



## Improving Competitiveness in the Supply Chain

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The aerospace sector is undergoing a process of fundamental transformation. Companies require worldwide competitive capability in order to ensure that they are an integral part of the future.

Signatories to the SBAC initiative SC21 have committed to developing their supply chains in order to improve competitiveness and deliver increased value, whilst at the same time providing high service levels that their customers can rely on.

### *Working together*

The Consultancy Company specialises in supply chain solutions, we help our clients to develop and continually improve processes in order to remain competitive and lean.

We are members of the North West Aerospace Alliance, signatories to SC21 and in the process of accreditation by the SBAC to provide consultancy services in support of SC21 implementation. We have a deep understanding of what is required to improve performance within the aerospace sector; helping our customers to achieve world class standard. Each of our supply chain consultants has over ten years experience in senior management; many in high technology sectors including satellite communications, fast military jet aircraft, avionics and information systems.

### *Our Areas of Expertise*

#### **Business Strategy**

The prime responsibility of a strategic leader is to ensure their business or organisation produces a satisfactory return for its shareholders and exercises corporate responsibility in all matters. To be able to identify the right strategy and pursue it to the desired result the strategic leader needs to master two functions, strategic thinking and strategic planning.

Our consultants work with clients to build effective strategic leadership and develop and implement a strategy plan for the business which will result in improved opportunities and performance.

Our approach is to match the internal capabilities and resources of the business with the current and future marketplace. In developing a business strategy we focus on: corporate strategy – analysis and definition of the business you should be in; business strategy – developing tactics to exploit the sector and counter competition; and functional strategy – defining the operational methods for driving the business.

#### **Relationship Management**

The integration of supply chains across the aerospace and defence industries is at the heart of the SC21 initiative. Being able to manage the flow of materials and goods in a service driven and cost efficient way will separate out those companies that will survive in a competitive market.

By mapping out the entire supply chain, from suppliers to customers, companies will be able to start building better relationships and an environment of openness and trust. Increased profitability will result as, for example, working capital is reduced when it is realised how much can be taken out due to duplication of inventory holdings.

Using our value stream mapping and modelling expertise complex supply chains can be analysed and recommendations made on how to make them more integrated through lead time reduction, better communications and the introduction of planning processes which improve product flow.



“If the UK aerospace and defence industry wants to succeed in the future, it needs to drive down costs faster than its competitors, deliver high-quality programmes on time and on cost, and make sure that it creates the right capabilities for a rapidly changing market.”

**Mike Webb**  
*Procurement  
Performance Excellence  
Manager*  
BAE Systems



“The aerospace industry in the UK and worldwide is going through a remarkable period of change both technological and commercial. With our wide experience in supply chain optimisation we feel we have much to offer SMEs who are enthusiastic about meeting the new challenges set by SC21.”

**Keith Morris**  
*Consultant*  
The Consultancy  
Company

## Leadership for Managing Change

Management structures in an SC21 environment will share the key characteristics of the new aerospace supply chain. It will be integrated, fast-moving, high-tech and aligned. Leaders managing change need to:

- Establish a sense of urgency and commitment from the top.
- Assemble a group with enough power to lead the change and encourage them to work as a team.
- Create a vision to help direct the change effort and develop strategies for achieving that vision.
- Communicate the vision and empower others to act, then underpin the successful operation of systems and processes.
- Plan for short-term wins, recognise and reward employees.
- Embed new approaches and develop the means to ensure leadership development and succession.

As every organisation and team is individual, our programmes are tailored to take into account current knowledge, existing culture and the specific challenges being faced by an organisation.

## Lean and Continuous Improvement

With many years' experience of projects in the automotive sector our approach to sustainable continuous improvement builds on our leadership training and is based on the Toyota Production System. It focuses on flow in a manner that is technically robust and capable of deploying the full range of Lean and Six Sigma techniques. These include process and value stream mapping, 5S (sort, set locations/limits, shine and sweep, standardize and sustain), tact time and SMED (single minute exchange of die).

