



Johnson Controls Drives Global Continuous Improvement and Customer Satisfaction



INGENUITY WELCOME

“Upper management can look at top-level measures while service delivery, HR, safety, finance, and customer satisfaction managers can drill into the details.”

— *David J. Mercier, Global Director of Continuous Improvement at Global WorkPlace Solutions, Building Efficiency Division of Johnson Controls*

The Benchmarking Challenge

With over 300 customer locations around the world and more than 500 contractually-required service delivery measures in the US alone, the Global WorkPlace Solutions (GWS) unit of Johnson Controls' Building Efficiency Division faced the daunting task of tracking the performance of all its account teams. The mission for GWS Global Continuous Improvement includes setting benchmark standards based on best practices, using performance scorecarding to compare sites to drive continuous improvement, knowledge management and customer satisfaction.

Without a centralized database to draw from—a contractual requirement—GWS's need to pull data from its own databases (as well as from customer databases) into a tool that could share information securely with account teams and customers over the web became imperative. Speed and flexibility

were also paramount, since GWS needed a performance management solution that would be up and running on site within as little as 30 days of securing a contract.

Lacking broadly-accepted, widely-understood service delivery measures, it was impossible for GWS to compare site and account team performance, identify business best practices and demonstrate hard statistics to customers how they are performing, how they can improve, and demonstrate to prospects why they should hire Johnson Controls.

As customer negotiations often produced unique metrics regarding people, safety, service, customer satisfaction and financials, there was no single place to review metrics across functional areas. The ad hoc nature of responding to customer requests for one-off measures made benchmarking increasingly difficult and subjective.

> INDUSTRY

Facilities Management

> COMPANY SIZE

Over \$32 billion in revenues, to more than 200 million vehicles, 12 million homes and one million commercial buildings.

> CHALLENGE

- More than 500 measures across 33 contracts made it impossible to benchmark performance and compare regions to identify Best Practices
- Data gathering was time-consuming and inefficient
- Excel and PowerPoint slides were difficult to modify, unify and scale

> SOLUTION

Global Performance Scorecard using Actuate Performancesoft Views for strategic, operational performance management

> BENEFITS

- Global customer performance scorecards
- Performance metrics viewable in a single place
- Best practices, greater efficiency produced \$500,000 ROI in one year



The Scorecard Solution

In 2006, GWS concluded it needed a web-based, customer-facing tool for displaying benchmark comparisons and demonstrating business best practices. They spent six months in an evaluation process, thoroughly defining, dissecting, analyzing and discussing what benchmarks they needed to accomplish their goals.

The primary functions of the Global Performance Scorecard System (GPSS) are to:

1. *Standardize customer-facing, contractually-required performance measures*
2. *Replace one-off slide decks in operations reviews*
3. *Use scorecard to gather data that is then used to define business best practices and hold best practice sharing workshops*

Once the global team, which consisted of corporate Vice Presidents for GWS and regional Vice Presidents, agreed on the service delivery measures and a systematic discussion of defined business processes and requirements, they set about to choose their software tool. The key criteria included the following:

1. *Intuitive, customer-facing tool*
2. *Rapid, easy configuration with beginner IT skills*
3. *Flexibility to make modifications in a narrow timeframe*
4. *At-a-glance view of performance metrics across functional areas (e.g., finance, HR, safety, etc.)*

GWS evaluated four vendors, and ultimately chose Actuate's Performancesoft Views, for the following reasons:

- *Briefing book format*
- *View and compare performance of regions and accounts*
- *Ability to present data from disparate systems in single view*
- *Distribute performance information securely, in an intuitive format*
- *Ability to enter data in many ways*

- *Configure database changes quickly, without need for IT*
- *Speed and time to deployment*

In January 2007, GWS purchased Actuate's Performancesoft Views, engaged Actuate Professional Services to consult and guide the implementation, and in less than 90 days went live with a full North American rollout in April 2007.

Benefits

With the Global Performance Scorecard System (GPSS), GWS has achieved excellence in several key areas.

Performance Scorecard

With intuitive green/yellow/red indicators, the performance scorecard helps focus immediate attention on what needs to be fixed, providing drill-to-detail features that enable managers to not only determine which measures need attention, but provide insight to more granular details that impact performance. "Upper management can look at top-level measures while service delivery, HR, safety, finance, and customer satisfaction managers can drill into the details," explains David Mercier.

