

SC21 ACHIEVING SUPPLY CHAIN EXCELLENCE EVENT

**31ST JANUARY 2018
TITANIC CENTRE, BELFAST**

SC21 – Delivering Supply Chain Excellence



Agenda



09:00 **Welcome**

Neil Barnett
Aerospace Director
ADS Group

09:10 **Opening Keynote Speech**

Alastair Hamilton
Chief Executive
Invest Northern Ireland

09:30 **Bombardier Supplier
Development Update**

Nichola Robinson
Procurement Director
Bombardier

09:50 **Airbus SC21 Supplier
Development Programme**

Stephen Gregory
Senior Supplier Development Mgr.
Airbus



Agenda



- | | | |
|--------------|---|--|
| 10:10 | SC21 Competitiveness + Growth Programme Launch | Chris Owen
<i>Chief Executive</i>
SMMT Industry Forum |
| <i>10:30</i> | <i>Refreshments - Visit company stands</i> | |
| 11:00 | Breakout session no. 1 | All |
| 11:30 | Breakout session no. 2 | All |
| 12:00 | Cash Returns from R&D Tax Credits | Dave Stewart
<i>Head of NI Corporate Tax Office</i>
HM Revenue & Customs |

Agenda



12:20 **Preparing for Brexit**

Jeegar Kakkad

Chief Economist & Director of Policy
ADS Group

12:40 **Rockwell Collins Supplier
Development Programme**

David Quin

Supply Chain Director
Rockwell Collins

13:00 **SC21 Programme Update**

Colin Hart

Head of SC21
ADS Group

13:10 *Lunch*



Agenda



14:00 **The Winner's Experience**
SC21 Case Study

Steve Savage

Strategic Operations Manager
Abbey Forged Products Ltd

14:15 **SC21 Award Presentation**

All

14:45 **Panel and Closing Remarks**

All

Breakout sessions 1 & 2

NEW TECHNOLOGIES (NATEP) – OLYMPIC SUITE

- **Harriet Wollerton**
ADS Group
NATEP Programme Director
- **Michael Curran**
Bombardier
Director Engineering
- **Peter Quigley**
CCP Gransden
Engineering Manager
- **Pat Doyle**
Invest NI
Innovative Procurement Specialist

BUSINESS ETHICS – BRITANNIC SUITE

- **John Burbidge-King**
Interchange Solutions
CEO

BEST PRACTICES – TITANIC SUITE

- **John Irwin**
Denroy Plastics
General Manager

COUNTERFEIT AVOIDANCE – THE BRIDGE

- **Alan Ovens**
Leonardo MW
Supply Chain Development Manager



Welcome

Neil Barnett

Aerospace Director

ADS Group

Opening Keynote Speech

Alastair Hamilton

Chief Executive

Invest Northern Ireland



Bombardier Supplier Development Update

Nichola Robinson

Procurement Director

Bombardier



Bombardier Aerostructures and Engineering Services

Nichola Robinson
Procurement Director
Belfast

BOMBARDIER

Agenda

Bombardier Business Update
Transformation Plan
Supplier Performance and Requirements
SC21 Engagement, the future



