



The Role of SMEs Security of Supply

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Commission; Chairman SME-Group

Conference on the role of SMEs in the supply chain
28.05.2009
Olomouc



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2. Supply chain update
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AeroSpace and Defence
Industries Association of Europe

Represents

30 Associations

20 Countries

around €132 billion Turnover

over 2000 Companies

over 649,000 Employees





As part of our operations, ASD ...

- Offers a single point of contact and expertise to our partners and stakeholders in the institutions and organizations in Brussels, Europe and worldwide
- Follows and analyzes the legislation that influences the sector
- Generates common industry positions with particular emphasis upon the economic, political, legal, industrial, technical and structural aspects
- Influences the regulation of the sector
- Manages statistics and key figures



Key Priorities 2009

- 1. Promote the Aeronautics Industry as a Strategic Priority for Europe**
- 2. Within the 2009 budget revision, improve EU funding for ASD Industry Activities**
- 3. Participate in the definition of the European contribution to Space Exploration and Support the implementation of the European Space Policy towards « Technological Non-Dependence »**
- 4. Encourage the Implementation of Appropriate and Robust Defence Industry, Market Policies at EU level**
- 5. Encourage the Implementation of Robust Security Industry & Market Policies at EU level**
- 6. Pave the way towards R&T roadmaps for sustainable Aerospace and Defence Industry of Europe**
- 7. Implement European Quality and Standards as services, within a global frame**
- 8. Develop a challenging International Policy to support ASD industries worldwide**



30 National Associations

AAI – Austrian Aeronautics Industries Group

ADIG – Austrian Defence Industry Association

AFARMADE – Spanish Association of Manufacturers of Armament, Security & Defence Material

AFDA – The Association of Finnish Defence and Aerospace Industries

AIAD – Italian Industries Association for Aerospace Systems & Defence

AIP – Portuguese Industrial Association

ALV CR – Association of Aviation Manufacturers of the Czech Republic

AOP CR – Association of the Defence Industry of the Czech Republic

APAI – Association of Polish Aviation Industry

ATECMA – Spanish Association of Aerospace Industries

BDI – Federation of German Industries

BDIA – Bulgarian Defence Industry Association

BDLI – German Aerospace Industries Association

BSDI – Belgian Security & Defence Industry

CIDEF – French Defence Industries Association



30 National Associations

DANOTEC – Portuguese Association of Defence Related Industries & New Technologies Companies

FAD – Defence & Aerospace Industries Association in Denmark

FAEI – Federation of Aerospace Enterprises in Ireland

FGI – Federation of Greek Industries

FSI – Norwegian Defence and Security Industries Association

GEBECOMA – Belgium Aerospace Industries Association

GIFAS – French Aerospace Industries Association

NAI – Netherlands Aerospace Industries

NIID – Netherlands Defence Manufacturers Association

SAI – Swedish Aerospace Industries

SAIG – Swiss Aeronautical Industries Group

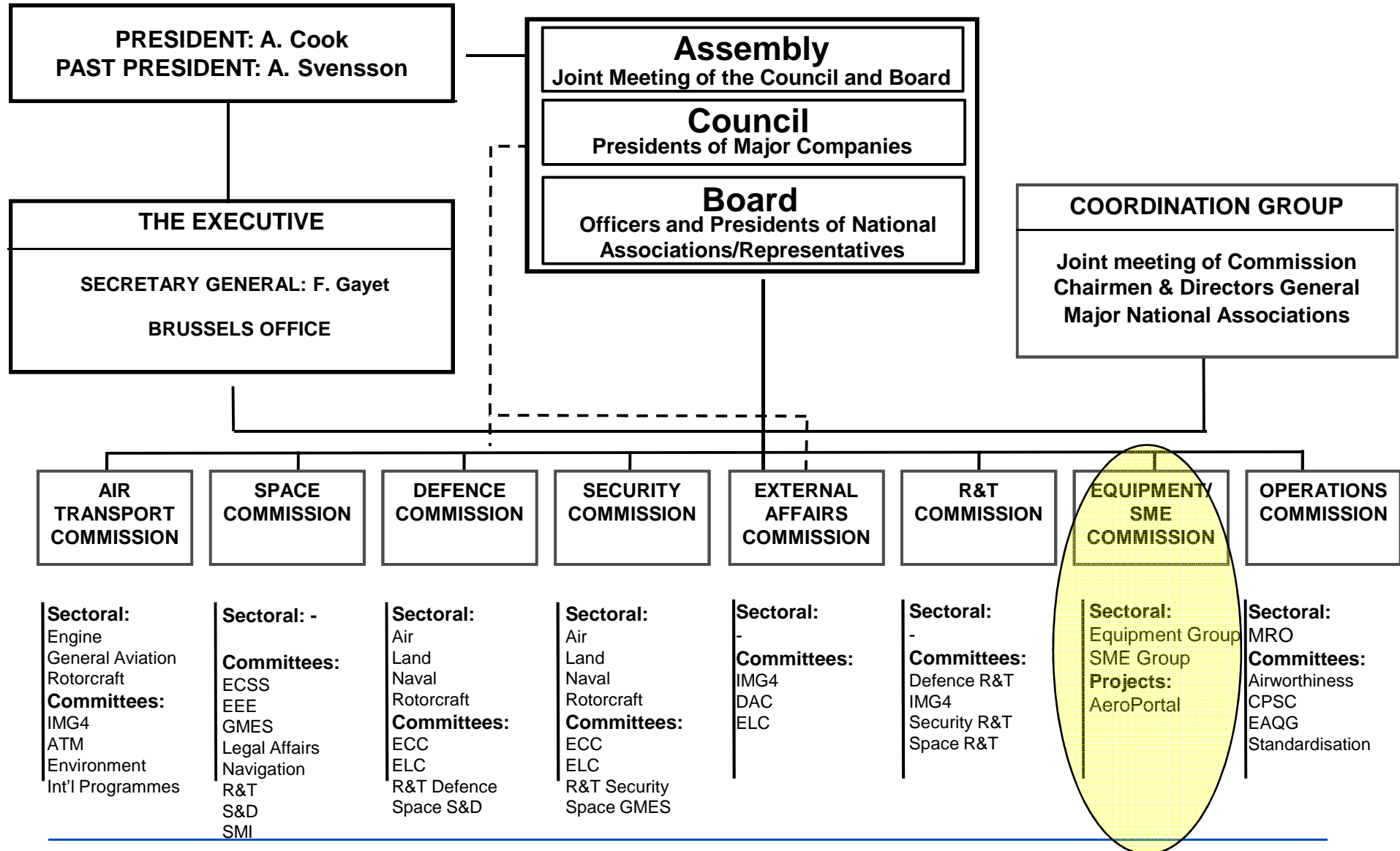
SOFF – Swedish Security & Defence Industry

