



# SPEED UP YOUR GAME

AVIATION AND AEROSPACE COMPANIES MUST TRANSITION  
FROM LONG-TERM PLANNING CYCLES TO IMMEDIATE DEADLINES

The aerospace industry is moving from a ten-year development cycle to immediate, on-demand service, and it's critical for original equipment manufacturers to keep up and get it right.

Now that the OEMs have moved into the testing and delivery phases of a new round of aircraft models, their attention must turn from long-term projects to short-term issues associated with launch, support, life extension, and operational flexibility. These issues are not new, but the volume of deliveries and emergence of new customers makes the quick resolution of these issues paramount.

And while dealing with a record number of deliveries, these OEMs must simultaneously organize themselves to facilitate and accelerate growth, particularly in the aftermarket. Those that cannot bend and change put their profitability and growth prospects at risk.

# GOING BEYOND THE BACKLOG

With a large backlog of aircraft orders, manufacturers must organize themselves to manage the demand while continuing to grow. As the backlog of aircraft and engine orders are delivered, and may not refill at the same speed, manufacturers must complement their revenue and earnings with aftermarket growth. Integrated and differentiated services that reduce downtime while improving the performance of the existing fleet are particularly important.

**Product strategy:** OEMs must propose products and services that differentiate them from competitors. Without any new, large programs, that means quickly developing incremental innovation. Rather than making one big bet on a new aircraft model or engine, companies must make thousands of small bets on new ideas and technology. Additive manufacturing and predictive maintenance are examples in the aftermarket.

**Delivery:** OEMs must reduce lead times both on the factory floor and across the aftermarket while reducing the risks associated with upstream materials and suppliers. Similarly, manufacturers must improve shop-floor work instructions while rapidly integrating systems for final assembly. Engineers must shift from managing multiple development cycles over long periods of time to solving problems in real-time.

It's important for OEMs to empower local leaders to make split-second decisions that maintain efficient operations. Doing so will require greater collaboration, clearer accountabilities, and the introduction of dedicated line-support functions, such as supply chain, quality, technical, and work preparation. The result should be cascading empowerment that permanently boosts performance.

**Aftermarket:** OEMs are offering new bundles of service, such as flight hour agreements focused on specific systems, parts management and logistics deals, and integrated supply chain services. This comes at a time of great innovation in the maintenance, repair, and overhaul sector, as the aftermarket industry relies more on gathering, analyzing, and synthesizing data, and begins to explore aftermarket applications for additive manufacturing.

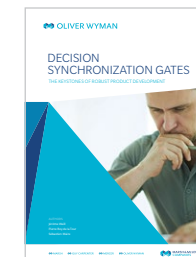
The engine for new growth in the aerospace industry will be faster definition and roll-out of strategies to accelerate production and boost the aftermarket. The key is quick implementation of a multitude of small projects.

# COLLECTION OF RECENT PUBLICATIONS



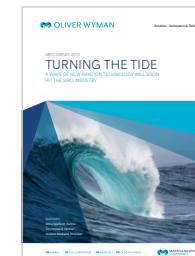
## CHALLENGES FOR EUROPEAN AEROSPACE SUPPLIERS

Suppliers must design more complex parts and systems, extend their supply chains to emerging markets, and share more financial and operational risk with manufacturers.



## DECISION SYNCHRONIZATION GATES

DS gates are critical milestones in the life of a development project. All relevant information must be synthesized at each gate so that decisions can be made.



## 2015 MRO SURVEY

By 2020, most companies in the aviation MRO sector will use new technology in a way that fundamentally changes how the industry works, cutting or re-distributing industry revenue by up to 20 percent, or \$15 billion.



## STOP THE MULTIBILLION DOLLAR DELAYS

Transportation equipment manufacturers face new challenges to keeping the development and production planning of new products within budget and on schedule as planes and trains become more complicated.



## RECRUITING: THE STORM ON AVIATION'S RADAR

At the same time that orders, backlogs, and manufacturing activity are at or near record levels, aerospace companies are facing unprecedented numbers of employee retirements that could make it difficult to keep pace with demand.



## MAINTAINING ALTITUDE: AN OPEN-SOURCE APPROACH TO AFTERMARKET

Aircraft engine manufacturers have developed an aftermarket business model so successful that some companies have captured as much as a 90 percent share of the work on their products. The question is: How long can this trend endure?



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For more information, please contact:

### AMERICAS

**Tim Hoyland, Partner**

[tim.hoyland@oliverwyman.com](mailto:tim.hoyland@oliverwyman.com)

**Roger Lehman, Transportation Practice Leader**

[roger.lehman@oliverwyman.com](mailto:roger.lehman@oliverwyman.com)

**Patrick Lortie, Partner**

[patrick.lortie@oliverwyman.com](mailto:patrick.lortie@oliverwyman.com)

**Geoff Murray, Aerospace Sector Leader**

[geoff.murray@oliverwyman.com](mailto:geoff.murray@oliverwyman.com)

**Bruce Spear, Partner**

[bruce.spear@oliverwyman.com](mailto:bruce.spear@oliverwyman.com)

### EMEA

**Bernard Birchler, Partner**

[bernard.birchler@oliverwyman.com](mailto:bernard.birchler@oliverwyman.com)

**Jérôme Bouchard, Partner**

[jerome.bouchard@oliverwyman.com](mailto:jerome.bouchard@oliverwyman.com)

**Eric Ciampi, Principal**

[eric.ciampi@oliverwyman.com](mailto:eric.ciampi@oliverwyman.com)

**Jean-Pierre Cresci, Partner**

[jeanpierre.cresci@oliverwyman.com](mailto:jeanpierre.cresci@oliverwyman.com)

**Carolyn Klotz, Engagement Manager**

[carolyn.klotz@oliverwyman.com](mailto:carolyn.klotz@oliverwyman.com)

**Oliver Fainsilber, Partner**

[olivier.fainsilber@oliverwyman.com](mailto:olivier.fainsilber@oliverwyman.com)

**Gilles Roucolle, Partner**

[gilles.roucolle@oliverwyman.com](mailto:gilles.roucolle@oliverwyman.com)

**Sébastien Maire, Partner**

[sebastien.maire@oliverwyman.com](mailto:sebastien.maire@oliverwyman.com)

**Marcus Neudel, Partner**

[marcus.neudel@oliverwyman.com](mailto:marcus.neudel@oliverwyman.com)

**Jérôme Weill, Partner**

[jerome.weill@oliverwyman.com](mailto:jerome.weill@oliverwyman.com)

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