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A GLOBAL LEADER WITH SCALE AND DIVERSIFIED REVENUES

BOMBARDIER

2017 REVENUE GUIDANCE



TRANSPORTATION

~ \$8.5B



BUSINESS AIRCRAFT

~ \$5.0B



COMMERCIAL AIRCRAFT

~ \$2.5B



AEROSTRUCTURES

~ \$1.7B

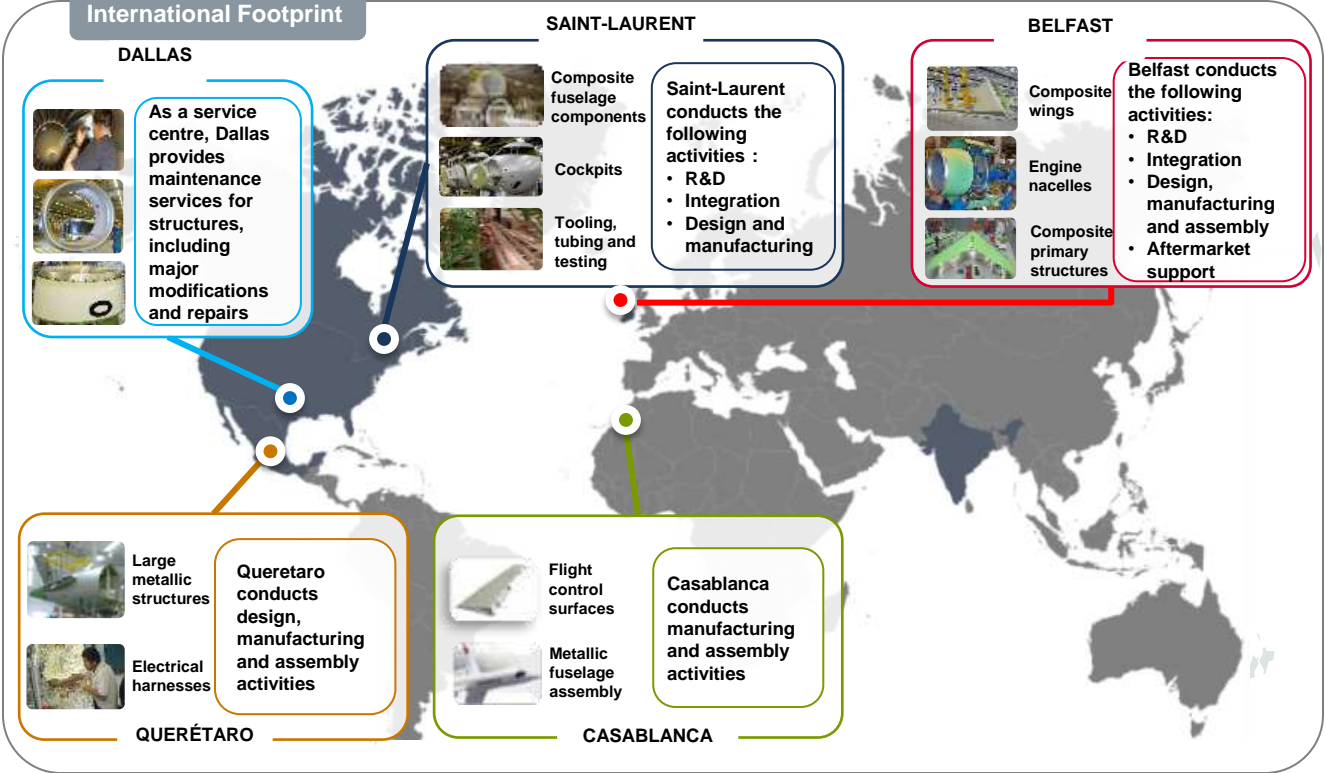
DRIVING TO >\$20B REVENUES BY 2020¹

¹ 2020 objectives reflect deconsolidation of the C Series program.
Note: Refer to our disclosure on forward-looking statements and assumptions at the beginning of this presentation.

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BOMBARDIER

Bombardier Aerostructures & Engineering Services has a global presence



Belfast – who we are and what we do

- ✓ Largest manufacturer in Northern Ireland – c4000 people – c10% of NI's manufacturing exports
- ✓ Investment of over £2.7bn since 1989
- ✓ Centre of excellence for design & manufacture of wings, fuselages, and nacelles in metal and advanced composites
- ✓ Growing MRO/aftermarket support business

1. Queen's Island complex

- Engineering
- Chemi-mill/metal bond
- Machine shop/fuselage assembly
- New wing facility

2. Dunmurry

- Composites fabrication and assembly



3. Newtownabbey

- Composites fabrication and assembly

4. Aerostructures & Services

- Nacelles
- Maintenance, Repair & Overhaul

5. Hawlmart, Newtownards

- Sheet metal component fabrication

... PRODUCES ENGINE NACELLES FOR OTHER MANUFACTURERS...

- More than 40 years' experience in design, development, manufacture and after-market support of aircraft engine nacelles
- Supplies complete nacelles, nose cowls, fan cowl doors and Engine Build Units (EBUs)
- Customers include Airbus, Rolls-Royce, Rolls-Royce Deutschland, General Electric, IAE, Pratt & Whitney and Irkut
- MRO/aftermarket function supports more than 20 aircraft types:
 - spare parts supply
 - component repair: engine nacelles, flight control surfaces, landing gear and electrical harnessing
 - technical support



... investment in products...

Belfast is involved in all Bombardier's families of aircraft



CRJ100/200 (1989)



Learjet 45 (1992)



Challenger 604 (1993)



Global Express (1993)



Q400 (1995)



CRJ700 (1997)



Challenger 300 (1999)



CRJ900 (2000)



Global 5000 (2001)



Learjet 45 XR (2002)



Learjet 40 (2002)



Global XRS (2003)



Learjet 40 XR (2004)



Challenger 605 (2005)



CRJ700 NextGen (2007)



CRJ900 NextGen (2007)



CRJ1000 NextGen (2007)



Global Vision (2007)



C Series CS100/CS300 (2008)



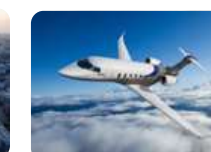
Global 7000/8000 (2010)



Learjet 70 (2012)



Learjet 75 (2012)



Challenger 350 (2013)



Challenger 650 (2014)

(Launch year)



