



4TH ANNUAL CRITICAL ISSUES SUMMIT

EXECUTIVE ROUNDTABLE

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Aerospace and defense leaders met Nov. 13 in Phoenix for the fourth annual AVIATION WEEK Executive Roundtable: Critical Issues Summit. The meeting allowed leaders to evaluate some of the most significant issues they face on an industry-wide basis

The roundtable was hosted by Charles T. "Tom" Burbage, vice president/general manager of F-35 Lightning II Integration for Lockheed Martin Aeronautics, and Anthony L. Velocci, editor in chief of *Aviation Week & Space Technology*. Initially launched several years ago by 15 individuals coming together to discuss common business problems, this year's roundtable planning session drew 40 key A&D leaders, as well as representatives from the Office of the Secretary of Defense and NASA.

Their focus was on interoperability among customers, industry partners and nations; improved synchronization across all tiers of the industry; and transferring lessons learned on current global initiatives to emerging global business efforts. The leadership discussion was sponsored by AVIATION WEEK in association with UGS. In addition to the annual planning summit, UGS has supported roundtables concerning MRO Military: Lifecycle Sustainment, as well as international roundtables.

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The Aviation Week Executive Roundtable studied three critical issues:

1. Improving joint services/multi-national interoperability and readiness-for-tasking.
2. Improvement in global industry synchronization and productivity at all tiers.
3. Transferring lessons learned on global business efforts to the current space mission to ensure its success.

The AVIATION WEEK Executive Roundtable is a self-governed organization that is devoted to taking individual responsibility for action to benefit the overall industry. It takes the concept of “think globally, act locally” into the formation of a community of like-minded professionals to improve the performance of the industry as a whole. Roundtable participants included leaders from the Aerospace Industries Assn., OSD, NASA, Northrop Grumman, Pratt & Whitney, Honeywell, L-3, Raytheon, General Dynamics, Boeing, AgustaWestland Bell, Smiths Aerospace, Stork Fokker, Swales Aerospace, DRS Technologies, Rockwell Collins, U.S. Army, Accenture, IBM, Eaton Aerospace, Forecast International, McAleese & Associates, Lockheed Martin and UGS.

In explaining the mission of the roundtable, Burbage said, “I still believe we must reach out across our companies and nations to preach the gospel of change.” He noted the potential impact of any possible failed major program on the international supply chain and industry. The mission, according to Burbage, is for the roundtables to tee up substantive issues for the A&D industry and then focus leaders on taking action within their own operations. The roundtable also offers networking among business-level leaders and leverages AVIATION WEEK’s role as an issues advocate or catalyst for the industry. “Finally, the roundtable addresses the fact that joint/coalition challenges are real, and they are now,” Burbage said.

The roundtable broke into five smaller working groups to address the global interoperability issues, and on Nov. 14 Burbage presented the findings of the group during the opening session of the 2006 AVIATION WEEK Aerospace & Defense Programs Conference.

RESULTS OF THE ROUNDTABLE WORKING GROUPS

Tables 1A/1B Keys to Improved Interoperability and Fleet Readiness for Tasking

A. Industry must develop common databases. Currently, data is not migrated in a centralized way; it varies by program, military branch, company and country. The goal of improving anything by a set percentage, then, has no meaning due to a lack of common language or situation.

B. Standardization of specifications is needed for improved performance at all levels. Fundamentally, engineering specifications for everything are held as proprietary knowledge in most instances. This means that three companies looking for the exact same item may issue three different sets of specifications. The result is undue complexity in lifecycle sustainment, undue complexity in sourcing items, and wasted effort and dollars.

C. ITAR/NDP policy must be streamlined and consistently interpreted. Burbage noted the streamlined process put in place for one program should be made identical for all businesses and programs. In addition, the interpretation of policy varies by individual reviewer, again resulting in wasted effort, time and dollars.

D. Metrics that are tied to full capabilities and criteria (RFT).

Tables 2A/2B: Improve Global Supply Chain/Industry Synchronization

A. Engage suppliers early in the proposal/development process.

B. Standardize, across industry, supplier qualification. Multiple qualification processes create unnecessary complexity and additional cost for suppliers, at times forcing some suppliers to leave the industry rather than respond with new ideas, best products or new technologies.

C. Consistency in design specifications. While some engineering design certainly is a competitive advantage, much is overly complex, and companies issue different specifications for the exact same item.

D. Consistency in TAA processes and provisos.

E. Reasonableness in policy mandates. At times, technology and A&D programs are used as bargaining chips in international policy; the impact to cost and schedule can be significant.

F. Consistency in legal interpretations of guidelines. This has become highly individualized and decentralized, making for inconsistent decisions—at times, even within the same program or business effort.

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UGS is the PLM global leader in the aerospace and defense industry. Its portfolio of software solutions include TeamCenter applications, which combine product knowledge and configuration management experience with maintenance, repair and overhaul (MRO) planning, execution and management to greatly reduce MOR costs and cycle time.

In November, Aviation Week presented UGS's TeamCenter the 2006 Product Breakthrough Award in the defense design category, based on the recommendations of a panel of industry experts and citing in the citation its

impact on the Lockheed Martin F-35 program, the Boeing F-18 program and many others.

Through the rich heritage of companies that came together to form UGS, the company's pioneering solutions have been helping customers accelerate time to market, improve quality, and increase revenue for almost four decades. With nearly four million licensed seats of its technology in use and 42,000 clients worldwide, UGS is a proven leader in both market experience and PLM solution development. UGS technology manages or creates more than 40% of the world's 3-dimensional data.

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G. Update and modernize the U.S. munitions list. There are prohibited items on the list that have remained for decades and that no longer represent the country's competitive or security advantage. While being on the list can stifle business activity, it also overly complicates real security or competitive advantage.

H. Apply "lean" thinking to export compliance and licensing processes. Some examples for this would be the dual citizenship clause, Team F-35 manufacturing specifications and license provisos.

Table 3: Transfer Lessons Learned to Space Exploration

A. Recognize that space is the next great coalition frontier, requiring the same effort and concentration to coordination of international policy, business and technology in a sustainable way.

B. Create a "pre-" request for information or contract step to document and share lessons learned from other coalition efforts.

C. Shorten the cycle time in evaluating industry and match requirements by applying other aerospace and defense lessons.

D. Get out front now with technology/licensing stakeholders on what is possible.

The findings from each working group resulted in a prioritized action list for the roundtable. Coordinate with Office of Secretary of Defense (AT&L and Transformation) to incorporate an industry sharing step when efforts begin being defined and scoped (pre-RFI step)

- Document and record lessons learned and create a repository for collection and ongoing research (first such effort will involve F-35/Burbage and Velocci)
- Further the space exploration initiative and community through coordinated effort.
- Work with AIA to facilitate synchronization initiatives throughout the supply chain and call for the use of "lean" processes to establish ITAR/NDP policy procedures.
- On an individual business basis, begin work to codify and standardize base-level engineering design specifications for existing and future teams as part of operational procedure.