For the first time, GWS can now compare accounts and regions worldwide to recognize and reward performance, as well as identify accounts that need mentoring and attention. "The ability to view performance metrics worldwide, in a single place is phenomenal," states Mercier.

Continuous Improvement

A cornerstone of the GPSS is the Business Best Practices (BBP) benchmarking initiative. GWS can track account performance, identifying both best-in-class performers and opportunity-for-improvement performers on a particular measure. They can then facilitate BBP workshops, providing an opportunity for improved knowledge transfer. "Executives who are delivering the best performance meet with those who need to improve," says Mercier. A critical component to the acceptance and success of the workshops is



that “they can sit with peers--not somebody from corporate--and learn how to solve problems,” adds Mercier.

GWS follows up on the BBP workshops after four months, and the program has consistently achieved statistically significant improvement on the measures by those who attend, helping to further the goal of continuous improvement. These Best-in-Class practices save both GWS and its customers money through increased productivity, continuous improvement and best business practice sharing.

Customer Satisfaction

Driving customer satisfaction is a critical goal of the GPSS. In its first year, GWS saw customer renewals and new contracts accept 70% of GWS-recommended customer measures—up from 0% before—with some new contracts accepting 100% of GWS measures. “Global customer scorecards provide a competitive advantage to Johnson Controls,” says Mercier, and will set the stage for global benchmarking of accounts by industry, by service type on standard measures.

Operational Efficiency and ROI

Through rigorous examination, definition and analysis of service delivery measures required in its contracts, GWS has improved its operating margins by eliminating redundant measures at contract renewal, while also reducing the number of measures it needs to track. Defining control parameters has also improved overtime management at multiple sites, and—most importantly--the Actuate Performancesoft Views interface helps managers focus quickly on what needs to be fixed. These measures helped GWS realize \$500,000 in return on investment in North America in its first full year using Views as the performance scorecard.

Tips and Lessons Learned

This journey to a global performance scorecard helped GWS uncover underlying data integrity issues which may never have been questioned or discovered otherwise. Identifying a measure is not the same as agreeing on how it should be measured or even what it means. And the key to success has been to identify processes and business rules up front. Johnson Controls aims to make its index the industry-leading measurement of service performance, and it looks like it is well on its way.

About Johnson Controls

Johnson Controls is the global leader that brings ingenuity to the places where people live, work and travel. By integrating technologies, products and services, we create smart environments that redefine the relationships between people and their surroundings. Our team of 140,000 employees creates a more comfortable, safe and sustainable world through our products and services for more than 200 million vehicles, 12 million homes and one million commercial buildings. Our commitment to sustainability drives our environmental stewardship, good corporate citizenship in our workplaces and communities, and the products and services we provide to customers. For additional information, please visit <http://www.johnsoncontrols.com/>.

With over \$3 billion in revenue, Johnson Controls Global WorkPlace Solutions provides a single source for real estate portfolio management, design and project management, strategic consulting, energy and facilities management services. It currently manages over one billion square



feet of corporate real estate for some of the world's leading companies.

About Actuate

Actuate Corporation is dedicated to increasing the richness, interactivity and effectiveness of enterprise data, for everyone, everywhere. Actuate delivers the next generation RIA-ready information platform for both customer and employee-facing applications. The Actuate platform boasts unmatched scalability, high-performance, reliability and security. Its proven RIA capabilities and highly collaborative development architecture are backed by the world's largest open source information application developer community, grounded in BIRT, the Eclipse Foundation's only top level Business Intelligence and reporting project.

Global 9000 organizations use Actuate to roll out RIA-enabled customer loyalty and Performance Management applications that improve customer satisfaction and employee productivity. The company has over 4,200 customers globally in a diverse range of business areas including financial services and the public sector, many of which have a long history of deploying Actuate-based solutions for dozens, or even hundreds of their mission-critical applications. Founded in 1993, Actuate has headquarters in San Mateo, California, with offices worldwide. Actuate is listed on NASDAQ under the symbol ACTU. For more information on Actuate, visit the company's web site at www.actuate.com.