Bombardier Business Market Outlook

Unleashing Value with Solid Execution

FIVE YEAR TURNAROUND PLAN

BOMBARDIER



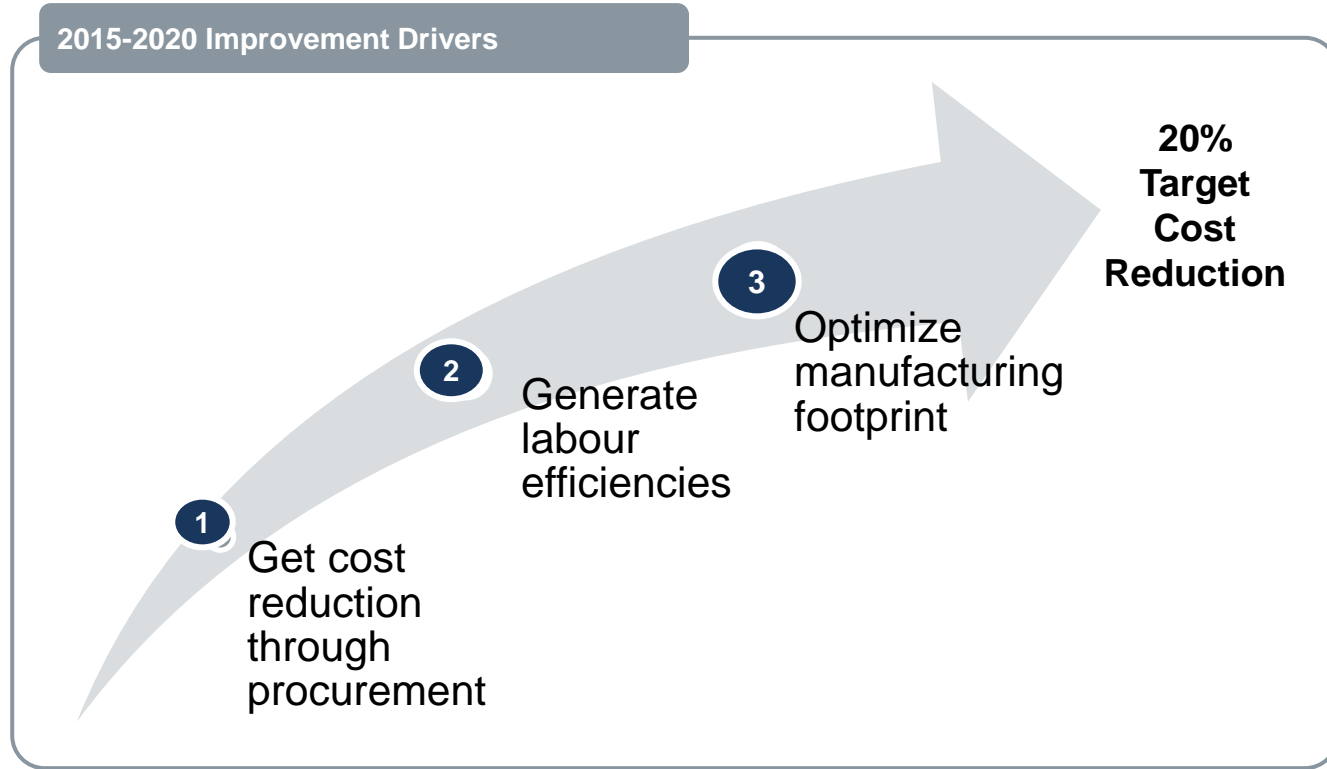
MIDWAY THROUGH THE PLAN | CLEAR PATH TO 2020



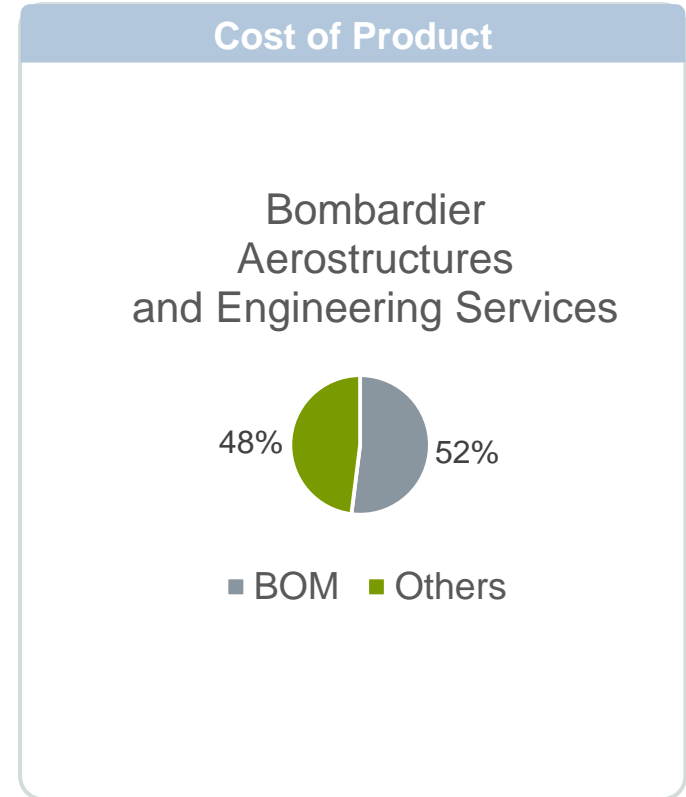
BOMBARDIER

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Transformation: Key to Achieve Cost Reduction



Supply Chain is **Key** in Bombardier's Transformation



Market Dynamics are Challenging



- The price of our aircraft remains flat
- The cost of acquisition of our products still goes up

Supply Chain Partners not aligned

Strong Revenue Growth for Bombardier

GROWTH ACROSS ALL BUSINESS SEGMENTS

BOMBARDIER



SUPERIOR PRODUCTS AND SOLID BACKLOG DRIVING REVENUE GROWTH

¹ Backlog as at September 30, 2017.

