



Interview with EADS CQO Bill Black

## “Improving on-time and on-quality delivery”

EADS CQO Bill Black is driving the EADS Improvement Programme under CEO Tom Enders' sponsorship. In an interview with forum he explained how the actions are progressing.

**Our last forum interview was in the summer of 2004. Now, almost two and half years later, the issue of on-time on-quality delivery has become a key strategic battleground. How do you see this development?**

**Bill Black:** Well, recent events certainly show that the CEOs were right to launch actions that would help us improve our on-time and on-quality delivery performance. The size of the challenge is now becoming clearer to more and more people within our company and I think that there is an increasing awareness around EADS of the critical importance of improving on-time, on-quality delivery and doing it fast.

**Could you explain how your department has evolved and how it is organised?**

**Bill Black:** My goal was, and remains, to keep the HQ headcount very small but to supplement the numbers by seconding excellent people from the Business Units into the team for two to three-year periods. At present we have a core HQ staff of four and seven secondees from Airbus, Eurocopter, EADS DS, EADS Astrium and MTAD. The secondees come from a range of backgrounds including engineering, programme management, quality, customer support and procurement, and

so collectively bring multi-functional BU experience into the programme. This EADS team is supplemented by external experts with world class competences in areas where EADS desperately needs to develop.

The role of the team is to “sell” the approach into the different BUs, to provide an impulse towards new ways of working and to support the BU’s in implementing these new processes.

**During your first interview you said that EADS needed to look to its customers to find out how they rate EADS’ operational performance. Can you tell us how far you have got with the customer reviews?**

**Bill Black:** The customer review process is now well established across most EADS Divisions. It’s a four stage process, with a planning and design phase, a review and feedback phase, a reporting and analysis phase and finally action planning and communication. Some, like Eurocopter and MTAD, have completed their first programme and are now running their second round of reviews. Others are coming to the end of their first programme: we are now in the action planning phase for the Defence customers in France and Spain, and Germany and the UK are close to completing the interviews. EADS

Astrium is already through to the analysis and reporting phase and Airbus has recently completed a preliminary review with the key people within the Commercial function.

### How have the results been and what has been the follow up?

**Bill Black:** The results are quite consistent across the Group. Generally our products are seen by the customers as being technically excellent. And our people are appreciated as being highly competent. But our customers also say that we have to dramatically improve our on-time, on-quality delivery performance. The results of the customer reviews are reported back to the BUs who launch action plans to ensure that the necessary improvements come to life. My team is continually working with the BUs in helping to define and follow progress of these actions. And, more importantly, every six months Tom Enders and myself come together with the CEO and key executives of the BU to review progress of the key actions arising from their customer reviews, as well as progress on the other EADS Improvement programme activities.

**For some, the name Bill Black is synonymous with the Black Belt programme. How many employees have completed the training so far and what benefits have they brought to the company?**

**Bill Black:** Of course, the similarity in name is purely coincidental. At any rate, the programme is really beginning to take off. By the end of 2006 we will have over 200 people in or through the EADS Black Belt level programme. This programme is intended for improvement project managers and high potential staff and is built from the best of LEAN, 6 sigma, programme and risk management and change management. We will also have over 100 at EADS Green Belt level, which is aimed more for improvement project spon-

sors. We've also responded this year to a very strong demand from the BUs to build an EADS Silver Belt programme which is geared to EADS middle management and has a duration of two and a half days. It covers improvement management, programme management and change management. Importantly, over 250 of our senior EADS executives have now completed their Executive Black Belt training, which gives a high level overview of the programme and its benefits to the business to ensure that they understand and support the programme.

The average financial benefit that we can see so far for a single EADS Black Belt project is over €150,000 in recurring EBIT. This is an excellent return on investment for the four weeks of training time but equally important are the benefits in on-time on-quality performance. If we continue in this way, and build a critical mass of people passionate about continuously improving their local operational process performance, then we will generate the improvements in our end product, on-time, on-quality delivery that our customers and shareholders are demanding.

**Airbus is taking steps to improve and integrate its internal processes, as part of the Power8 programme. How will this affect the Group-wide picture?**

**Bill Black:** Every initiative to improve processes and integrate activities is welcome given our current situation, and I am happy to see that every Division, including Airbus with Power8, has its own specific improvement programme. What I can already see from discussions with some of the Power8 action leaders is that our EADS Improvement Programme can bring some support and best practices. For example the EADS Black Belt training programme is available to all EADS employees including Power8 project managers and sponsors. We're also working with the Airbus commercial organisation on the cus-



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tom review process to help identify the key customer priorities, which supports their "Customer Satisfaction" action. We're working with the procurement and manufacturing organisations to provide support on supply chain processes. We are just launching a diagnostic, like those we have already run in a number of EADS Business Units, to identify the principal blockages in the flow of parts and data through the Airbus supply chain internally and externally. We're also working with Engineering on a pilot project to help make engineering resources planning and deployment more dynamic and adaptable.

**How are you coordinating Improvement actions with what is going on in the fields of Innovation and Internationalisation?**

**Bill Black:** Improvement by itself will bring us a lot in terms of efficiency. But without the right Innovation in our products and services and without a strong Internationalisation to help open new markets, we will not succeed as a company. We need all three elements to succeed. We're working closely with the EADS CTO Jean Botti and his team on Innovation and with Daniel Baubil, Head of GID, from the team

of Jean-Paul Gut, EADS COO Marketing Strategy and Global Development, on internationalisation. For example, we have been taking part in the A380 and A400M programme assessments, which are under the leadership of Jean Botti. And a dedicated quality role is to be created within the CTO's team, who will be reporting to both Jean Botti and myself as EADS CQO. On the side of internationalisation we are cooperating with the GID in developing tools and techniques for assessing suppliers and I am pleased to say that Daniel and his top team have already participated in our Executive Black Belt programme.

**James Gibbs. Paris** ■



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