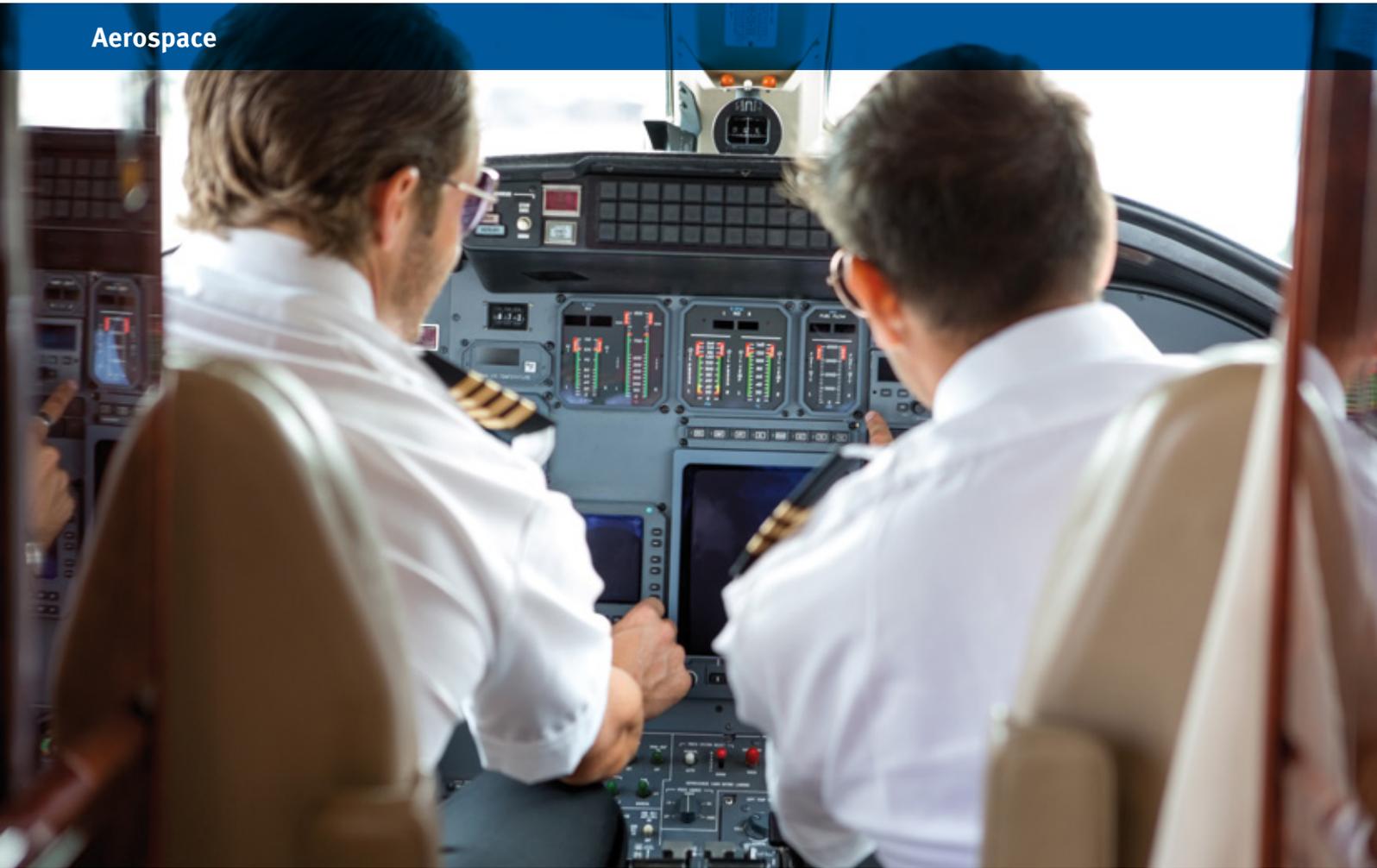


SUCCESS STORY

Competitive Product Development at a French Aircraft Manufacturer and System Supplier

Aerospace





COMPETITIVE PRODUCT DEVELOPMENT PROJECT AT FRENCH AIRCRAFT MANUFACTURER DAHER

Efficient cost management as the basis of competitive product development

Global competition in the aerospace industry is forcing both manufacturers and suppliers to act faster while bringing prices down. Increasing cost pressure has an impact on even the initial stages of development. The holistic approach of Ingenics toward competitive product development and efficient cost management relieves a considerable workload, as demonstrated by a project at French aircraft manufacturer and Tier 1 supplier Daher.

