

SUCCESS STORY

AIRBUS

Measuring suppliers performance towards industrial excellence



Sopra Steria Consulting is collaborating with Airbus Procurement Operations to improve the Airbus supply chain, enabling its strategic suppliers and meeting major delivery commitment ramp up.

“Speed, Agility, Simplicity”. This official communication campaign for 2015 reflects the ambitions of one of the world’s leading aircraft manufacturers to ensure supply chain de-risking while having the ability to meet ramp-up, generating cost savings throughout the group supply chain, and encouraging Supplier innovation & maturity.



Supplier Performance measurement: an entry point for the company EBIT

The Airbus industrial model to assemble Aircraft is that of an Extended Enterprise: 80% of components bought from external suppliers. A reliable supply chain is an absolute must, for at least two reasons: to achieve industrial ramp up in order to meet demand; and to secure new industrial programmes such as A330 development, A350 ramp up, and A320neo entry into service.

In this scheme, Airbus Procurement has the objective to eradicate issues & disruptions, by improving three main processes: Deliver on Quality, on Time and on Cost; Contribute to operational efficiency; and Drive supplier continuous improvement.

A structured bundle of services

Sopra Steria consulting has signed a 3 year contract to improve supply chain performance measurement, to reduce lead time and cost to manage quality issues, and to manage concessions front desk with suppliers.

A key initiative also involves supporting Airbus Supply Chain Quality Improvement Programme (SQIP); whose main rationale is to empower strategic suppliers with collaborative methods & tools to reduce missing parts, simplify audit and assessments, and favor continuous improvement.

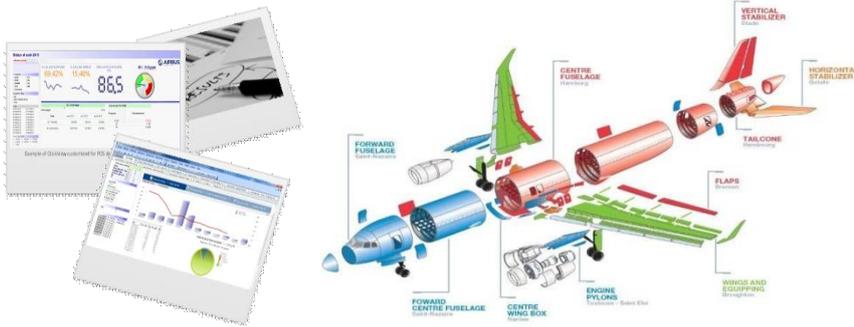
The global service covers a wide range of Aircraft components: Aerostructure, Cabin, Equipment, Material & Parts, and Propulsion; representing more than 8000 suppliers.

To achieve such ambitious goals, Sopra Steria has designed an efficient governance and organization, engaging partners, and providing Airbus with multi-location delivery. The operating mode relies on a flexible, scalable and open catalogue offering standardized items with pre-defined prices, that cover 90% of business needs, and allow to reduce administrative workload.

This new industrialized way of working is definitely collaborative. It combines mixed competences around a stable core team, able to bring flexible services in a short response time, and provide Airbus Procurement managers with tailored trainings.

What Have We Done? Illustration with Material & Parts commodity

- **Organized a robust transition phase**, supported by dedicated skills and competencies to secure business continuity.
- **Secured the reliability of Key Performance Indicators (KPIs)**, thanks to our knowledge of Procurement business specificities, Business Intelligence, SAP and lean skills.
- **Simplified and industrialized processes**, through a constant re-use of tools and methods from various Procurement commodities, as illustrated for the Transfer of Work.
- **Enabled continuous improvement and streamlining**, relying on Supplier managers feedbacks to enhance KPIs
- **Supported the SQIP project** – Supply Chain Quality Improvement Programme - to enhance collaboration and performance among a network of 48 strategic suppliers



Benefits

After one year of Service, Sopra Steria consulting has significantly contributed to providing dashboards of KPIs to help Airbus managers decision making, reached higher standards of supply chain reliability with enhanced “transfer of work” towards new suppliers, and accelerated collaboration within the supply chain network.

To illustrate this, during the Airbus Material & Parts supplier day held in Toulouse (FR) in December 2014, Airbus announced tangible results across 48 key suppliers:

- **For the suppliers** : 94% On Time Delivery
20% decrease of non conformities
- **Towards Industrial maturity**: 16% of suppliers out of critical zone

In the day to day life, the Bundle of service model brings visibility and transparency for Airbus managers on their budget, in line with Airbus Procurement objective of cost optimization.

Airbus supply chain key figures in Material & Parts commodity

- 180 000 Purchase Orders / week
- 7251 Tier 1 supplier base
- 8 000 to 20 000 daily Goods received
- 485 million components received / year



About Sopra Steria

Sopra Steria, European leader in digital transformation, provides one of the most comprehensive portfolios of end to end service offerings in the market: Consulting, Systems Integration, Software Development, Infrastructure Management and Business Process Services. Sopra Steria is trusted by leading private and public organisations to deliver successful transformation programmes that address their most complex and critical business challenges. Combining high quality and performance services, added-value and innovation, Sopra Steria enables its clients to make the best use of information technology. With 37,000 employees in over 20 countries, Sopra Steria had pro forma revenue of €3.4 billion in 2014.

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The supply chain function efficiency is one of the major competitive advantages of a company. The measurement of its performance is key to understand the underlining causes, eradicate repetitive issues, improve and sustain.

I expect from our partner Sopra Steria consulting support for improving our efficiency through an harmonized and cost-controlled KPI process, while reaching higher standards of data quality.

The business model of Airbus has evolved, and a higher return on investment is required by our shareholders.

Isabelle SCIANNAMEA

Airbus SAS
Procurement Operations
Head of Strategy, Methods & Process

