

Industry Keynotes



Phil Curnock

ADS SC21 Programme Manager UK and International

30 years experience in the Aerospace and Defence Industry working in Senior Management positions in BAE Systems, Airbus and Rolls Royce. Background in managing major change programmes in Procurement ,Logistics, IT and Operations. Currently the SC21 UK Industry programme manager.





Phil Curnock

SC21 Programme manager

What is SC21?

- SC21 is an industry change programme designed to accelerate the competitiveness of the aerospace & defence industry by raising the performance of its supply chains.
- It is a national strategy, executed regionally



Alan E Cook CBE, SBAC President

Since the launch of SC21 programme at the Farnborough International Airshow in 2008, we have seen real, tangible improvement within the UK supply chain. At this exciting stage of our development we cannot afford to be complacent. We still face increased levels of global challenges and it is imperative that we increase the momentum to address these challenges.

I am extremely encouraged by the early results, and the fact that we have been able to make the first recognition awards for world-class performance is testimony to the benefits that can be derived from SC21, and in line with our commitment. These benefits can be achieved throughout the supply chain - from the largest OEMs to the smallest SMEs.

I am also pleased to see collaboration with NSAM (National Skills Academy for Manufacturing) in respect of the provision of world-class training - driven by the employer - which is fundamentally essential if SC21

is to be successful. Once again the initial results we have achieved together has been very encouraging. I think that everybody in the aerospace and defence industry in the UK realises that to be successful, we have to be able to recruit, retain and motivate the best talent, and this requires high levels of training in specific areas.

We cannot afford to be complacent, we must increase the pace, and continue to drive for the highest rate of improvement.

Why is SC21 necessary?

- Standardise processes
- Remove duplication and hence reduce costs
- Modernise business relationships
- Improve communications and collaboration
- Increase efficiency and simplicity
- Increase innovation

- Current situation:
- Disconnected, fragmented supply base
- Non standardised processes, waste & duplication (i.e. metrics, auditing)
- Business relationships are often poor
- The interests of different parties are not aligned



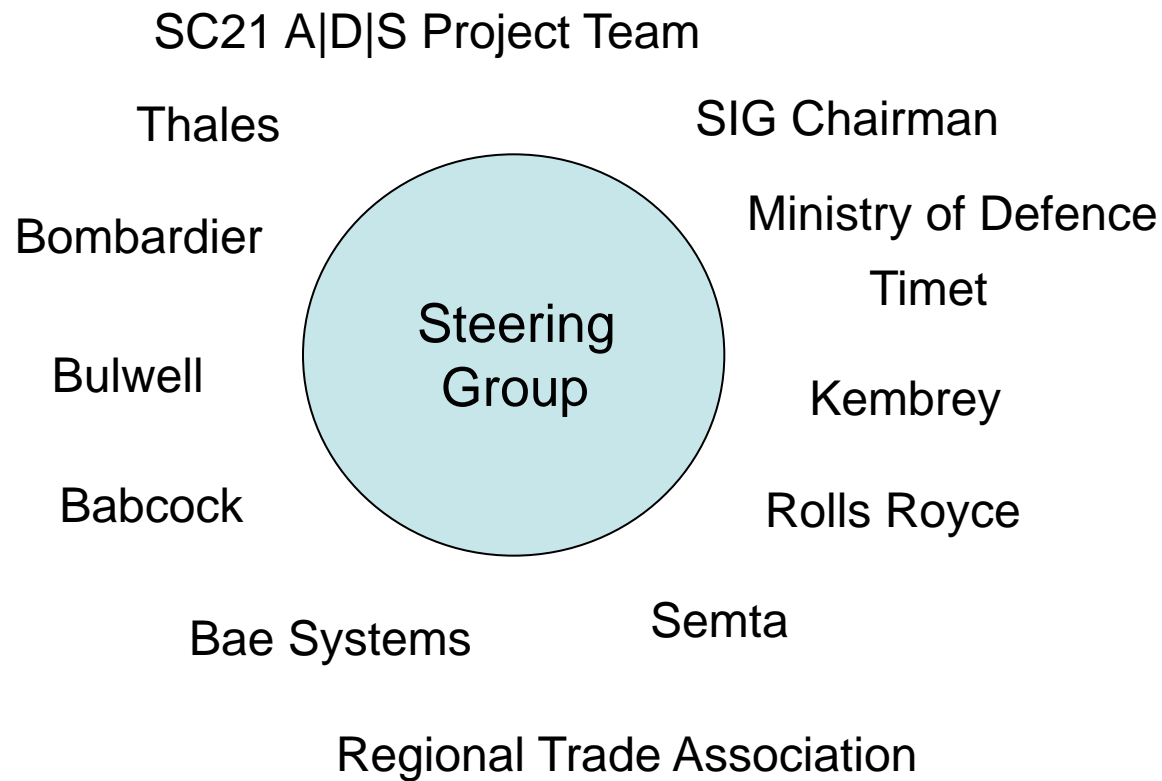
Successes so far

- CEO sign up to the programme no lower.
- Industry Collaboration to get to a common approach to supply chain management and taking out duplication.