SaSaD – Turkish Defence Industry Manufacturers Association

SBAC – Society of British Aerospace Companies

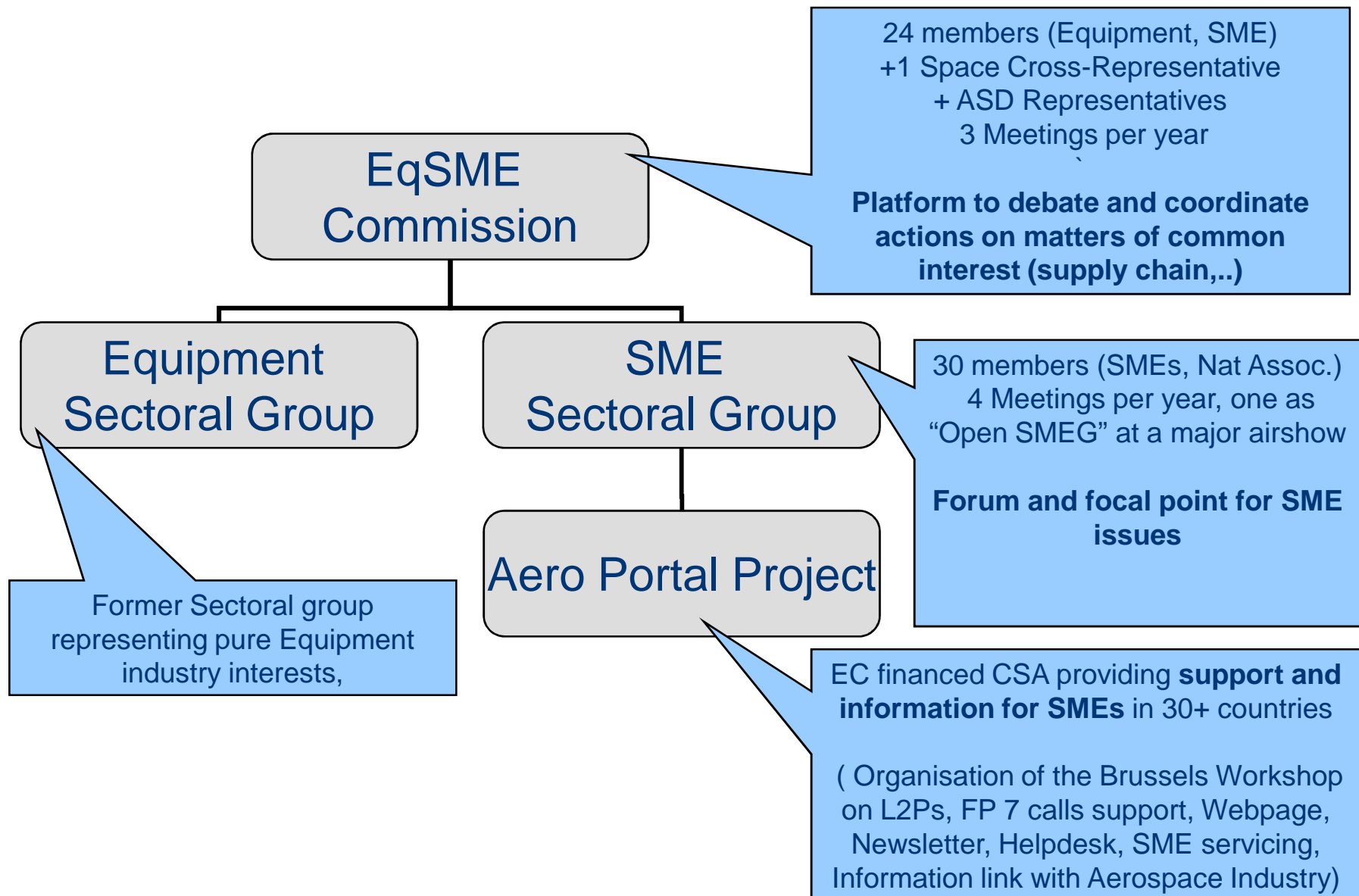


ASD Organisation



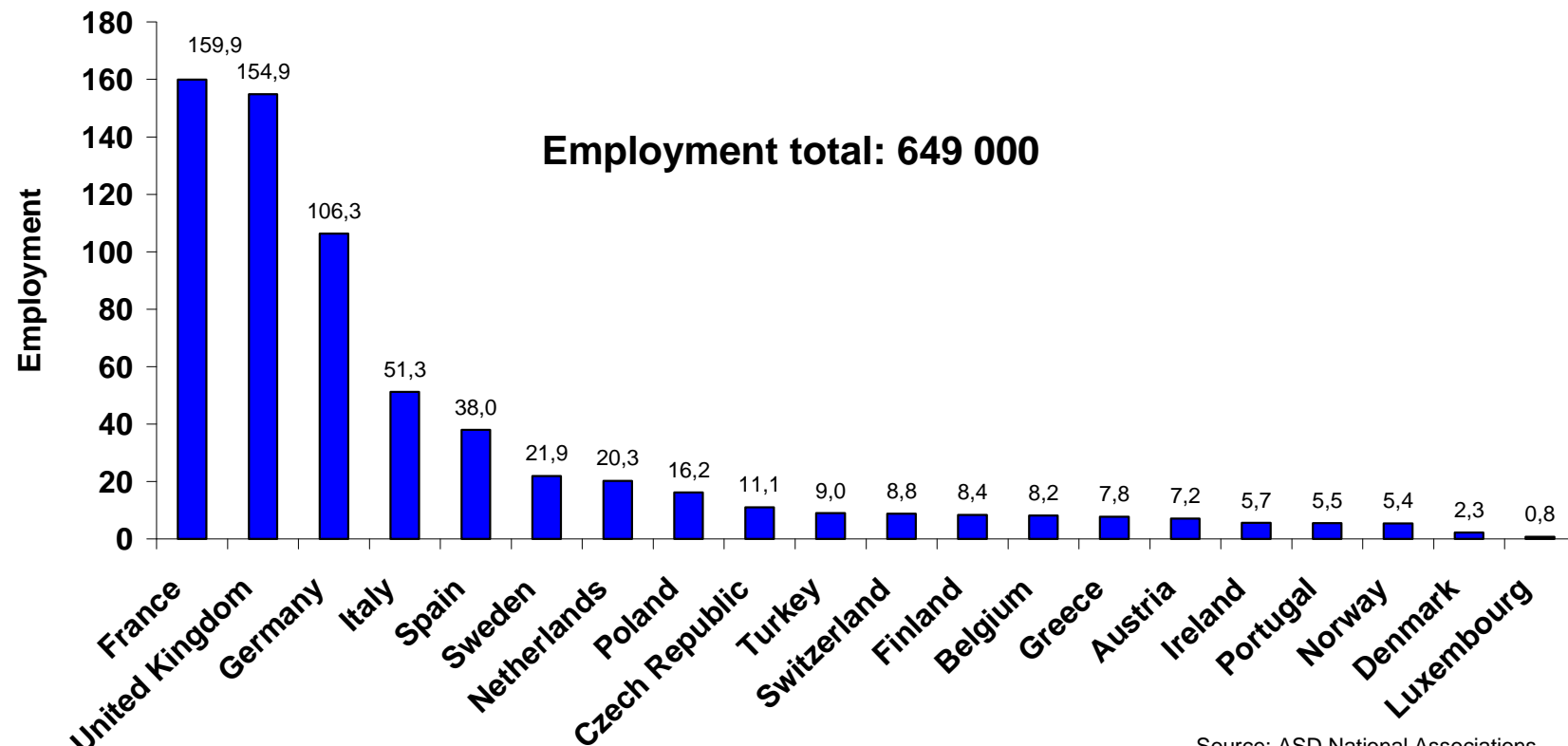


ASD Equipment and SME Working Bodies



National Contributions to Direct EU Aerospace and Defence Industry Employment

Number of employees ('000)



Source: ASD National Associations

2007 Figures



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Drivers for change in European Aerospace Industry

- Global market and competition
- Currency effects USD versus Euro (Hedging)
- Offset
- Ongoing increasing demands for quality and on-time delivery
- Full maturity and reliability of products at delivery
- Global financial crisis



Drivers for change in European Aerospace Industry (cont'd)

- Risk and Revenue Sharing
- Decreased number of direct suppliers to OEMs
- Fixed Prices for more than 5 years
- Payment Terms, 90-150 days
- OEMs do their own aftersales business
- IPR



