

advantage

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Quality as a Growth Strategy

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A HIGHER CALLING



by Michael Perrelli

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AeroCision is plotting a new course and with the latest quality registration and the development of a world class culture - they're turning the aerospace market upside down.

The pride associated with receiving an award or honor is a feeling that isn't easily forgotten. At AeroCision, an aerospace engine parts manufacturer in Chester, the glow is still easily recognizable from the certificate of export achievement the Department of Commerce bestowed upon them in early 2012.

Coming off a year in which they doubled profits, aided by a large increase in export sales, AeroCision has cemented their relationship with their customers through a "cultural overhaul" that began just over four years ago. The task of changing an entire culture can't be achieved by picking up a business book, flipping through the pages, and implementing an idea. It takes hard work and discipline to actively cultivate the culture to the point where it becomes a tangible asset. In the case of AeroCision, the successful transformation has led them to a position where their future is secured with long-term contracts in hand both domestically and abroad.

With a mission statement that is much easier said than done, all of AeroCision's current and future success hinges on the continuing effort the staff puts towards supporting the company's mission and vision. "Our mission statement is very simple. It is 100% on time delivery, 100% quality, and the lowest possible unit acquisition costs for our customers," explains the company's CEO, Andrew Gibson, "I know this sounds like simple stuff, but every person here lives by those rules and every investment we make has this mission in mind, that's why we are continually successful. We are all average people who work together to do amazing things. We make aerospace parts and we take that very seriously."

Turning Things Upside Down

Four years ago, everyone at AeroCision was asked to vote on whether or not they wanted to work for what Andrew termed an 'A+' company. "Before people answered, I told them this task would require everyone to work two jobs. We would all have our regular day-to-day jobs making parts and we would have the additional job of doing the requisite things needed to become an 'A+' company, including shrinking the company down to only the core people who believed in creating a positive, customer-centric culture."

It was only a year after this vote that AeroCision's transformation had taken hold and was getting the company noticed in a positive manner. "Being the best is hard work. You know those people who try out for the Olympic team? They are up at 3 a.m., run for 3 hours, eat and then do it all over again. It takes dedication." To AeroCision, being an 'A+' company means living and delivering on the company's mission statement day in and day out.

The creation of the mission statement was based on what every customer, regardless of the product or service offered, expects from every purchase they may make. "We went to Rolls-Royce and Honeywell and asked them to tell us about their vision for a perfect supplier. They both said they wanted 100% quality, 100% on-time delivery, and a supplier that is constantly looking to improve costs. That's exactly what we, as a team, decided to do," Andrew explains. This action of finding out directly from the customer their wants and needs has resulted in a trend of three-plus years of near perfect quality and delivery scores.



One of the unique traits that allows AeroCision to continuously work towards achieving their mission and empower their workforce is their "upside down" management structure. It's not a term you will find in any business book, but it is a concept that works for AeroCision. "'Upside down' means all of the managers and support staff are here to serve the people of the shop floor, not the other way around," Andrew says, "We manufacture parts for a living. The key word is manufacture. We don't administrate, nor do we engineer for a living. We manufacture parts and everyone here has an integral role in the production of those parts. With that said, we know that the people on the shop

floor are the ones who count the most. If I go on vacation, it would be a while before people noticed I was gone. If one of our people in the factory is out for half a day, we suffer. Who really has the higher value to the customer? We know who does at AeroCision. Supporting the factory with resources and technology is the most critical function and responsibility we all have. This works hand in hand with the AeroCision philosophy of the entire management team being part of the pulse of the shop floor at all times."

Similar to AeroCision's mission statement, the theory of the "upside down" management structure is much easier said than done. It is easy for a management team to say they are there to serve the people of the shop floor and then hide in their offices, leaving staff to fend for themselves, but that just wouldn't be the AeroCision way. "When an employee wants to do something, whether it is switching positions or adjusting the processes they execute every day, we'll move heaven and earth for them to try and accommodate their plans," explains Andrew, "My business partner and I wanted to develop

a place where people can be heard, where they can experiment, and where it is ok if people fail. As long as they go through the proper quality channels, and everything is documented properly with the appropriate sign-offs, then they have the freedom and are encouraged to try different things in an effort to continuously improve our processes and systems."

The office layout within the 25,000 square foot facility centers on building open lines of communication and generating points of interaction among the 64 employees. None of the employees, including the CEO, have their own office where they can easily detach from the rest of the

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Christina Lazarin

staff. Offices have been enlarged to house multiple employees in a team approach work environment. "We all work together on parts so it's not just engineering, production, or quality on their own. We work together as a whole and talk to each other about problems in a very cross-functional fashion," explains AeroCision's Quality Improvement Director, Christina Lazarin, "An employee on the floor has no problem going right to the engineering manager with a concern or an idea. We are proud that this is a unique place in that we don't have such a strict chain of command that people feel like they can't make a difference."

Business Secured

For an organization that exclusively produces products for one industry, every effort is strategically directed towards

maintaining or growing their position within that industry. For AeroCision, a heightened focus was placed on their quality management system and upgrading their AS9100 registration by the end of 2011.

All companies currently registered to the AS9100 standard are required to comply with the latest 'C' revision by June 30, 2012. Companies who fail to upgrade will lose their registration and any business attached to it. "Not having the latest registration was not an option for us," says Christina. "We, as a company, always push for what we know is the best option even if it is the harder option."

As a new addition to the company last summer, Christina arrived at AeroCision, from a Quality Division of UTC, and was tasked with upgrading the AS9100B

registration to the new 'C' revision. "We were scheduled for our 'C' revision audit at the end of the summer so we only had a couple of weeks to prepare. CONNSTEP was recommended to us as a resource that

could help ensure that we had all of correct modifications and updates in place for the upgrade," Christina explains, "Most companies faced with a task of this size would have opted to recertify to rev B and reschedule the upgrade, but not AeroCision. We pulled in everything we needed to make it happen and that included the additional resources of CONNSTEP."

The company's efforts to maintain their position within the industry and foster strong relationships with customers and suppliers are recognized, "Being up to date with our registration well in advance of the requirement deadline shows our customers that we're dedicated to putting the initiative in ahead of time to do what we know is right," says Christina. With a project completion netting zero non-conformances and with a certificate and banner proudly displaying the success of their new upgrade, the company is set to add an additional five employees to the 64 they have retained as a result of their growth due in large part to AeroCision's unique company culture. The company also expects to increase sales by almost 20% over the next year due to initiatives like early completion of the AS9100 revision upgrade, their recently obtained NADCAP Wire EDM certification, and their current investments in technological upgrades.

Open door policies, shared workspaces, team collaborations, a hands on management team approach, and an upside down management structure may not be ideal for all organizations, but it works for AeroCision and sets it apart from other companies in the industry. Since the transformation began over four years ago, upside down has led to a right side up sales trajectory that is expected to yield positive gains in 2012 and beyond.

