

MEGGITT



Application for the EFMD Excellence in Practice Award 2017

One company, one strategy
Meggitt PLC in partnership with Saïd Business School, University of Oxford

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Executive summary

In the early 2000s, Meggitt PLC was a medium sized engineering company employing about 5,000 people in a number of independent businesses, mostly in the aerospace sector.

These businesses were competing – sometimes with each other – in an industry that was consolidating rapidly. This presented a threat to Meggitt: larger companies were in a better position to win larger projects, and customers were reluctant to deal with smaller organisations.

If Meggitt was to thrive in this environment, it needed both to look and to be more ‘joined up’ and strategically aligned. People used to working in siloes had to learn to collaborate, and technically oriented operational managers needed to become strategy leaders.

Meggitt worked in partnership with Saïd Business School to create a leadership development programme that would contribute to meeting these objectives. The idea was to gather together the senior people from across the different businesses in a format that would not only stimulate strategic thinking but, more importantly, would get them to meet each other and create an ongoing dialogue across boundaries.

The Oxford Leadership Programme was developed as a series of intensive nine-month journeys undertaken by a different cohort every two years. Since 2008, around 100 of Meggitt’s senior and high-potential managers have attended the programme, taking part in three residential modules at three-month intervals and, between modules, working in cross-business teams on strategic projects. Every member of the management board has also engaged extensively with each cohort. The impact on Meggitt has been substantial: the programme design, content and networking driven by the residential modules and projects helped enable culture change for the group as well as informing new strategic choices for the company and developing the leadership skills of individual participants.

The programme supported major change initiatives designed by Meggitt to make it a more 'joined-up' business such as:

- A two-year Transformation Programme that changed the structure and sense of identity within the business, removing £50m from the cost base at the same time as positioning Meggitt as a big international force, able to win far more new business.
- The adoption of a set of aspirational values, which drove the purpose of the Transformation Programme, set the foundation for the later adoption of the Meggitt Production System, and created the case for a corporate graduate programme and a new commitment to advanced research and technology.
- A clear articulation of the company's strategy, that is now well understood internally and by shareholders and other stakeholders; this has helped Meggitt explain successfully the strength of its strategy to a shareholder base that has become broader and more demanding.

In turn, these have led to tangible outcomes such as:

- The invention of a new process for producing polysulphide caps for titanium bolts on aircraft wings and other applications, which should lead to significant future sales
- Winning research funding from the European Clean Sky 2 programme.