Examples of Supply Chain Change

- Changing supply chain; Strategic partnerships with a small number of tier 1 suppliers are set up by primes

and

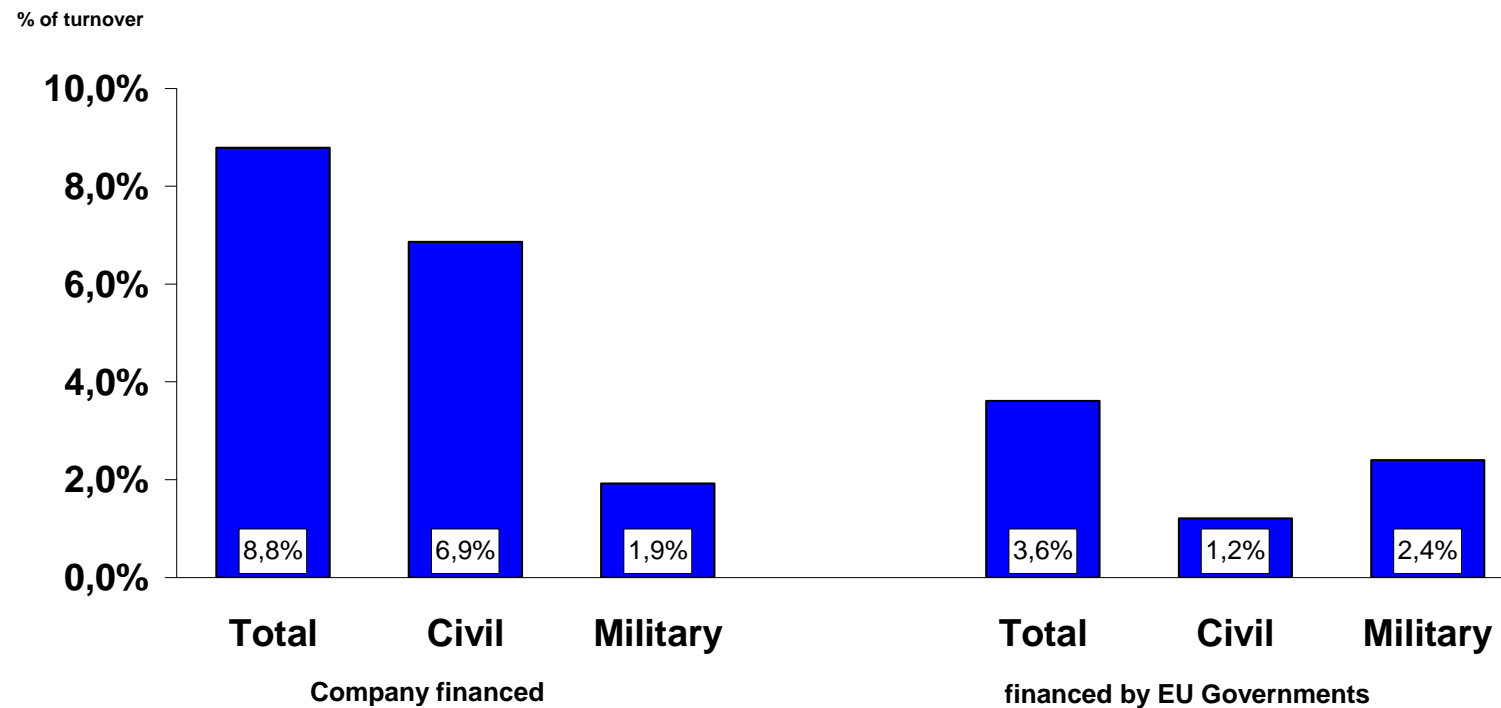
the number of primes and tier 1 Suppliers is reducing through strategic mergers and acquisitions

- Low cost economy suppliers are being developed by most large companies
- Risk and Revenue Sharing
- “Any changes free of charge”
- Currency risks are passed on to the suppliers
- E–Business is increasingly the communication medium



Source of EU Aeronautic R&D Expenditure

Total RD : 11,7 billion Euro = 12,4% of Turnover*



*) unconsolidated

Source: ASD

2007 Figures



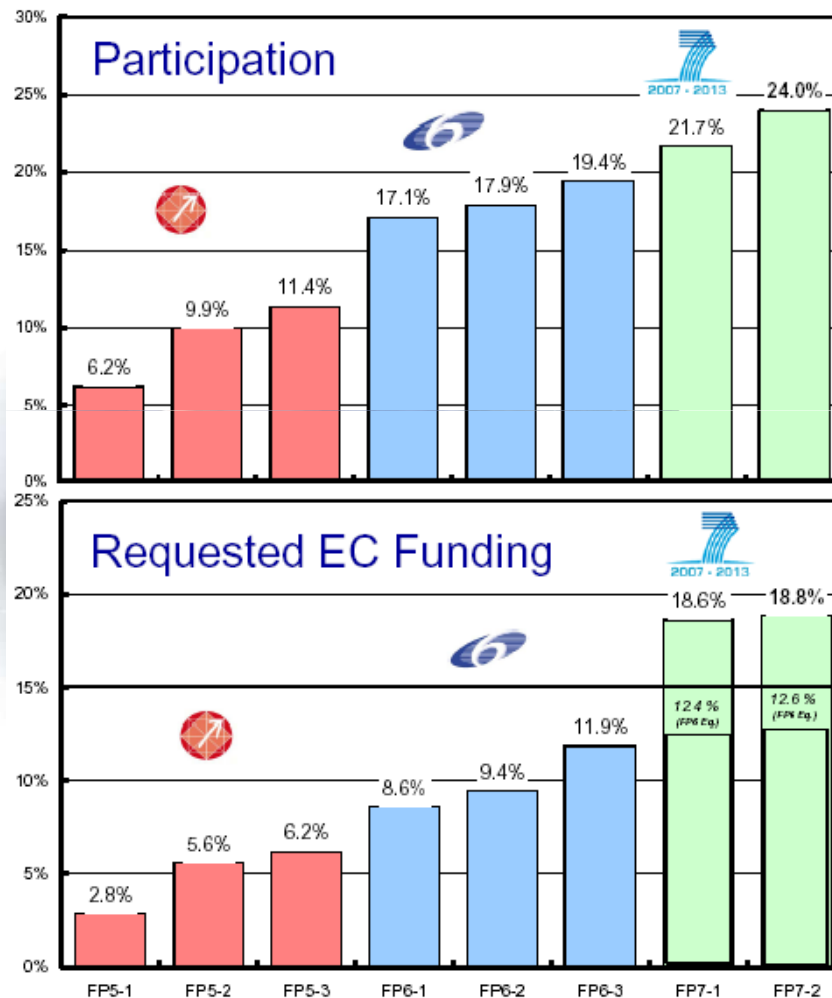
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AeroSpace and Defence
Industries Association of Europe