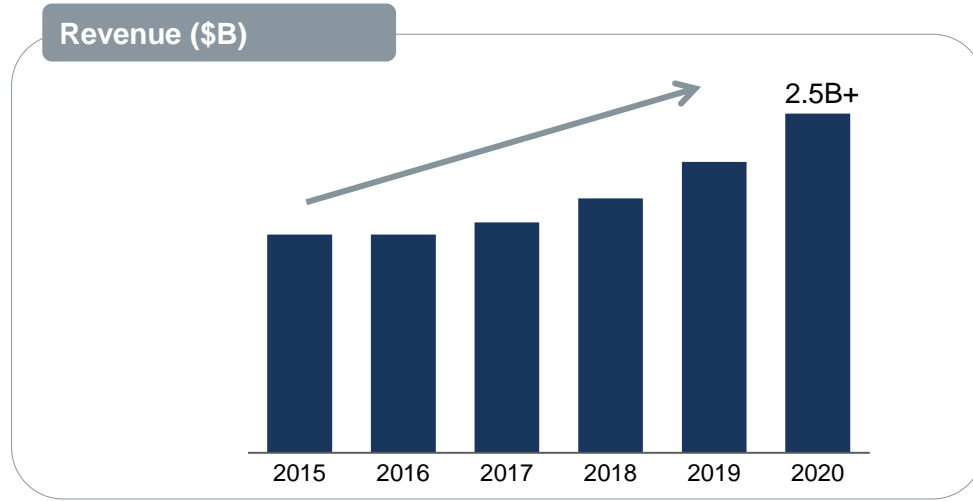
² De-consolidation following the closing of the partnership with Alstom, subject to regulatory review.

³ Starting in FY 2018, financial guidance and objectives are under IFRS15. Guidance for 2018 assumes the continued consolidation by the Company of the C Series program for the complete 2018 fiscal year, 2020 objectives reflect deconsolidation of the C Series program.

Note: Chart data may not be to scale. Refer to our illustrated air financial-looking statements and disclosures at the beginning of this presentation.

Strong Revenue Growth BAES

8% Annual Growth Driven by New Platforms



Bombardier C Series Aircraft

BOMBARDIER

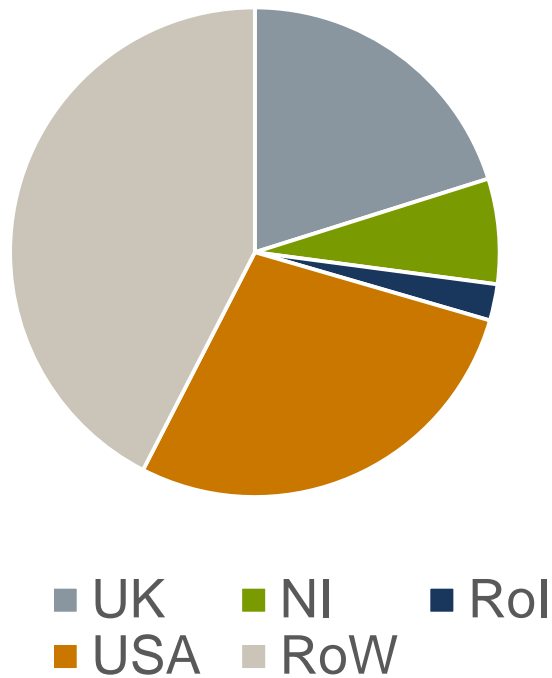


Supplier Performance and Requirements

Key Characteristics of our Suppliers



Geographical Distribution of Supply Chain by projected 2018 VOB





SC21 Engagement

Competitiveness challenge

The UK Aerospace Supply Chain Competitiveness Charter

As a signatory to the UK aerospace supply chain competitiveness charter, we commit to:

- Promote wider participation in structured continuous improvement programmes, such as SC21 and Sharing in Growth, providing informed and ongoing guidance to assist in setting performance targets
- Provide visibility of future growth opportunities and share with appropriate candidate suppliers
- Support the focused development and dissemination of technology to radically improve product performance and manufacturing productivity
- Facilitate access to sources of support, e.g. financial institutions, HVM Catapults, research institutions, government departments
- Invest in the development of skills and apprentices in order to have the resources, capabilities and experience needed to improve productivity and meet future demand
- Build long-term relationships with globally-competitive suppliers.

We expect that our UK suppliers will:

- Engage actively in structured continuous improvement programmes, such as SC21 and Sharing in Growth, to become sustainably globally competitive
- Invest in technology to radically improve product performance and manufacturing productivity
- Invest in the development of skills and apprentices in order to have the resources, capabilities and experience needed to improve productivity and meet future demand
- Invest for growth
- Build long-term relationships with us.

Signed



Date: June 17, 2016

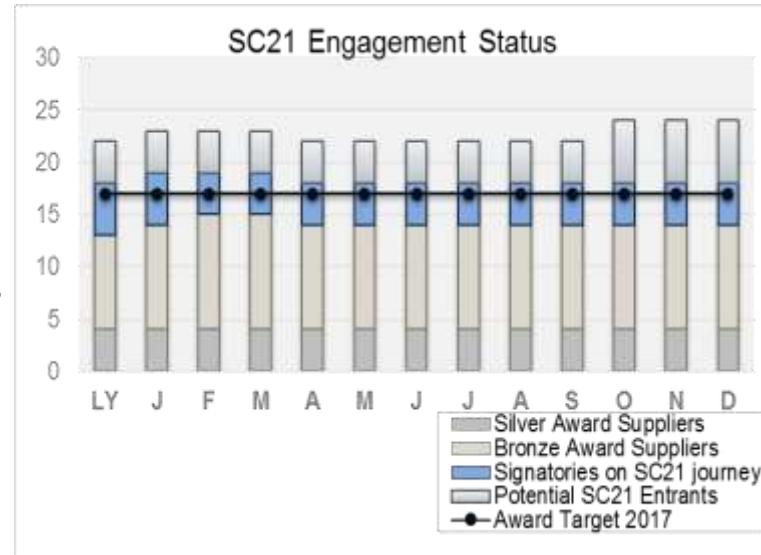
Position: Vice President & General Manager

