

Customized WinEst implementation is key to increased worldwide profits

Company Background

Honeywell Process Solutions (HPS) is a \$2.5B operating unit of Honeywell International. HPS implements approximately 3,000 process-automation projects per year, spanning locations that range from single-site locations to some of the largest multi-site corporations in the world. They have over fifty separate local-engineering teams and three global-engineering centers that include more than 6,000 personnel for project implementations in over 100 countries.

HPS has a standard product offering of hardware, operating-system software and advanced process-optimization software. Although their products are standardized, implementation of their products is tailored to the specific needs of their customers.

Issue

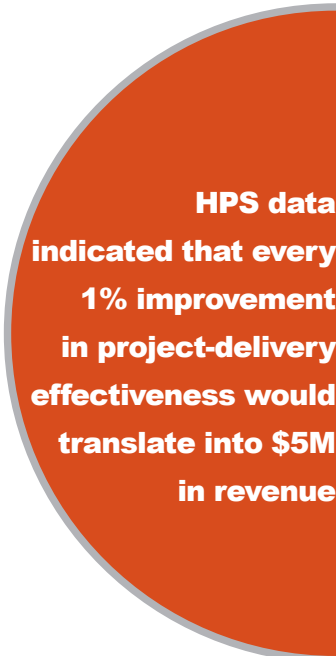
Several key business issues—all with common roots—needed to be addressed at HPS. From a demand-planning perspective, they did not have an accurate way to assess global labor demand—particularly pertaining to critical competencies requiring high levels of domain expertise such as refining and pharmaceutical processes. Improvements in their project-delivery effectiveness were further hampered by the lack of a standard delivery framework to implement their standard product offerings.

In practice, establishing a standard delivery framework (spanning sixteen sales regions, fifty labor teams and three global labor pools) proved to be daunting. HPS data indicated that every 1% improvement in project-delivery effectiveness would translate into \$5M in revenue. In an environment where 80% of revenue came from global customers, competitiveness, consistency and systematic optimization of profitability is not achievable without global performance benchmarks to accurately measure new data.

HPS implemented automated processes to feed local price lists, across more than thirty countries, to their estimating, pricing, booking and order-fulfillment tools.

The solution

HPS developed a set of global competency standards for their local and global engineering talent, and developed a standard framework of project deliverables that were tied to performance standards. These standards were incorporated into their WinEst estimating software. Together with a new global price master, a new bid-management tool set and a new global order-execution system, they were able to estimate, price and execute to a standard work-breakdown structure. The ability of WinEst applications to be intergated and customized allowed variations in estimating and project execution to be supported, as needed, to meet specific requirements of HPS internal clients. Further, WinEst's closed-loop estimating structure and market-based pricing integration created opportunity for globally consistent project-delivery and margin enhancement.



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Bottom-line results

During 2009, HPS trained over 200 personnel on the stand-alone use of WinEst as well as on the integrated bid-management toolset that incorporated product configuration, customer-specific discounting, pricing and approvals. To date, numerous projects have been estimated in many of the sixteen sales regions using HPS' global standards, with customer orders being manually entered into their fulfillment system. In the first quarter of 2010, HPS fully implemented automate processes to feed local price lists across more than thirty countries (growing soon to 60) to their estimating, pricing, booking and order-fulfillment tools, first implementing closed-loop estimating in Europe and across North America by the end of 2010.

From engineering, estimating, pricing and project-delivery perspectives, HPS is aligning itself to standards based within the deliverables framework. Throughout 2010, an engineering team will be further developing the portfolio of HPS standards to cover all products and advanced-process control solutions.