- **AeroSME improved the communication flow and exchange of information between larger companies and SMEs. This resulted in a wider access for SMEs to the industry-led research proposals.**
- **Along with other support actions, AeroSME contributed to increase the participation of SMEs as shown in the chart (since the last call of FP5).**

Source: EC, DG Research – H Transport

Sustainability

Meet the needs of today without compromising the ability of future generations to meet their own needs

Smart Innovation

Smart Transfer

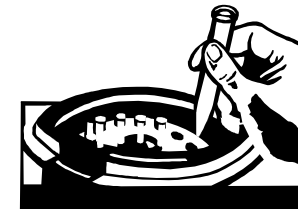
Smart Technologies

- More than 20 Million SMEs in Europe (civil and military), this represents over 98% of all European Enterprises
- SMEs are appreciated as
 - Innovative
 - Flexible
 - Reliable
 - Competitive
 - ...

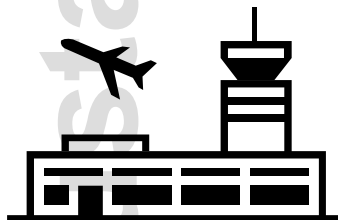


Universities

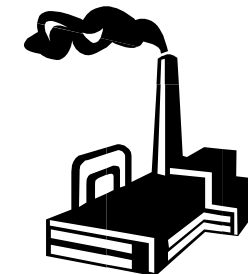
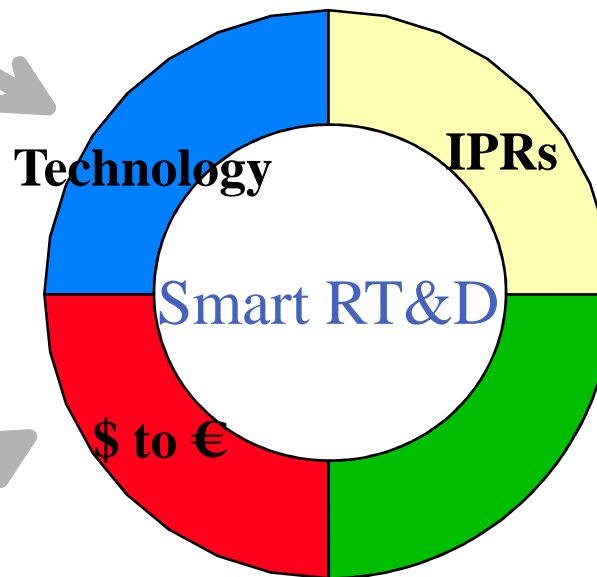
Need to enhance confidence