Company: Bombardier Belfast

- ❑ 24 sponsored suppliers on SC21 Journey
 - ❑ 4 Silver Awards
 - ❑ 10 Bronze Awards
 - ❑ 1 Recertification underway (was Silver)
 - ❑ 3 SC21 Signatories in progress towards Bronze
 - ❑ 6 Potential new entrants – engagement u/way with target 2018 certification

❑ **Target is to have 1 Gold by end of 2017**

- ❑ Commodity Breakdown of 15 certified
 - ❑ 10 FMP
 - ❑ 4 Raw Material
 - ❑ 1 IG&S



SC21 AWARDS PIPELINE

Silver

MOYOLA
Precision Engineering

JW KANE
PRECISION ENGINEERING LTD

Dontaur
Precision Engineers

denroy

Bronze

All Metal Services

ThyssenKrupp

Springco
HIGH QUALITY SPECIAL MANUFACTURE

TAKUMI
PRECISION ENGINEERING

OPF ENGINEERING
Precision Engineering Specialists

AMF
Aerospace Metal Finishers

DL
DAWNLOUGH

ÉIRECOMPOSITES

base

McAuley Engineering

SC21 Participants

GKM
AEROSPACE

DHL
GLOBAL FORWARDING

UNITED
PERFORMANCE METALS
AN OHI COMPANY

marlborough engineering

Potential Entrants

Anglia CNC Engineering Ltd.

