



“Aerospace Suppliers: How to Improve Performance & Win More Business”

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Presentation by

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Pierre-Olivier Sadoul’s career includes 15 years working for Airbus. Among his many achievements while at Airbus was setting up the Wing Lean Supply Chain Logistics strategy for Airbus’ A350 aircraft. Then in early 2011, Pierre-Olivier left Airbus and the corporate world to launch Spitfire Conseil, a consultancy company specializing in operational excellence.

His success while at Airbus opened the door for Pierre-Olivier to begin consulting to Airbus soon after he started his practice. While tasked with numerous internal projects, Pierre-Olivier has also become an Airbus qualified trainer, traveling the globe offering workshops that share the ins and outs, the do’s and don’ts of becoming an Airbus supplier.

Pierre-Olivier’s presentation at the A&DF was a primer . . . a teaser of sorts . . . for those in attendance who might wish to become an Airbus supplier . . . from someone who has lived the process. He made it very clear that the path to be a supplier is both difficult and different when compared with other aircraft manufacturers. However, he also emphasized that the rewards are worth the journey.

Airbus currently has a 7 – 8 year aircraft production backlog. This bodes well for Airbus and also, as Pierre-Olivier asserted, for their suppliers . . . current and future. Airbus is in a pickle. They are delivering only 600 planes per year because, in large part, their suppliers are struggling to deliver more product. Airbus will need to identify more suppliers in order to keep up with their production demands. This seems to be a great opportunity for A&D manufacturers, particularly those not currently working with Airbus.

More specifically, there is tremendous opportunity for U.S.-based suppliers. In 2012, Airbus’ procurement in the U.S. was \$12 billion sourced from among 500 Level One U.S. manufacturers plus Level Two suppliers. Procurement is expected to grow dramatically, reaching \$20B in 2020. Why? Yes, there is the backlog but there is also Airbus’ understanding of the benefits of

working with U.S. companies. They produce the highest technical systems available. The U.S. market is expanding. And since Airbus sells in dollars, buying in dollars is attractive.

As Pierre-Olivier emphasized throughout the presentation, the path to supplier-dom is not a walk in the park. Here is a brief summary of first steps in the journey.

- 1) Register via Airbus' website with their procurement department.
- 2) Get to know the people within that department. There are offices in Washington, DC and Los Angeles. Build relationships. They are constantly conducting gap analysis to determine their supplier needs so they will be in position to assess potential opportunities.
- 3) An Airbus operational excellence expert will evaluate the gathered information. They are looking for innovative suppliers that will add value to production efforts.

For those suppliers that qualify, then the "fun" begins. Scrutiny. In depth evaluation. Demonstration of compliance with 700 requirements. Risk analysis. Evidence of ability to perform throughout the contract life. Development of proposal. Continuous process improvement. All this . . . and more . . . to achieve supplier approval. But once done, it is a smooth ride from there . . . so to speak.

As Airbus' EVP of Procurement was quoted, "We are in a long-term marriage with many of our suppliers and we typically work on everything together." That, in a nutshell, was the message conveyed by Pierre-Olivier. "Once you're in, you're in."

Airbus, being a European company, has adapted the European business approach that places importance on long-term relationships. Whereas other primes tend to change suppliers with regularity, Airbus proudly reveals that it enjoys 25-year long relationships with its suppliers . . . with few whose contracts having been terminated. Whereas other primes push suppliers for ever-lower prices at already razor thin margins, Airbus lends a helping hand to suppliers to uncover ways to find cost savings through continuous improvement methods.

This article just scratches the surface for understanding all the steps necessary to becoming an Airbus approved supplier. Pierre-Olivier's multi-day workshops on the process can fill in the gaps. If you would like more information about this process or attending one of his workshops, Pierre-Olivier can be reached at pierreolivier.sadoul@spitfireconseil.fr.



Lee Schwartz, former CEO and President of manufacturing and distribution companies, is principal of the Schwartz Profitability Group (SPG) that, for 14 years, has uncorked the operational bottlenecks of manufacturing and distribution companies, boosting their bottom line results. Lee's clients range from smaller family run companies to Fortune 500 firms, including those in aerospace and defense. His work helps his clients find solutions related to process improvement, supply chain management, inventory control, workflow design, and

operational performance. Results consistently include cost reduction, improved efficiencies and increased profitability.

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