

Skills — Productivity — Competitiveness — Profitability

<1> The Customer:

The Host
 Goodrich Power Systems, Pitstone.
 Manufacturer of generator sets for most Airbus models.
 employees 508, turnover £140m,
 Material spend £50m.

Participating Supplier
 Precision Magnetics Ltd, a UK leader in the manufacture and supply of rare earth permanent magnetic assemblies, with only 30 employees and around £2.5m turnover is a key supplier to all the Goodrich Airbus programmes.

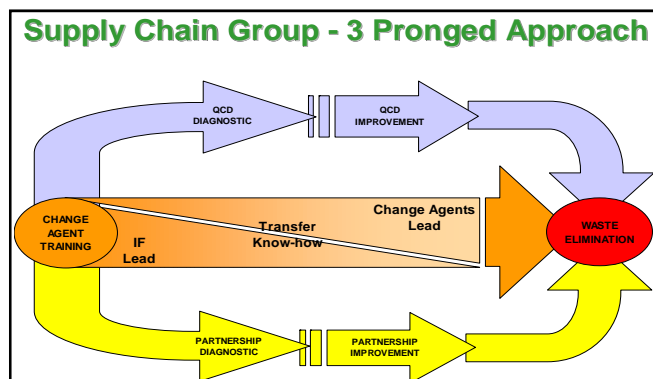


<2> The Customer's Need:

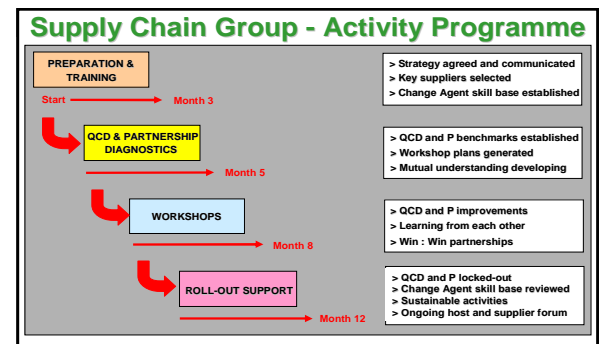
Delivery Schedule Achievement (DSA) for all suppliers in September 2005 was 66%.
 The supply chain group represented 75% of Goodrich spend on Airbus programme and had a group DSA of only 60%.
 This endemic poor supplier delivery performance was continually affecting Goodrich's ability to meet Airbus programme dates.
 Precision Magnetic's then DSA of 7% being a significant factor.

<3> The IF Solution

Supply Chain Groups provided a structured framework approach bringing together customers and suppliers from different tiers in the Supply Chain. Developed by Industry Forum the 3 pronged approach enables individual businesses not only to see real gains in QCD, but also to improve the level of partnership between companies and to develop the improvement skills capability within each company.



<4a> Overview of Supply Chain Group Structure



The "Learning By Doing" Process, linked to a National Vocational Qualification (NVQ)

<5> Return on Stakeholders Investment

Seven measures of QCD competitiveness

	Quality	Cost	Delivery
Not Right First Time	●	●	●
Delivery Schedule Achievement	○	●	●
People Productivity		●	●
Stock Turns	○	●	●
Overall Equipment Effectiveness	○	●	●
Value Added Per Person		●	
Floor Space Utilisation		●	

● Primary impact on the process
 ○ Secondary impact on the process
 e Achievement to Goodrich (OTIF)
 Before: 60% After: 90%

Precision Magnetics Delivery Schedule Achievement to Goodrich
 Before: 7% After: 100% July 07

Overall Supply Chain Not Right First Time:
 Before: 1500 dppm After: 750 dppm

Upskilling for Sustained Continuous Improvement:
 34 NVQ's in Business Improvement Techniques across every supplier, (9 Change Agents & 23 Team Leaders)

Company Testimonial
 In September 2005 the Goodrich Electric Power Systems business launched a TI sponsored "Whole Supply Chain Group" programme, this was branded as "10 Suppliers, 4 Tiers, 1 Aim: Customer satisfaction throughout a world class supply chain". Not only did this programme engage 9 suppliers & the manufacturing module at Pitstone, thus embracing 4 tiers of Supply Chain, it also engaged our customer Airbus. Our whole supply chain improvement in OTIF from 75% to 100% and delivered quality from 1500 dppm to 750 dpm, has resulted in a further DTI sponsored extension to the programme and an award recognising the professional project management applied by Goodrich Electrical Power Systems.
 The Goodrich Electric Power Systems business is now in year 5 of a 5 year business turnround, we are on plan to do this and *Industry Forum has been a significant contributor to our success, we look forward to continuing to work with them in the future.*
 Chris Plumb, Vice President Operations. Goodrich Power Systems.

Working in Partnership

Established by Industry for Industry