P. I. CASTINGS

TW METALS
AN OHI COMPANY

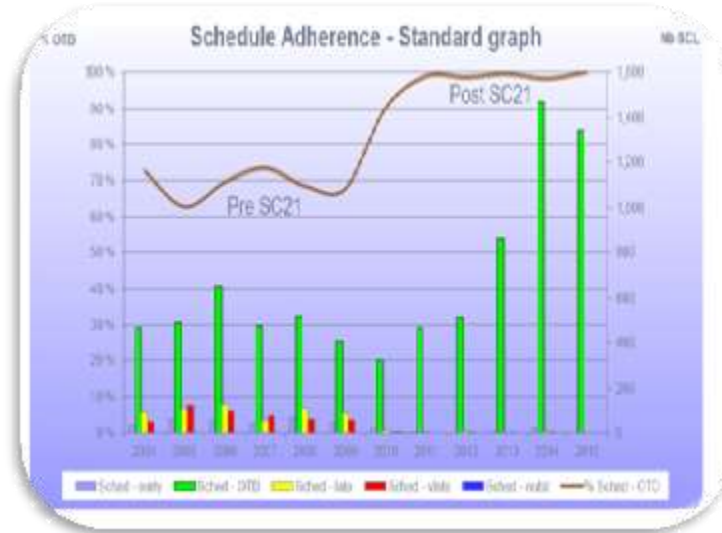
Smith's Harlow

BEAGLE
TECHNOLOGY GROUP

Bombardier Performance of Supply Base

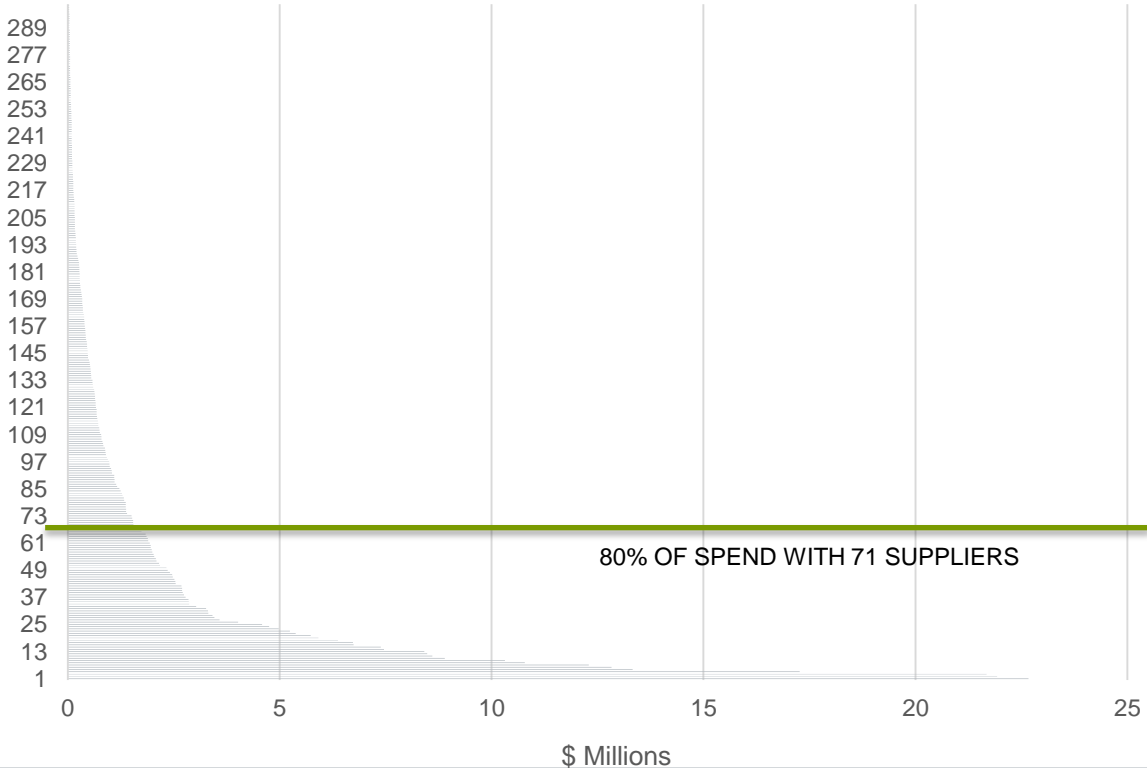
Based on “On Time In Full” deliveries

- ❑ 62% of NI Suppliers OTIF
- ❑ 78% of ROI Suppliers OTIF
- ❑ 99% of SC21 Suppliers OTIF
(required for certification)



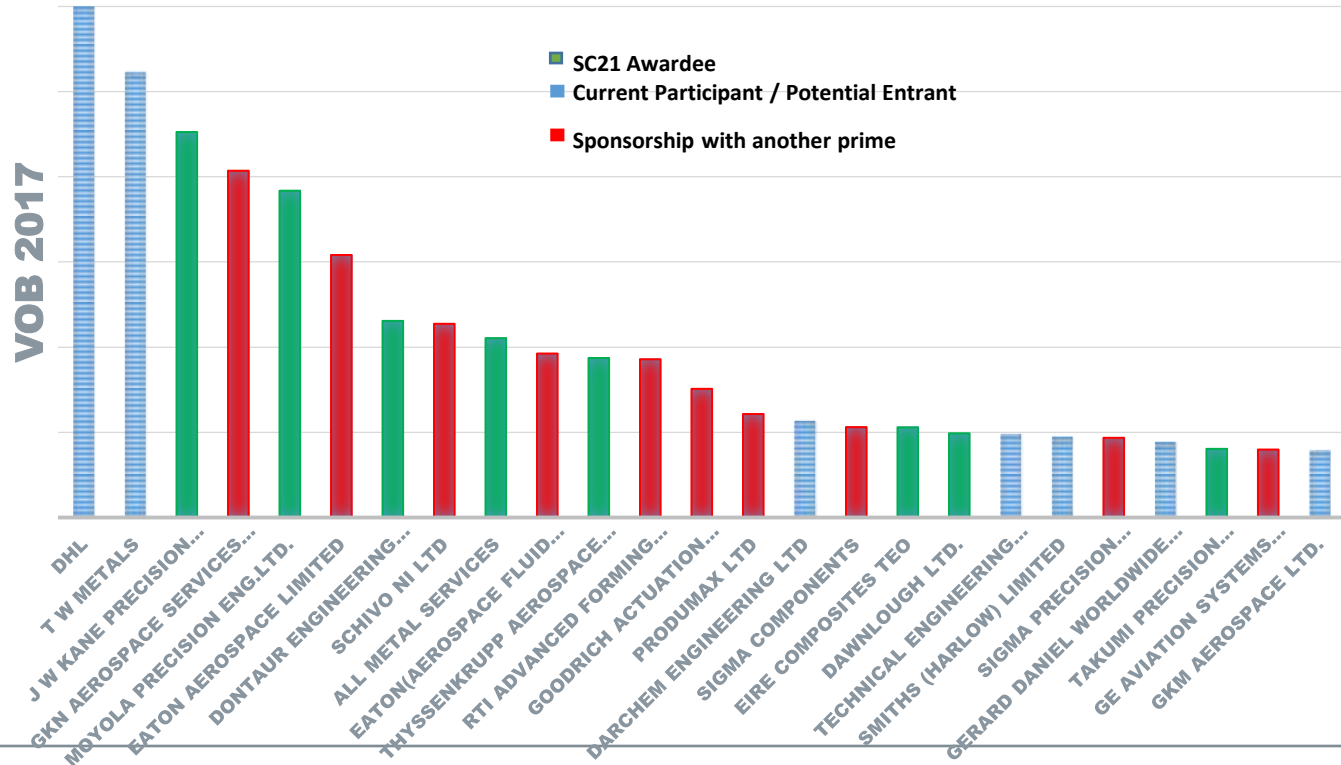
2018 VOB FOR SUPPLY BASE

440 SUPPLIERS



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UK/ROI SUPPLIERS VOB 2017 (TOP 25)



Our 2018 journey has begun

- Globalisation of our footprint and commodity strategy
- Commodity sourcing strategy – eRFQ strategic sourcing tool
 - - Outcomes seeing shift in supply base
- Airbus Partnership will unlock CSeries potential
- A320neo success
 - - Leverage opportunity for Bombardier and supply base
 - - Sourcing strategy influenced by production rate
 - - Opportunity that must be grasped by the supply base
 - - Flexibility in the way we do business e.g. Dual/multiple sourcing
- Commercial momentum – LOI for further CSeries aircraft
- Suppliers must support us in “derisking” our business in this environment