In order to achieve sustainable cultural and continuous improvements, we look to secure effective and incremental change based on demonstrating that the approach works in one area before moving onto the wider system. This allows the concepts of lean thinking to be introduced to a business in a low risk way.

## Sourcing & Procurement

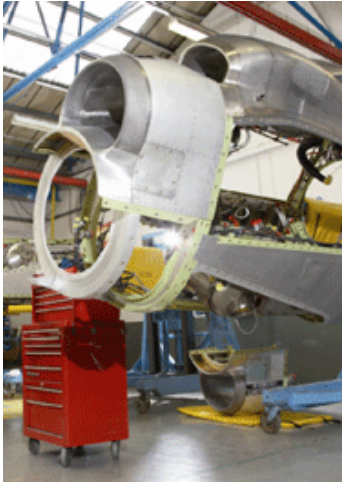
Many companies have chosen to outsource manufacturing whilst others have chosen to be selective and to develop manufacturing capabilities into a source of competitive advantage. These strategic decisions are critical, and mistakes can be very costly.

Successful manufacturing strategies require:

- definition of core and non-core elements;
- careful and rigorous make vs buy analysis;
- application of best practice to manufacturing whether in-house or outsourced.

Our structured approach to a make vs buy analysis encompasses business strategy, manufacturing capability, performance, intellectual property protection and economics. We review all relevant factors in an objective manner and mitigate the risk of expensive mistakes often caused by focusing simply on costs.

Using our extensive experience of sourcing and supply chain issues means that we can support the decision making processes and policy development with strong workshop facilitation skills. Our consultants can support the external buy analysis with modelling of inventory and logistics options and with a proven process of independent sourcing which can be applied to local and low cost country suppliers.



“The Consultancy Company really does what it says on the tin – they truly do help to ‘make strategy happen’. Undoubtedly we would not have had this wide-ranging, successful change without their input.”

**Paul House**  
Trading Director  
Kwik Fit UK Ltd

## Innovation Management

Research into innovation by the Advanced Institute of Management establishes that ‘innovative companies’ outperform their competitors because they are prepared to create and introduce new ideas and ways of working throughout their business operations.

These companies are able to break down ‘learned practices’, the main barrier to innovation, by creating a safe environment for the organisation to try new ideas and solutions. Our practice can work with you to develop this environment, establish a pipeline of fresh ideas, and help you implement a structured delivery process to implement them.

## Greening the Supply Chain

There is often uncertainty about how the greening of a supply chain will impact on operational effectiveness and competitive advantage. Many companies are unclear of what areas to look at and what the dangers are.

Our client experience tells us that in the region of 30-50% of cost and the main carbon reduction opportunities are in raw materials. Purchasing is therefore a key area for analysis. Our approach is to decide on the scope of the project, the suppliers to include, and how far down the product life cycle it is appropriate to go.

Our consultants, together with the client team, map the current supply chain to form the basis for a carbon footprint analysis. An assessment is made of the demands of service, cost and carbon reduction and in how processes are designed. A ‘to-be’ picture of supply chain operations is drawn up with a set of key metrics and action plans which will allow improvements to be measured and reported back to the business.

## Risk Management

We work with our clients to develop and implement risk management plans, and then to conduct the subsequent review and on-going reassessment of risk. Risk management involves a meticulous process of identification, evaluation, management, and review and is ultimately an enabling process which should be an integrated and active part of any organisation.

## Ethical Management

Most aerospace companies will be working to the Common Industry Standards developed by the Aerospace and Defence Industries Association of Europe. There are benefits for companies wishing to take their ethical management a step further by developing their own anti-corruption policy. We can help you through the process of development, dissemination and management of an ethical business plan.

## Reaching World Class Standard

In summary, The Consultancy Company can help you in the various stages of SC21 implementation from starting with the Continuous Sustainable Improvement Plan (CSIP) through building supplier/customer relationships then achieving industry recognition of how much your supply chain has improved.

**To arrange an initial meeting with a member of our team call 01865 841177.**

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