

# KBR (Kellogg Brown & Root)



KBR's mission is to be the "Best-in-Class" provider of innovative and commercially proven solutions for local, state, and federal governments and selected private-sector customers.

Specializing in engineering, construction, program/project management, and operations and maintenance services, KBR already has an impressive portfolio of best-in-class work practices. But their expertise would often be overlooked. In-house surveys showed that KBR was not making the "A" list of companies considered for high-profile projects and was lagging behind its projected growth rate.

As Randy Harl, president of KBR, put it: "Plainly, we needed to generate more business and be more effective in positioning our services. After all, we're not selling toasters; this is a long-term, complex sale in which the client needs a lot of confidence in our abilities."

When KBR decided to hire an outside consulting partner, it looked no further than the company that wrote the book on performance—*Improving Performance: How to Manage the White Space on the Organization Chart*. Harl explains: "From the book, we understood that the Rummler-Brache Group (RBG) has a system that takes a company through the reengineering process in a way that is more prescriptive than anything we've ever seen. We had to get beneath the surface of our clients' perceived challenges to what they really needed. That goal involved market analysis and strategic planning, proposals, and pricing. We felt that the Rummler-Brache Group could help us do that."

In addition, Skip Richardson, Vice President of Business Development at KBR points out, "it was also important that RBG help the company develop a replicable process, one that would enable it to become a leading organization."

There were two phases to the redesigned business acquisition process: the project definition phase, wherein KBR's vision and objectives were understood; and the process analysis and design phase. The acquisition's process further broke down into 10 major categories—from business planning to feedback—each of which, in turn, had implementation steps. This detailed process provided managers with a step-by-step methodology and how to track it.

Once the system was designed, Lonnie Goodman, KBR's Management Control Specialist, took the processes and created templates. "This cultural shift—getting management teams to follow and implement the new process—is the hardest," admits Goodman. "But now that it's documented, each employee knows what the company's goals are and how their job fits in, which ensures accountability." In addition, a major outcome has been the creation of an electronic library—accessible from anywhere in the world—that is the repository of all the proposals, recommendations, achievements, and best practices that the company has worked on for the past 3 years. KBR also appointed a facilitation manager whose full-time job was to oversee the implementation of the reengineered process and to report



weekly on how things were going. This step, Harl says, along with leadership from the top, was key to making the new system work.

One of RBG's stated promises is that once a process is designed and in place, the clients' newly gained tools and knowledge will allow for self-sufficiency, not dependency. And, indeed, for KBR the designed baseline has helped them establish, manage, and improve the changes that have been needed after RBG's involvement. "We're always looking ahead to the next thing that's preventing us from achieving our goals," says Harl. "This is not a destination, it's a journey. Invariably, when something goes wrong, and we go back and look, we find that we did not do something that we said we were going to do. The best thinking went into this process, and we need to make sure we follow our best practices each time."

In less than two years, KBR has accomplished what it set out to do—acquire business. In the first quarter, the company booked \$1.3 billion of backlogged projects, \$3 billion in source selection, and another \$10 billion to bid on, which Richardson says "would never have been possible with our previous business acquisition approach." The company has also learned when to say "No." Contracting is a laborious, time-intensive, expensive process. The new approach has enabled KBR not only to become marketing savvy but to screen out opportunities best left behind.

While it's too soon to know the percentage of the increased business, Harl is already pleased with the results and customers' feedback. "Before, the company was losing jobs because it was not clearly conveying what it could do. Now, there's client feedback that KBR's proposals are the best they've ever seen."

This solid start assures KBR that, in the long term, they will be able to pursue more work with less money. "The more efficient we become, the more business we can pursue without adversely affecting the overhead rates of our organization," explains Richardson. "It will allow us to compete on a world-class basis."