Global 7000 Aircraft

BOMBARDIER

In Summary

1. Bombardier is on track to meet its turnaround plan objectives

2. The market is challenging for customers and suppliers

3. Growth will come from competitiveness

4. Innovation, collaboration, performance improvement are key to success

Our future, your future

BOMBARDIER

the evolution of mobility



Airbus SC21 Supplier Development Programme

Stephen Gregory

Senior Supplier Development Manager

Airbus

SC21 – Delivering Supply Chain Excellence



New Beginnings

SC21 Achieving Supply Chain Excellence - Belfast

Stephen Gregory
Senior Supplier Development Manager
31st January 2018

AIRBUS

Welcome to a New Year



- A year full of:
- Challenge
 - Risk &
 - Opportunity

The Challenge affecting us all:



What could possibly go wrong?



The Risk

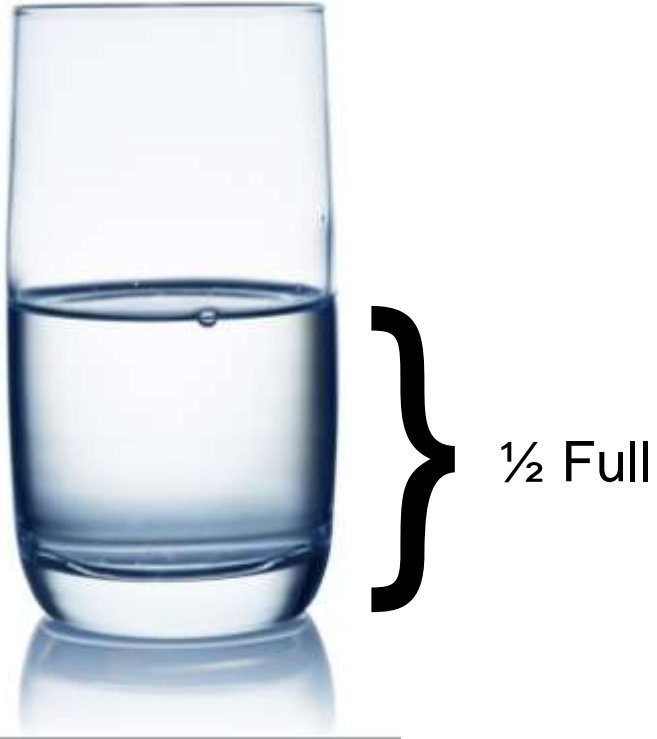


How do I ensure my business remains competitive in an uncertain and everchanging world?

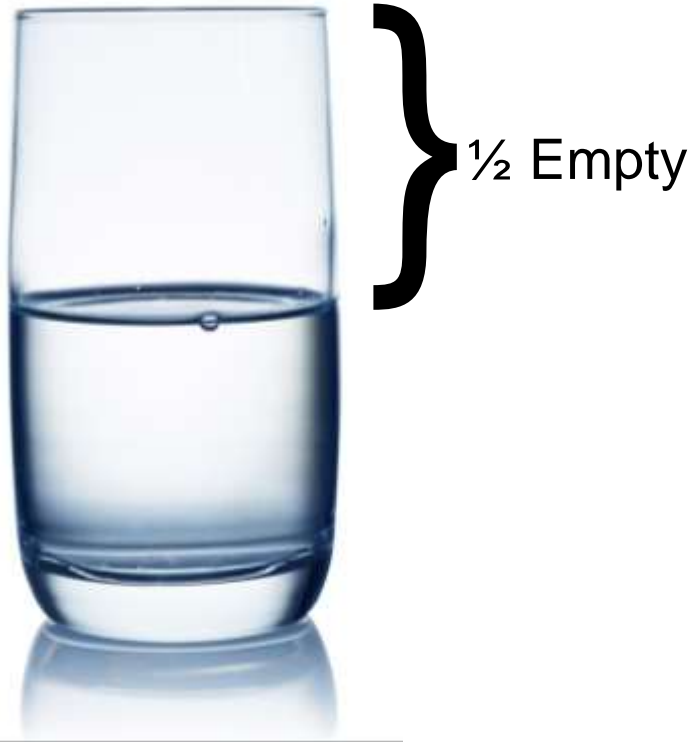
What do you see?



What an Optimist sees...



What a Pessimist sees...