Research



Organisations/Associations

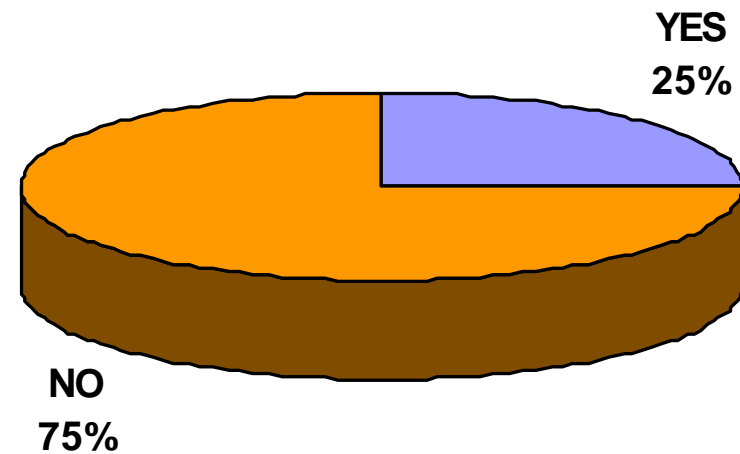


Industry

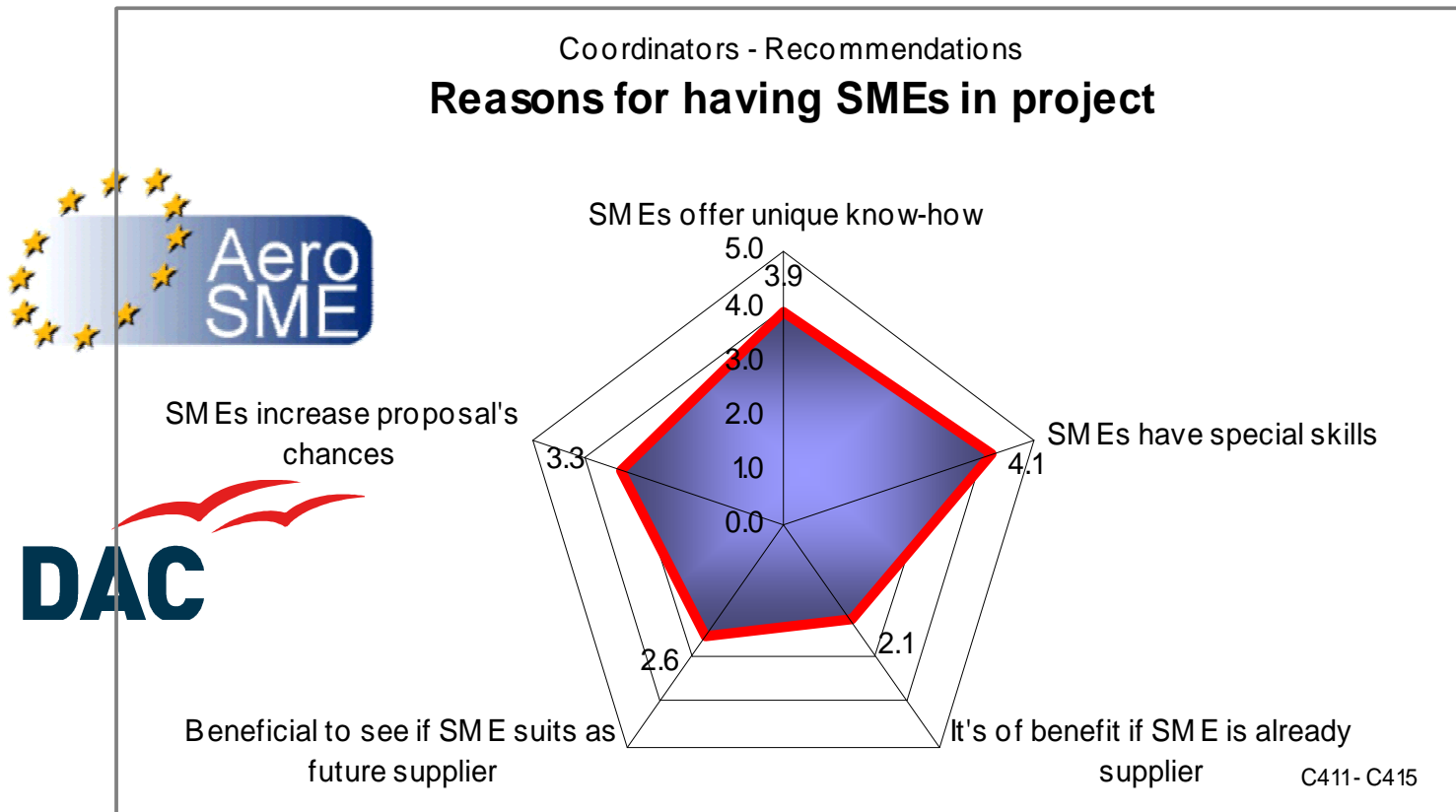
The majority of SME tend to follow their own product strategy also in EU projects

