Establishing a Customer Advisory Board

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Honeywell Process Solutions (HPS)

Greenfield Services

Provides automation solutions for new plants, led by Oil & Gas, BioPharma, Chemicals in emerging regions.

Migration, Maintenance Services

Provides maintenance services and technology modernization to enable existing plants to run smoothly.

Advanced Solutions

Provides services and software which enhance the performance of a plant beyond original expectations.

Field Solutions

Provides products (field devices, sensors, wireless controllers) sold direct & thru channels. Enabler for Performance Services.

LOB = Line of Business
Better Business Performance

- Advanced applications and services to better manage business complexity, elevate production and optimize the supply chain
  - Collaborative Manufacturing & Intelligence
  - Supply Chain Optimization
  - Production Management
  - Operations Excellence
New Product Introduction Process

Strategic Alignment

Ideas

Ideas

Ideas

Ideation

Needs Assessment

Concept

Definition

Development

Validation

Market Intro

Offering

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Close

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Voice of Customer

Ensure that our development efforts are aligned with your need and value.

- Input for development
- Project driven collaboration
Our Overall Process

Strategic Planning → Annual Operating Plan

5 Year view of the business, opportunities, growth

Strategy informs growth and overall focus

Portfolio Analysis

Products and solutions to execute the strategy

Investment Planning

Prioritized spending

1 Year plan for revenue targets, aligned with STRAP

Opportunities

View by product area within a Line of Business

Key Acronyms
- STRAP – Strategic Planning
- AOP – Annual Operating Plan
- LOB – Line of Business
- IPP – Investment Prioritization Planning
- NPI – New Product Introduction
- HIP – Honeywell Iterative Process (Development)
- VOC – Voice of Customer

Ensure effective roll out

Iterative Development

VOC

Technology

Competition

Requirements Critical to Quality
Supply Chain Customer Advisory Board

- Honeywell is investing in our Business Performance Solutions
- We are looking for input from our key customers on these solutions
  - VOC, development priorities
- We want broad representation & cross section of customers & requirements represented
  - Multiple Industries – Refining, Petrochemicals and others
  - Representative / alternate from users
  - Geographies
  - Multiple functions - Supply Chain, Planning & Scheduling
- Need to discuss logistics to make this process effective
  - In person meeting?
  - Virtual meetings?
  - Frequency?
Value to Customers

• Opportunity to get an early view of Honeywell offerings and directions
• Opportunity to provide input and guidance to Honeywell for:
  – Strategic directions - priorities and investments
  – Functional feedback – functional needs
  – Usability – tactical feedback
• Help to ensure that offerings meet customer needs
• Opportunity to compare notes, discuss best practices with other customers in other industries
Value to Honeywell

- User input to validate strategy, set priorities, fine tune functions
- Good engagement, dialogue, questions and participation
- Determine next steps, including second meeting scheduled with specific topics of interest to customers
- “I see how I could use this”
  - Support planning discussions
  - Additional potential applications
- Better understand market segment requirements
- Reinforce critical need for ongoing investment
Sample Charter Information
Charter & Objectives

• Charter
  – The primary mission of the Board is to provide Honeywell Process Solutions with informed recommendations and advice on selected major strategic technology issues as well as to provide recommendations on feature enhancements.
  – The Board will be instrumental in assisting Honeywell in achieving excellence in customer satisfaction by providing important Voice of the Customer (VOC) input.

• Objectives
  – Provide Honeywell a forward-looking perspective on high level strategic technology roadmap issues, including but not limited to, advice, recommendation, and input on feature additions or enhancements that will improve the overall customer satisfaction of Honeywell’s Supply Chain offering.
Membership

- Membership on the Board will be by invitation from Honeywell Process Solutions. Honeywell reserves the right to determine suitability of individual members for participation on the Supply Chain Customer Advisory Board to insure that the objectives are met. The board will target participation of approximately 8 to 12 members. Honeywell will strive to insure that membership is global in nature and crosses multiple target market segments.

- Member company participation on the Supply Chain Customer Advisory Board will be for a minimum of two (2) years. The first term of the Board will begin on June 15th, 2006 and will continue through June 30th, 2008. Members joining after June 15th, 2006 but prior to June 30th, 2008 will participate for the balance of the two year term, unless the Board member chooses to discontinue participation or if the Board participation falls below expected guidelines, or in other cases in which Honeywell determines a company’s membership should be withdrawn.

