

NGen Supply Chain Summit

Report- Out: Aerospace & Defense

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Next Generation
Manufacturing Canada

Report-out: Aerospace & Defense

Moderator: Mike Mueller, President & CEO, AIAC

Panelists:

- Chris Brown, Vice President, General Dynamics Land Systems
- Ben Carson, Director of Customer Support Operations, Viking Aerospace
- Jason Coltherd, Logistics Manager, Collins Aerospace
- Stewart Cramer, Chief Manufacturing Officer, NGen
- Martin Grenier, President & Director, Business Development, LG Cloutier
- Joe Marcheschi, Director of Procurement, Airbus Americas
- Alex Tsoulis, Sr. Manager, Product Definition, Mitsubishi Heavy Industries Canada
- Chibu Uson, Procurement Manager, Magellan Aerospace Limited

Technology and Digital Workflows: Communication

Session 1: Current State

- Our strong vendor relationships and **communications** were crucial.
- Communication strengthened through the supply chain as a result of the pandemic; we learned what is important to our Tier 1s and 2s, and they learned what is important to us.
- It is more challenging to create a new supplier/vendor relationship virtually.
- Supplier conventions were norms and part of the communication calendar, however now we're talking much more frequently and have greater mutual access, and digital communication adoption was expedited.
- Communication frequency had to increase in order to accommodate frequent disruptions.
- Going forward, we will continue to take advantage of virtual meetings as we found that it brought us to a much better negotiated solution thanks to increased access to subject matter experts and other stakeholders.
- Investment in technology is important and in hindsight we wish we had invested more in robotics and digital communication tools
- Important to maintain and strengthen partnerships to build resilience.

Session 2: Future State

- The supply chain of the future is transparent, and data driven, so customers can see issues all the way down the chain and **adapt nimbly**.
- **Cyber resiliency** is imperative and will become a larger and larger qualifying factor for the supply chain; look into certifications.
- Make use of **flexible manufacturing** and multi-platforms so you can adapt quickly as business ramps up again.
- We can now do business globally and will take advantage of that. Canadian suppliers need to adopt technologies to remain competitive.
- Work with your supply chain to create the products of the future for your customer.
- Consider a "Virtual Tier One" comprised of multiple SMEs; we can now bring in virtual expertise
- Look at technology to help with supplier qualifications and approvals
- Move from **cooperative to collaborative** with your supply chain.

Workforce & Labour

Session 1: Current State

- **Diversity initiatives** are important for a number of competitive reasons, one being **retention**. We can hire from anywhere, however others can also hire our talent away.
- Take advantage of the slowdowns to upskill and train. This is a challenge to budget for; we wish we had started 3 years ago.
- Government support for joint training in Industry 4.0 was useful, especially as we were able to take it with our supply chain, strengthen relationships and learn together.
- Now is a good time to look into contingency planning, especially around the workforce.
- Cross-training was also helpful to add more flexibility to position personnel and also problem solving and continuous improvement.
- Job seekers will be most effective if they:
 - Maintain a positive attitude and willingness to learn
 - Develop proficiencies in the technology

Session 2: Future State

- We have an aging workforce it is so critical to look at our **future workforce**.
 - Where are we finding the next generation of worker, how are we training them?
- **Talent acquisition and retention** is increasingly important yet increasingly challenging. The industry perception with youth has been impacted by the pandemic and it's important to us to start to **recruit even earlier**; think of high schools as well as colleges and universities.

Standards, Infrastructure & Best Practices

Session 1: Current State

- In hindsight, it was helpful when the government created a national strategy for what is deemed an **essential service** to ensure the provinces remain aligned.
- We had support from provincial and municipal levels of government, and we were able to share our value proposition to a number of different constituencies, so we can create more jobs or social support for our regions.
- Health Canada (HC), Canadian Standards Association (CSA), all became organizations who had major impact on the supply chain and being able to position the value proposition differently depending on stakeholder's needs was crucial
- Clarity of border rules and regulations was also crucial, especially for an industry so heavily dependent on exports.
- Not only materials but also bringing service support across the borders was a significant challenge; a government strategy would help.

Session 2: Future State

- In Aerospace a large part of the business is focused on **supply chain**; 30-45%.
- Government & academia need to help, especially with suppliers to adopt industry 4.0 technologies. We need an overarching plan to evaluate gaps and ensure that we're competing on the global stage.
- Speed to market is increasingly important.
- We need to look at where the industry is going in the future and work with both the government and the supply base on sustainability initiatives such as green aircraft.
- **Design to Cost; Design to Green**