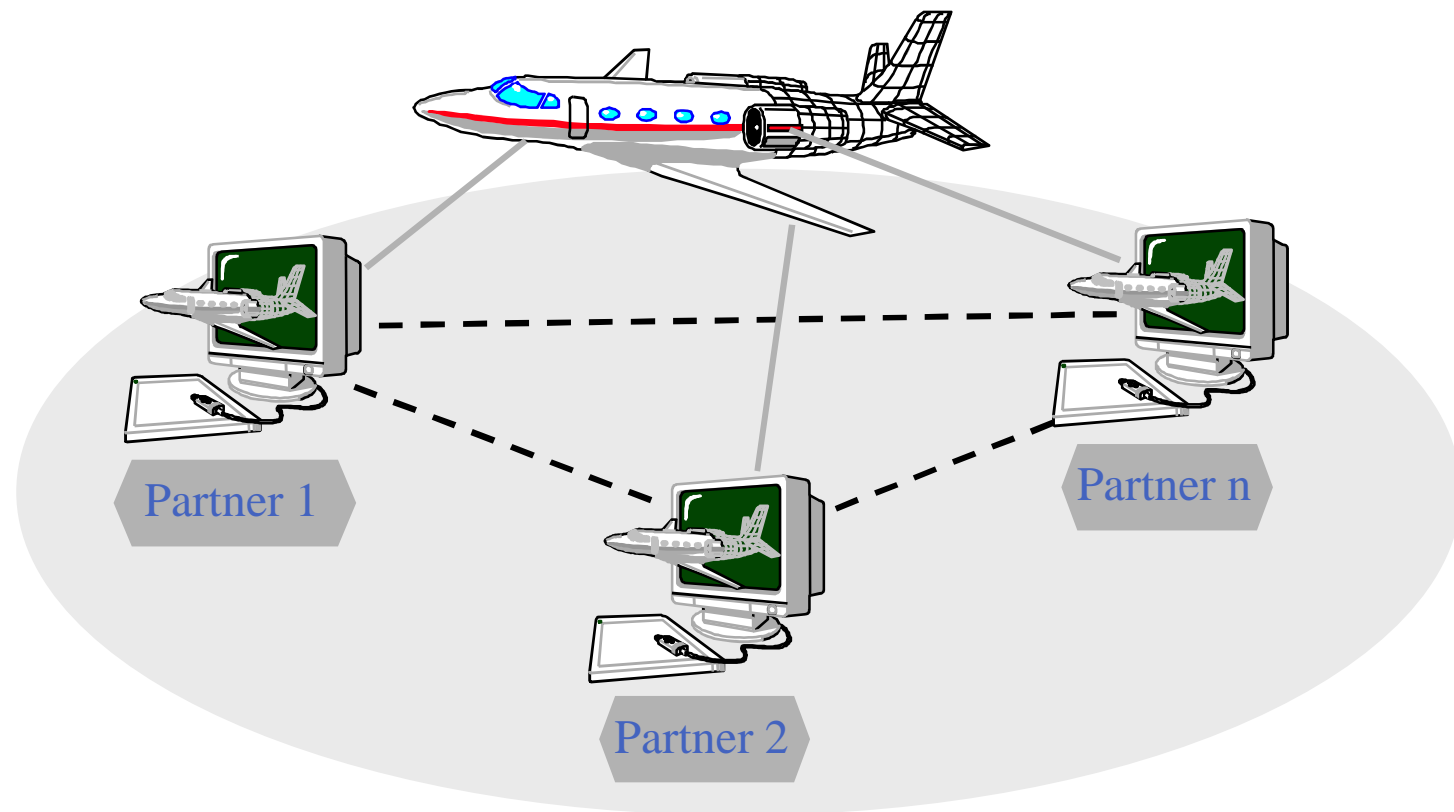


SME-Coordinator - Set up of Consortium
Do you need an OEM in your Project ?

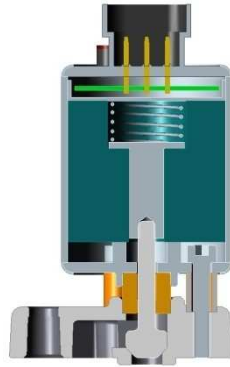


SMEs have to offer unique skills and/or know-how in order to "attract" attention

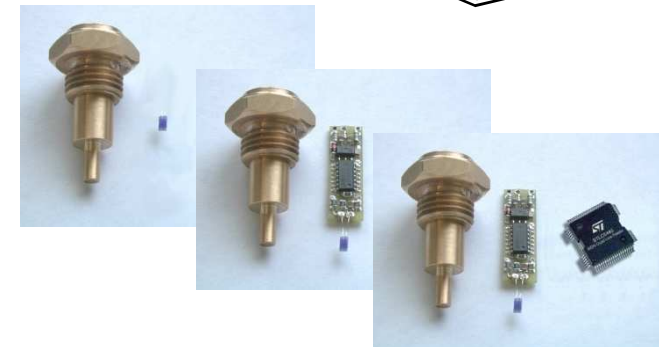
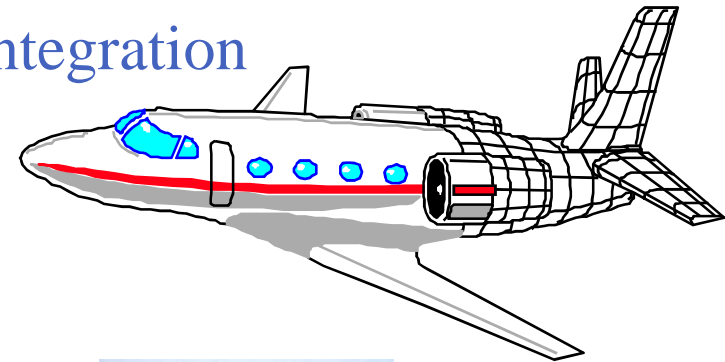




Smart Cooperation



- Fragmentation
- Inefficient Communication Mechanisms
- Standardisation
- Higher Level of Integration
- Virtual Aircraft
- Cost

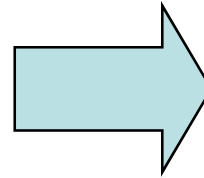




The AeroPortal Project



December 2007: with the 1st call of FP7 the two former independent supporting activities AeroSME and Scratch, decided to merge, to offer a unique point of contact and improved services for European Aeronautics SMEs





AeroPortal Project Partners



AEROSPACE AND DEFENCE
INDUSTRIES ASSOCIATION OF
EUROPE

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Spain

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What to look for in AeroPortal?



