

# Case study

## Heatric

**HEATRIC**

**M MEGGITT**

### The Company

Heatric designs and manufactures the Printed Circuit Heat Exchanger (PCHE) and the Printed Circuit Reactor (PCR). PCHEs were originally developed as part of a post graduate research project at Sydney University, which led to Heatric being founded in 1985. Four years later the company made its first European sales, moved to the UK and joined the Meggitt group. Heatric has offices in the UK, Paris and Houston, as well as representatives around the world.

The PCHE is a compact, high integrity heat exchanger used world-wide in upstream hydrocarbon processing such as hydrocarbon gas compression cooling offshore. Since its foundation, Heatric has supplied over 500 PCHE's on over 120 major projects world wide, both in the gas processing and petrochemical markets.



PCHE is now an established compact heat exchanger technology. PCHEs have unmatched capacity to undertake mechanically, chemically and thermodynamically demanding duties in limited space and are a sixth of the size of a normal heat exchanger. Heatric help their customers develop energy efficient processes, through innovations in materials, applications and process optimisation.

The main application of PCHEs is offshore rigs where they are used to cool gas when it comes out of the ground. Phillips, a US oil company, used a set of PCHEs and was able to make substantial space savings which saved them £4 million. PCHEs are also used in nuclear power plants, chemical reactors and fuel cells.

Heatric's performance as a supplier has been outstanding over the past 18 years. Due to the mission critical nature of the exchangers each one must be perfect. If a PCHE does not work a company stands to lose millions of pounds. Each product comes with a manufacturer's warranty but no claims have ever been made on these.

### The Issue

Up to 1998 the gas processing industry had been growing steadily which had enabled Heatric to expand quickly and develop. The downturn in the global economy hit oil companies hard and forced Heatric to consider its place in the global market and its product offerings. The company had also undergone an extensive change in its management structure. The Australian founders were bought out and a new managing director was appointed. Both these factors prompted Heatric to examine its growth strategy and how it could continue to be successful in a changed world market. It was clear that it needed to develop new applications to secure its success and differentiate itself from its competitors.

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Before the company could move forward it needed to change the mindset of the people working there. The company was comprised of people who had very similar characteristics - they tended to be very careful, systematic, precise and accurate. However, they were very sceptical of anything that would change the status quo so the process needed buy-in from the managers to start with.

## The Solution

Heatric first looked to Thomas to help them with the recruitment of a Sales Engineer. They then went on to use the Personal Profile Analysis (PPA) to examine the management team and how they interacted with each other.



The Personal Profile Analysis (PPA) assesses an individual's behaviour in the work environment. It can answer questions such as – What are their strengths and limitations? Are they self starters? How do they communicate? What motivates them? The PPA enables people to become more self aware, which in turn gives them the means to consolidate their working strengths and compensate for their limitations.

The PPA is a series of 24 questions on a forced choice “first impressions” basis, taking no longer than seven minutes to complete. The answers are charted on a graph under the four headings of Dominance, Influence, Steadiness and Compliance (DISC).

David Newton, finance director at Heatric commented “We have been using Thomas’ systems since November 2000, when I completed my PPA training, and our use of it has steadily evolved since then. We first started using the PPA as part of our recruitment process and then went on to use it in our employee development, culminating in the creation of Personal Development Reviews. We profiled our management team, undertaking a Team Audit and Management Diagnostic Review. In 2002 we started using TST as part of our recruitment process, made use of PAC and ensured all our managers attended the one day PPA Executive Workshop.”

“Heatric had to change internally to meet the challenges presented by our expansion into new product markets. We saw Thomas as a means to help with the people issues presented. To meet our objectives as a company we needed to know what our people were like so we could maximise their potential. We saw there was a danger of people losing the excitement and energy they had when the company first started.”

## Newton explained how Thomas' Management Diagnostic identified what their key needs were;

"There was no clear consensus from the management team. We didn't have a clear understanding of where we going and there were lots of conflicting ideas. The diagnostic session was excellent – the gloves were off. It was an opportunity to bring all the issues into the open and clear up all misunderstandings. By the end of it we had much more clarity of purpose and were all speaking a common language – DISC. For example, leadership was identified as one of the key issues. We were then able to set clear targets and define the decision process and responsibilities. We had not been able to do this before."

The Personal Development Reviews were part of the ongoing development of individuals within Heatric. The objective is to promote two way communication and commitment. PDRs were designed to keep staff motivated and enthused.

Newton continues "The Development Reviews were a vital part of maintaining the morale of staff and creating a culture of excellence. The reviews take place annually and are an opportunity to evaluate an individual's performance against their personal objectives. It was a chance to really explore the development potential of a person, where they are going in the role and any training needs they may have.

## Summary

Newton summarises; "We really wanted to be able to have a much better understanding of our people. We wanted to give them a chance to influence the organisation and participate in their own destiny. The PPA was an extremely effective problem solving tool; it did not provide the answers but gave us the right questions to ask to get results. We are able to review the structure of different teams and the way they worked as well as giving the managers the tools to be able to do their jobs much more effectively."

