The new MRO system went live and on schedule. The team did a thorough risk analysis and defined the migration strategy. Go-live procedures went to plan and overall the implementation ran smoothly – with the usual short-term challenges expected of a programme of this complexity. Training and mentoring was also put in place to transfer knowledge and skills from the DAV team, to ensure the internal team in MAEL continued to execute and evolve the programme for the future.

Key benefits

The new system provides integration across departments with full traceability and visibility of all processes and procedures. Employees have gained extra knowledge as a result and it's now much easier for departments to work together more efficiently. Additionally, some 200 job functions within the organisation have been re-defined and practically every process and procedure has been optimised in the overhaul.

There are many long-term benefits to be realised from the new system and processes. To ensure that this happens, MAEL have put in place a support organization that will enable continued assessment of business process performance and address continuous improvement of the operation.

The CIO concludes: "The magnitude of the programme wasn't only about the amount of capital outlay or technical innovation, it was really about the enormous business change we experienced as a result. In the competitive climate we work within you either adapt, become inefficient, or worse case disappear. I can't say it's all been easy, change is difficult. That's why we called in the 'change experts' and once again DAV delivered.

"If we had treated this as simply an IT project it would have either failed completely due to the level of complexity, interdependency with the business and its processes, or certainly we wouldn't have achieved the level of results that we have today. I would highly recommend DAV to anyone embarking on a major IT-enabled business change programme."



'WHEN TECHNOLOGY IS KEY TO ENABLING CRITICAL CHANGE IN YOUR BUSINESS, YOU NEED TO KNOW YOU'VE GOT THE SKILLS AND EXPERIENCE ON BOARD TO LEAD AND SUPPORT YOUR TEAM. DAV HAS PROVED IT CAN DELIVER ON THIS TIME AND AGAIN.'



DAV
management
redefining the management of change

CONTACT

DAV Management Ltd
Albany House
14 Shute End
Wokingham
Berkshire
RG40 1BJ

+44 (0)118 974 0100
dav.mgt@davmanagement.com
www.davmanagement.com