- In 2008, Honeywell management will decide whether to extend the charter for the Supply Chain Customer Advisory Board for another two years, change the charter and or membership policies, and/or end the Supply Chain Customer Advisory Board. If Honeywell decides to extend the charter for another term, membership will be reviewed with possible changes to better meet the goals of the Board.
Voting and Decision Making

• The Supply Chain Customer Advisory Board is encouraged to express their input and opinions through discussion and surveys.

• The Board will operate by consensus in seeking to determine what advice the Board as a whole wishes to convey to Honeywell Process Solutions on selected strategic technology issues as well as on recommendations for additional features and enhancements.

• When a Board wide vote is required and two members of a company are present, only one vote is counted. The primary member will make the determination as to how the member company will vote. Items may be discussed and input provided through discussions without formal votes.
Member Participation

• Each Supply Chain Customer Advisory Board member company may designate one (1) primary representative and one (1) alternate representative.

• The alternate representative is expected to attend Board meetings if the primary representative cannot attend. Board member companies are expected to be represented at as many of the Board meetings as possible and maintain as much consistency as possible in the representative attending the meetings.

• If a Board member’s primary and alternate representatives are both absent for two (2) consecutive meetings or for more than 50% of the meetings in a calendar year, that member company shall be considered for replacement at Honeywell’s discretion.

• Alternate representatives are welcome to attend Board meetings, however, please note voting implications.
Expectations of Board Members

- Be a well-informed group of global representatives who are focused on providing strategic technology direction to Honeywell on its batch automation product direction.
- Provide broad, robust definitions of strategic problems, priorities and alternatives on topics discussed at Batch Advisory Board meetings.
- Help Honeywell Process Solutions reach key decisions on technology issues.
- Provide a forum that can complement Voice of the Customer activities and help focus input to Honeywell on active and planned developments.
- Attend, engage and participate in all Batch Advisory Board meetings and discussions and if not possible then insure an alternate is informed and available to attend.
- Ensure that a current and valid Non Disclosure Agreement (“NDA”) is in place between Honeywell and member company for the term of Board participation and ensure that all information shared by Honeywell that is marked or communicated as "Confidential", "Sensitive", "Proprietary" or with words of similar meaning is used only for Batch Advisory Board purposes and is not shared with any third parties.
- Foster and improve open communications between and among Board members and Honeywell technology and marketing teams.
Expectation of Honeywell

- Assist the Supply Chain Customer Advisory Board in accomplishing its mission and fulfilling the expectation of Board members as described in the charter.
- Set the agenda of important topics to address with input from the Board.
- Honor, respond and give serious consideration to the views, recommendations and advice of the Board.
- Utilize the Board as an integral component of Honeywell Process Solutions Voice of the Customer input.
- Provide sufficient notice to the Board regarding emerging issues and imminent decisions in time for the Board to make a choice about whether it wishes to provide recommendations and advice on the decision and/or the manner in which other customers should be involved in the decision.
- Work with the Board to provide administrative support and meeting facilitators during meetings.
- Provide documented records of meeting notes, actions, recommendations and feedback.
Process

• Meeting agenda topics will be sent in advance of meeting. Honeywell will make best efforts to include highest priority topics within resource and time constraints.

• Meeting topics will end with a short summary session that will allow every attending member to provide their direct feedback and offer the Board the opportunity to summarize their input back to Honeywell.

• The Board may create sub-committees made up of its members to work issues as deemed necessary by the Board.

• Required annual membership participation will include the following:
  – One or two, multi-day meetings
  – Teleconference e-meetings at frequency needed based on discussions at Supply Chain Customer Advisory Board Meetings
  – The meetings will be held in Phoenix, AZ unless mutually agreed to by both the Supply Chain Customer Advisory Board and Honeywell participants. For meetings requiring travel, the meeting dates will be established two months in advance when possible to allow for travel planning and coordination.
Communication Tools

• We would like to use Web based meetings (LiveMeeting)
  – Is this viable

• Will create “community” for Batch Advisory Board
  – Share information – pre-read material, surveys, etc

• Updates via email

• Please fill out the questionnaire or let us know