

FLEXTRONICS

Flextronics Breaks Through Barriers to Profitability And Customer Delight with Experiential Learning

Overview

Country or Region: Worldwide
Industry: Electronics Manufacturing Services (EMS)

Customer Profile

Headquartered in Singapore, Flextronics is the world's second largest EMS provider focused on delivering complete design, engineering and manufacturing services to automotive, computing, consumer digital, industrial, infrastructure, medical and mobile OEMs.

Business Situation

A period of explosive growth resulted in factory-based program managers with widely diverse skills and sometimes insufficient experience in running successful multi-functional teams, putting profitability and customer satisfaction at risk.

Solution

TRI Corporation and Flextronics' Organizational Effectiveness group deployed a competitive, team-based business simulation, My FlexFactory, using unique experiential and discovery learning techniques that has transformed managers' understanding of team interdependencies and the financial impact of their decisions.

Benefits

- ▶ Successful teamwork and functional interdependency
- ▶ Stronger skills in business strategy formulation and execution
- ▶ Prioritization of financial results
- ▶ Operational excellence
- ▶ Strong management bench
- ▶ More satisfied customers

"With an intuitive understanding of the interdependencies among functions, our managers are now driving better financial results and greater customer satisfaction."

Carmella Granado
Senior Director, Organizational Effectiveness



With more than 200 factories in 30 countries, Flextronics is a world leader in vertically integrated advanced design, engineering and electronics manufacturing services to original equipment manufacturers. Serving customers through full-function "mini-factory" teams is a hallmark of its success. After two years of unprecedented growth, Flextronics found that its program managers did not sufficiently understand the multi-functional interdependencies across planning, engineering, finance and other essential functions to be effective and efficient in a low-margin industry with an even lower tolerance for error. Flextronics tapped the experiential learning expertise of TRI Corporation to develop and deploy an immersive training experience that transformed how Flextronics managers and functional leads run their businesses today while preparing them for greater responsibilities tomorrow.

Situation



Carmella Granado, Senior Director for Organizational Effectiveness, is charged with improving the competency of Flextronics' diverse market segment business units by providing a foundation of training and development that addresses current as well as anticipated business needs. Following a recent expansion through acquisition, Granado found that managers did not always understand how all the pieces of their businesses fit together.

"We needed to break down silos within and between teams to promote an enterprise view," Granado says. "At the same time, we wanted to create a career path for our best people to become site general managers."

The Electronics Manufacturing Services (EMS) industry is fast-paced and dynamic with especially low margins. A missed detail or deadline can result in a missed business opportunity for any of Flextronics' customers and, in turn, for Flextronics itself.

"People need to understand the interdependencies among functions and the downstream financial impact of their decisions," Granado says.

Business development and sales have to understand that what they negotiate with customers has to work at the factory. Engineering needs to recognize the importance of on-time delivery. Finance and other staff functions have to see how their demands impact schedules.

Granado previously had implemented training through sharing best practices but found that approach lacking. "Creating a best practice gives people an answer, but it does not help them understand the 'why' of a business situation or enable them to problem-solve on their own," she says.

Granado wanted something more for her managers. She wanted a transformational experience to fundamentally change the way they ran their businesses.

For More Information

To learn more about how TRI Corporation experiential learning services can benefit your organization, visit

www.tri-simulation.com, email TRIContact@tri-simulation.com or call 408-656-2895.

For more information about Flextronics market segments and business units, visit www.flextronics.com.

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Carmella Granado
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"We've implemented weekly P&L reviews so all managers (test, process, product, manufacturing, industrial) understand, prioritize and document the actions they need to take to meet or improve our targets."

Engineering Manager

"The training opened my eyes to the value of team expertise and to how functions work together so we can drive results cohesively."

Business Development Manager

Solution



In partnership with TRI Corporation, an established leader in experiential learning and simulation programs, Flextronics implemented My FlexFactory, a competitive team-based business simulation custom fit to Flextronics' specific challenges.

Drawing on decades of experience in executive leadership development, TRI Corporation specializes in one- to five-day simulations, workshops and programs to improve decision making, enhance performance, and achieve exceptional results. All can be easily and economically adapted to individual organizational needs.

For My FlexFactory, TRI consultants compressed an 18-month business cycle into three intense and engaging days. Granado piloted the simulation then rolled it out to three geographies over 16 months.

In My FlexFactory, cross-functional teams compete under tremendous time pressure for the best financial results and the highest customer satisfaction ratings. Fiscal quarters are compressed into hours, and quarterly financials point out issues such as cash flow, accounts receivables and profit margins that must be

understood and addressed.

In their role play, teams interact with customers whose high expectations, short deadlines and ever-changing objectives must be met. True to life, managers encounter suppliers who don't deliver and a myriad of other factory issues on every front.

"I tell people to eat their Wheaties, take vitamins and get plenty of sleep beforehand," Granado says. "It's boot camp meets *The Apprentice*, but no one gets sent home."

Participants take fundamental management concepts and apply them to their factories. They analyze their results and present quarterly business reviews to actual Flextronics Presidents. Within hours, they see the impact of their decisions in each 90-day cycle. Granado calls the process "biofeedback for business."

"By helicoptering managers up to the P&L level and compressing the time between decisions and results managers see the ramifications of their actions and the interdependencies among functions," A.J. O'Brien, TRI Corporation Vice President, says. "We role play real-world scenarios with real people responding both logically and emotionally."

"More than 170 managers on three continents have completed My FlexFactory, and despite, or perhaps because of, the intensity and rigor, 354 are on a waiting list for the next round."

Benefits



My FlexFactory quickly has become the most popular training and development program Flextronics has ever offered. The company's general managers are greatly satisfied with the return on their training investments. Quarterly surveys document employee transformation in critical areas such as questioning, collaboration, communications and focus on financial results.

"We've implemented weekly P&L reviews so all managers -- test, process, product, manufacturing, industrial -- understand, prioritize and document the actions they need to take to meet or improve our targets," one Engineering Manager reports.

Managers learn that everything is negotiable and now approach business opportunities with a questioning attitude and an eye on their P+Ls. As a result, they are generating more options for customers, driving costs out of their businesses and improving customer service. By questioning assumptions, one team saved \$40K and another reduced a project by four headcount. The results: greater profitability and more satisfied customers.

The value of team collaboration is another critical learning. Managers now practice delegation and trust, sharing problems and implementing innovations that save time and money.

"The training opened my eyes to the value of team expertise and to how functions work together so we can drive results cohesively," one Business Development Manager reports. And communications have improved. Functional experts often had assumed everyone, including customers, understood them, creating serious barriers, inefficiencies and errors. Now managers and functional leads communicate more clearly, reducing misunderstandings and accelerating projects.

In addition, managers report greater focus on cash flow, which has reduced accounts receivable and inventories and has resulted in faster actions and reactions for better customer service.

"Site managers are voting with their dollars and are signing up director-level people as well as their program managers," Granado says. "They are convinced of the ROI because they are getting immediate payback in short-term efficiencies and long-term profitability."

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