Example Case studies to follow

- Flexible programme to cater for all sizes of business.
- Regional networks of suppliers clustering to learn from each other and offer better solutions to customer requirements.
- Relationship management – Customer and Suppliers being open and honest with each other to jointly address issues together.
- Suppliers and customers evidencing major benefits.
- Independently facilitated by ADS

Programme Governance



All Prime members are direct report to CEO.



Industry evidence of performance improvement

Industry Evidence

SC21 what's in it for the UK supplier

"SC21 is driving real improvement in Bombardier's supply base. Suppliers who are genuinely active on the programme have demonstrated a 'delivery on time' performance which represents a 50 per cent improvement over those companies that are not engaged in the programme. These are the suppliers with whom we would prefer to work and who are positioning themselves to develop their capabilities alongside us."

Stephen Cowan, General Manager, Supply Chain and Hawmark Fabrication Facility, Bombardier Aerospace, Belfast.

BOMBARDIER

"Working for this award has encouraged us to transform our business to meet 21st century standards of excellence. We have embraced changes to our business systems and adopted lean manufacturing techniques companywide and are now a more structured and integrated company, ready to move forward and grow to face the challenges of the future. Measurable improvements include:

- *Improved on time delivery to customer (better than 95% OTIF since October 2009)*
- *Supplier delivery performance (was 41.7% September 2009 now 97.99%)*
- *Planned versus actual efficiency impacting directly on scheduling (The target was between 95% and 125% but is now 97.5% and 110%."*

Paul Benham, Managing Director, Benham Manufacturing. Bronze award winner 2010.





Mark Wingfield and Kevin Powell

The Award, which is specific to the aerospace and defence sectors, will help the company target more new orders as it looks to increase turnover to £2m in 2010.

Kevin Powell, Quality Manager at A&M EDM, was delighted with the achievement: "We are a small manufacturer dealing with big names in demanding industries that look for the best possible performance and cost savings at all times.

Key Achievements - SC21 Bronze Award

A&M EDM has become only the second company in the region to secure a SC21 Bronze award for sustained PPM and on-time delivery performance. They also won more than £250,000 of new business in a three month period.

"Our SC21 activities have seen us sustain and improve from Bronze to Silver due to our CSIP identifying areas of our business to be improved. Higher Quality and Delivery performance and cost effective manufacture are a major contributor to the new business opportunities we are seeing, which are all as a direct result from actively engaging on the programme. Without question, SC21 has enabled us to be more efficient, productive and it can be a fantastic marketing tool for attracting new customers. We have seen an increase of over 60% in new enquires as potential and existing customers now realise the real benefits of working with an actively engaged, award winning SC21 signatory. It's important that there is recognition for suppliers on the journey."

**Steve Ticker, Managing Director,
High-Tech Engineering Ltd.
Silver award winner 2010.**



HIGH-TECH
ENGINEERING



"SC21 has been fundamental in helping us consolidate the business during a difficult period and will now be equally important in helping us achieve our ambitious growth plans for 2010.

Key achievements Kepston are in line to secure AS 9100 by mid year and as already reported 100K cost savings and significant improvements in quality and delivery performance."

**Alan Overton,
Quality Manager, Kepston Limited.**



KEPSTON
LIMITED



Left to right; Jason Aldridge (Managing Director, Arrowsmith Engineering) Peter Jones (SMA, MAS-WM) and Cliff Johnson (SC21 Project Manager, MAS-WM)

Key Achievements

- > Engaged key customer Rolls Royce onto SC21 programme.
- > Successful implementation of performance monitoring via MRP & BOS/QOS.
- > Successful implementation TPM.
- > CAD/CAM up-skilling.
- > Increased OTIF performance by 20%.
- > Supplier Development programme.
- > Implementation of VisualFair.

“Arrowsmith has successfully integrated SC21 principles and practices into their business plan and use SC21 as a tool kit to assist in delivering business development and growth, i.e. up-skilling, performance and efficiency improvements within the company.”

Jason Aldridge, Arrowsmith Engineering Ltd.