VISIBILITY

- SME database (approx 1,000 entries)
- Today freely accessible at www.aerosme.com, soon under www.aeroportal.eu with extended performance
- Over 400 visits per month by external users from across Europe
- Perfect to find partners for both research projects and commercial activities
- Register for free on-line at <http://www.aerosme.com/html/pps2.asp>



What does Aeroportal offer? “Awareness and Information”



- **Entry Point to the Industry provided by ASD and partners**
 - Focal point for and to the Level 2 project co-ordinators
 - Wide contact network across Europe
- **Guide to EU Funded Research at <http://www.aerosme.com/html/fp7m.asp>**
- **Support to SME participation in Level 2 proposals**
 - Issue of Level 2 abstracts on the AeroSME website
 - Organisation of the Brussels workshop and matchmaking
(Last took place December 2007, next foreseen mid-2009)
- **Support to SME participation in Industry-led Level 1 proposals**
 - Partner searches on request
 - Free-of-charge individual guidance and consulting
- **Regional Associations and Clusters will be connected through the Aeroportal Multiplier Group**

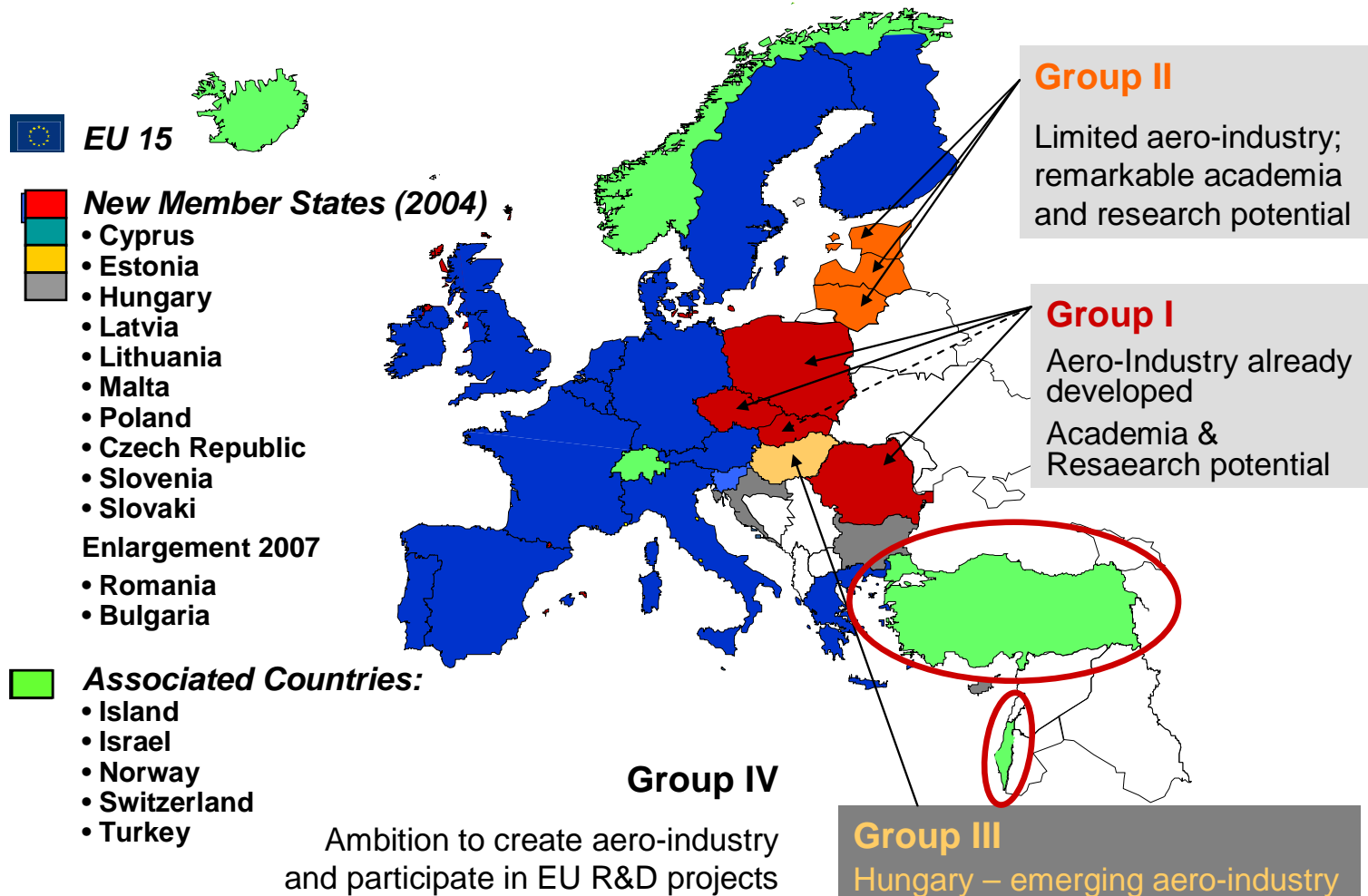


What does Aeroportal offer? “Practical Support”



- **Individual audits with SMEs**
 - to better understand their needs in terms of technology acquisition
 - to assess their potential as project leaders or partners
- **Providing free of charge help to SMEs in setting up research proposals up to their submission to the EC evaluation**
- **For information and support contact ASD, the AeroPortal helpdesk or the local AeroPortal partner**

The Commissions view of Europe's Aeronautics Industry





Contact details



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