



Service Management Report

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Ask the Expert

Roger Dycus, Rolls-Royce



We recently had the chance to sit down with Roger Dycus, senior director of operations, Rolls-Royce Corporation, Indianapolis and discuss some of the key changes in the Aerospace service market.

Q: Roger, what program are you supporting at Rolls?

Roger Dycus: Our overall program is responsible for taking the orders from the OEM's and providing the engines to them so that they can put them in the aircrafts and fly, and then we support them through their life, which we are hoping is about 40 years. The airlines look at it the way you look at your car. When you get in your car and you turn your key, you expect it to go and you don't want to worry about the engine. Well, it's the same with the airlines. They basically want their engines to run and not have to worry about it.

Q: What is your current approach to servicing your customers?

Roger Dycus: Our approach is called the "TotalCare" approach, where we provide all the services that the airlines want and that allows them to concentrate on what their business is, which is selling tickets and loading and unloading airplanes and moving them from city to city. They don't really want to worry about engines.

Q: Has your level of service changed over the past several years in the service you provide to the airlines?

Roger Dycus: We started out with just a few airplanes and supported them manually. And as we've grown to 3,000 engines out there now, our systems have had to grow with them. Because the majority of our corporate and regional fleets are in the "TotalCare" or "CorporateCare" program, we're totally responsible for the engines. And it's not about selling parts or working on engines. Our challenge is to make sure that we have the right parts at the right time to meet up with a shop visit that we forecast through our systems, and then get the engine turned to the shop within our specified turn time and ready for the customer to go, so they can keep their fleet flying.

Q: So how has Rolls-Royce modified its service business in order to manage the growth?

Roger Dycus: We've had to pioneer a new approach. Rather than a parts business or a repair business, it's more of an availability business. The operator pays us so many dollars per flight hour. They know how many hours they're going to fly, they know exactly what they're going to pay, and so they have a very predictable business model. And then we take care of the engines, regardless of what happens to them, and our job is to also make money doing that. It works out well for both of us, but it keeps our incentives aligned because we want engines that are very reliable and last a long time. The airlines want somewhat the same thing....I think the easiest way to explain how we're doing this is to relate it to cars. For example, you go to the dealer and buy a car, but you pay a fixed amount per month. Then the dealer would fix anything wrong with the car. It's similar to the airlines. They basically pay so much an hour, then they fly so many hours a year and we take care of their engines. All the service that's required.



Ask the Expert (continued)

Q: Do you believe that service has become more strategic to overall corporate growth?

Roger Dycus: Service is key and strategic to our business. It actually is the biggest part of our business and will continue to be, and we spend as much time developing new services as we do developing new products.

Q: There's a term out in the marketplace called "strategic service management." How would you define strategic service management?

Roger Dycus: Strategic service management means having the right tools and processes so that you can manage your service business and make it profitable, the same as you managed your manufacturing operation or your office operations. To be strategic with service, you need the full package. You need to have the customer expectations set and met. They know what they're going to pay. They know what they're going to get. And then you need your services lined up, and services are about people, about parts and about capabilities, processes. And all those things need to work together in harmony.

Q: How important is visibility across the service operation?

Roger Dycus: Our strategic service [solution] gives us visibility of both the customer demand and the situation in the world each day. It's extremely important to us that we accurately forecast our demand for materials because we have business needs. We're trying to serve our stakeholders, as well. And so we utilize the service tools to have the right things at the right time, and I'm looking to get to 80 percent forecast accuracy.

Q: How have customer expectations changed in the past several years?

Roger Dycus: They have become more demanding. And I think there's been a revolution in quality. [Some companies] refer to it as plug-n-play. Basically, they want us to send our product down there. They put it on the airplane and they fly it away. It's no different than if you went and bought a consumer good, let's say, a computer. You take it home. You get it out of the box. You figure out where all the wires go and follow the little colored diagrams. And when you plug it in and turn it on, you expect it to work. And it's no different for us.

Q: Why did Rolls-Royce choose Servigistics?

Roger Dycus: Several years ago we were measuring how we were doing. We really found that we were not forecasting accurately enough for the marketplace. It was a lower percentage than for what was appropriate for having the proper material available at the time. So we went out looking for another tool because we had learned the hard way that home grown tools only work so well, and we wanted to find people that were experts in forecasting material requirements. So we surveyed the marketplace, we compared several different tools, talked to several different people, and then finally made the decision that we would do a test case using Servigistics. And we've done that test case using Servigistics with the AE 3007 program that I work on. And that has now grown and we're moving to globalize the use of Servigistics for planning across Rolls-Royce globally.