

WinEst Case Study

Company:

Honeywell Process Solutions (HPS)

Company Background:

Honeywell Process Solutions (HPS) is a \$2.5 billion operating unit of Honeywell International. HPS implements approximately 3,000 process control automation projects per year from the single site company locations to the largest multi-site corporations in the world. They have over 50 separate local engineering teams and three global engineering centers providing over 6,000 personnel for these project implementations in over 100 countries.

Honeywell Process Solutions (HPS) has a standard product offering of hardware, operating system software, and advanced process optimization software implemented by their engineering personnel. They have standard offerings but how they implement the standard offerings for the customer is tailored for their specific needs.

Issue

There are actually several business issues created by Honeywell Process Solutions current state and they all have common roots. From a demand planning perspective they do not have global visibility to labor demand in their business, in particular the critical competencies requiring high domain expertise such as refining and pharmaceutical processes. Every 1% of incremental improvement in labor utilization translates into several million dollars. Improvements to their project delivery effectiveness are hampered without a standard delivery framework to implement their standard product offering. In practice establishing a standard framework of deliverables that apply across 16 sales regions and across 50 labor teams and three global labor pools proved to be daunting. Every 1% incremental improvement to average project delivery effectiveness translates into five million dollars. In a global environment where 80% of revenue

comes from global customers being globally competitive, globally consistent, and maximizing customer profitability on a systemic basis is not achievable without global performance benchmarks to measure new ground taken.

Resolution

HPS has developed a global set of competency standards to normalize references to all of their local and global engineering talent and developed a standard framework of engineering project deliverables tied to benchmark performance standards. These standards were built into their **WinEst estimating tool**. Together with a new global Price Master, a new Bid Management tool set and a new global order execution system (SAP) they are able to estimate, price and execute to a standard work breakdown structure. Estimating and project execution at variance to the standard build is supported where customer requirements dictate. Closed loop estimating practices and market based pricing create opportunity for globally consistent project delivery and margin enhancement.

Results to date

During 2009 HPS trained over 200 personnel on the stand alone usage of WinEst as well as the integrated Bid Management toolset incorporating product configuration, customer specific discounting, pricing and approvals. Numerous projects have been estimated in many of the 16 sales regions using the global standards, with the customer orders being manually booked into their fulfillment systems. In the first quarter of 2010 HPS will have full implementation of interfaces automating the feed of local price lists for 30+ countries (growing to 60) to their estimating, pricing, booking and order fulfillment tools enabling closed loop estimating first in Europe and by the end of 2010 in North America.

The HPS organization is aligning itself from an engineering, estimating, pricing, and project delivery perspective to be standards based within the deliverables framework. Throughout 2010 an engineering team will be adding to the HPS standards portfolio to cover all products and advanced process control solutions.