"(BAES) Hillend Manufacturing is proud to have achieved the SC21 Bronze award in 2009 with Selex. As a customer sponsored change program, SC21 has provided a focused platform for improvement. The Manufacturing Excellence Scorecard assessment has genuinely assisted us in striving for improvement, and provided that all-important external viewpoint."

**Danny O'Brien, Head of Manufacturing,
BAE Systems Insyte**

BAE SYSTEMS










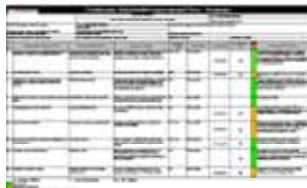
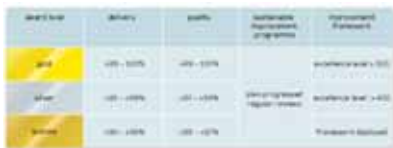

"General Dynamics UK are a systems integrator. SC21 has saved us a small fortune on the bottom line, and made us a viable supplier to MoD on land vehicles. SC21 has helped us make 100% on time deliveries to MoD, and suppliers have not eroded their margins".

**Dr Sandy Wilson, President and Managing
Director, General Dynamics UK Limited**

GENERAL DYNAMICS
United Kingdom Limited



What is the SC21 process Model

CUSTOMER ENGAGEMENT	DIAGNOSTICS	Continuous Sustainable Improvement Plan	RECOGNITION
<p>Business group formation</p>  <p>Metrics alignment</p> <p>Delivery = $\frac{\text{Number of 'On Time' deliveries}}{\text{Number of scheduled deliveries}} \times 100\%$ (this shows the % of On Time Deliveries)</p> <p>Quality = $1 - \left(\frac{\text{Number of rejects}}{\text{Number of deliveries}} \right) \times 100\%$ (this shows the % right first time)</p> <p>Quality = $\frac{\text{Number of rejects}}{\text{Number of deliveries}} \times 100\%$ (this shows the % of non-conformance)</p> <p>Quality = $\frac{\text{Number of rejects} \times 1,000,000}{\text{Number of deliveries}}$ (this shows the number of defects per million)</p> <p>Code of practice</p> 	<p>Quality certification</p>  <p>Relationships</p>  <p>Business Excellence</p>  <p>Manufacturing Excellence</p> 	<p>CSIP</p>  	<p>Award metrics</p>  <p>Industry recognition</p> 



SC21 Balanced score card



SC21 Exposition Summary Sheet																																														
Supplier:- Aeroflex Test Equipment Services (ATES)			Scope:- Stevenage Operations			Date:- 23rd Sept 2010																																								
		Thales	BAE Systems	MBDA	Selex Galileo	Selex Comms	Cobham	Customers Name	Customers Name	Customers Name	Customers Name	Mean average																																		
Award Delivery		1	2	3	4	5	6	7	8	9	10																																			
Gold	> 99 - 100%																																													
Silver	> 95 - < 99%	95	96									95.6																																		
Bronze	> 90 - < 95%			90	95	94	94																																							
Award Quality		1	2	3	4	5	6	7	8	9	10																																			
Gold	99.9 - 100%				99.9	100	100																																							
Silver	99.5 - < 99.9%	99.6	99.8									99.8																																		
Bronze	98 - < 99.5%			99																																										
Award Excellence		EFQM Score					Man Ex Score																																							
Gold	> 500																																													
Silver	> 400																																													
Bronze	Deployed	360					301																																							
SC21 trained Business Excellence practitioners/providers						Olaide Olaoye																																								
SC21 trained Manufacturing Excellence practitioners/providers						Olaide Olaoye																																								
Completed RMM		1	2	3	4	5	6	7	8	9	10																																			
Previous Score																																														
Latest Score		51																																												
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Data all verified and agreed with customers.



Current Status

- **670+ companies on the national status report – Over 450 active**
- **57% have a CSIP in place**
- **38 current Bronze Awards**
- **5 current Silver Awards**
- **First Gold Award submitted.**
- **More awards on the way**
- **Variety of commodities / industries:**
 - **Metal machining, Composite, Integrators, Electronics, Test Houses, Tooling. Design houses, MRO facilities, Service support, Treatments. Sub assy.**