About Daher

Daher is a French aircraft manufacturer and Tier 1 supplier that develops integrated aerospace systems and innovative technology, and provides the corresponding services. It also produces aircraft components for manufacturers such as Airbus, Dassault, Bombardier and Airbus Helicopters. Founded in 1863 as a shipping company in Marseilles, there have been numerous transformations in the company's history. Since the takeover of Socata in 2009, Daher has been a leading player in the aircraft industry with locations on every continent. www.daher.com

Due to the pressure of intensifying global competition, there is a feeling among manufacturers, suppliers, and subcontractors in the aerospace industry that they are increasingly forced to reduce costs while having to continuously act faster. In order to prevent this balancing act from becoming a business dilemma or safety issue, it is vital to find creative ways of confronting ever-increasing pressure in the early stages of development.

Competitive product development – a holistic approach from Ingenics that also includes efficient cost management – has been applied with resounding success in a project at Daher, the French aircraft manufacturer and Tier 1 supplier. This has created a solid foundation for achieving ambitious targets in terms of quality and prices.

The starting point was a contract for Daher to develop and produce the fuselage for a new business jet. The director of Ingenics France, Alexandre Zisa, has many years of personal experience in aircraft manufacturing and competitive product design (CPD). He was faced with a real – though not unusual – challenge: according to all the calculations, there would be a negative margin for the work package that had already been more or



The most important project results and Ingenics performances:

- › Introduction of cost control with respect to processes, management and tooling
- › Internal workshops: DFMA, design to cost, resourcing
- › Workshops with suppliers: DFMA, design to cost, resourcing
- › Result: planned margin achieved, allowing the program to continue

less developed. The consultants from Ingenics were tasked to help bring the order back to profitability as quickly as possible.

It was clear to the team that any further delay threatened to magnify the negative effects. It was therefore necessary to develop ideas and take action very quickly. Once Alexandre Zisa had familiarized the Daher project team with the Ingenics approach of competitive product development, a series of measures were decided with immediate effect. The primary objective was to regain control over margin while generating approaches to allow decisive improvements in the future.

The main concern for Ingenics experts as well as the Daher project team was to establish an efficient cost control system and to create a clearly defined project budget. Projected costs were checked, updated, and optimized on a weekly basis with participating teams – an approach that raises awareness for maximum cost transparency and that ensures this is largely taken into account. At the same time work was done to improve communication and cooperation between the different teams.

Additional potential savings were identified in the supplier relationship analysis with the aim of securing a positive margin. These

were realized partly through targeted optimization measures and partly by changing suppliers without having to compromise in terms of performance or quality.

Previous experience dictates that competitive product development that is successful, long term, requires one more factor: sound team coaching at every level. At Daher, it was possible to involve every department – from project management and program management to engineering, procurement, and production. Ingenics experts supported the project manager in the areas of project organization, cost assessment, and cost control, arranging internal and external workshops (e.g. with suppliers) in order to achieve greater cost transparency or to determine additional component improvements.

The engineers were actively supported in their redesign work, with expected development costs being taken into consideration at all times. Especially for the procurement team, cost transparency and component improvement workshops were developed and carried out in order to guarantee the best possible implementation of the project outcome.

“Efficient cost management is a core area of expertise at Ingenics. Our clients stand to benefit from competitive product development in many ways. At Daher, immediate action was the key to long-term success, and our client has since had perfect control of the program margin.”

Alexandre Zisa, director of Ingenics France

Efficiency improvement³ – Building sustainable business success



In a nutshell, the core services of Ingenics can be summarized in three words: Planning. Optimization. Qualification. Or, to put it simply, efficiency improvement³. Our main focus is on three central areas of business – factories, logistics, and organization. Ingenics' history in these areas has been sustained for more than 35 years.

Benefit from unique experiences gained over the course of more than 5.100 successful projects. Discover how, considering your goals and objectives, we create space for your sustainable corporate success.