Major Businesses involved in the programme

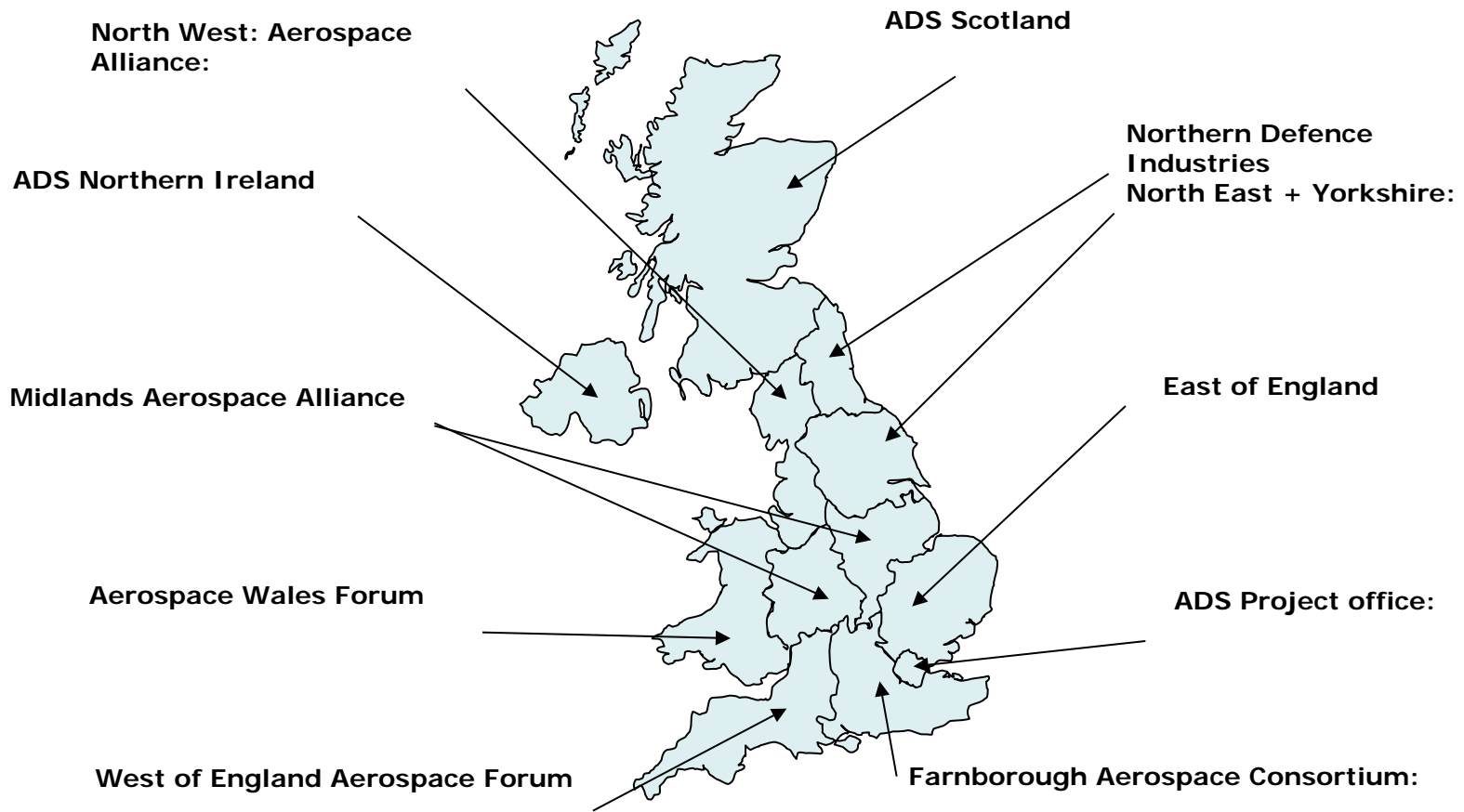
Aero Engine Controls
Airbus
Babcock
Bae Systems
Bombardier
Cobham
EADS
GE Aviation
General Dynamics

Goodrich
Lockheed Martin
MBDA
Meggitt
Ministry Of Defence
Raytheon
Rolls Royce
Selex Galileo
Ultra

All driving towards a standard supply chain performance
framework with common goals



Regional Government Funding to support small companies





Cross Sector engagement



- **Aerospace**
- **Defence**
- **Security**
- **Space**
- **Marine**
- **Repair and Overhaul**
- **Growing interest from Nuclear, Railway.**



Next steps for SC21



- Continue to develop Cluster approach to gain greater maturity.
- Continue to develop strategy to further align Quality standards.
- Incorporate Sustainable Procurement
- Foster Innovative Supply chain solutions
- Further embed Continuous Sustainable improved Performance as a way of life.
- Further Embrace Marine, MRO and Security Sector.
- Continue to help signatories to CSIP.



More Information



- Website open to all –
 - » Case Studies
 - » Award winning submissions
 - » Relationship Diagnostic tool
 - » National Plan.
 - » Implementation guide
 - » Benefits booklets

- » <http://www.sbac.co.uk/pages/80338686.asp>