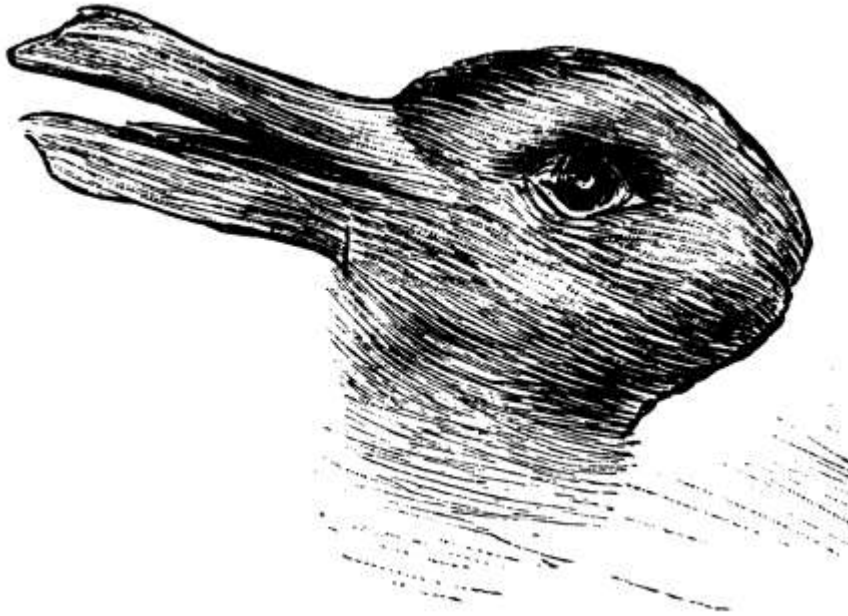


What a Realist sees...



A 'glass' of unknown size and
an undetermined volume
of a colourless liquid...

Do you see a Duck or a Rabbit?



The fact is the
picture depicts both

What you see depends
on your perspective
and interpretation...

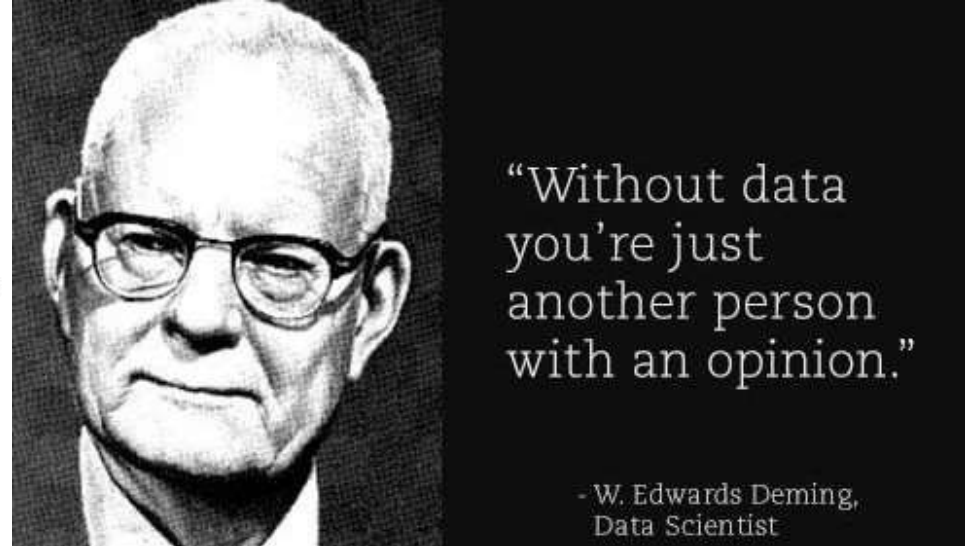
It's difficult to see both
simultaneously.

To decrease Risk, we must face facts...



**“In God we trust.
All others must bring data.”**

- Dr. W. Edwards Deming



BEWARE of (social) media hype: there is a lot of misleading information available:

- Ask yourself – what is the agenda behind the story?
- Remember there are always (at least) 2 different sides to every story... (duck / rabbit)

BEWARE of assumptions, summations, personal perspective and opinion!

New Beginnings – New Opportunities

- An opportunity to reinvent ourselves
 - Whether you voted to ‘Remain’ or ‘Leave’ we must make the best of the current situation...
- Avoid and / or beware of leaps of faith
- Assess all available facts to make the best decisions
 - Talk to many sources e.g:
 - Trade bodies
 - Compatriots
 - Contemporaries
 - Government bodies
 - MP’s
 - Etc.



“The problem
with Internet
quotes is that you
can’t always
depend on their
accuracy.”
—Abraham
Lincoln, 1864



Don't rely on (social) media for your facts...

**Assume nothing.
Question everything.
And start thinking.**



FB-Timeline-Cover.com

AIRBUS

Be prepared



- Plan and prepare for your future
- Worst Case Scenario planning

What do we know?

2 Known facts:

- Worst case position is WTO rules with no preferred nation status
- Worst case date = 29th March 2019 (422 days from today)



Jeegar Kakkad
Chief Economist & Director of Policy at ADS Group

will provide a more detailed update later today

Make your business future proof - Invest in your future

- Ensure you make the most of your Business Development opportunities
 - Sharing in Growth
 - SC21
 - NMCL (SC21 Competitiveness + Growth)
 - Or any other development programme
- Seek out new opportunities...



NMCL (SC21 C+G) - an opportunity...



Dr Chris Owen
Chief Executive of SMMT Industry Forum

Will provide more detail on NMCL later in today's agenda

Airbus is preparing – Are you?

- Multi functional, multi discipline team (I am a member)
- We have a plan
 - Fail to plan, Plan to fail
- Questionnaire to prompt ideas / assess readiness and risk (under development)
- Mapped our supply chain
 - We know what moves where down to tier 6 / 7
- Assessed cost impact and risk from supply chain to customers
- Review customs requirements assuming worst case scenarios
- Reviewed delivery and shipping mechanisms to decrease impact
- Anticipate increase in stock / WIP and raw materials
- Reviewing / altering MRP master data to allow for increased lead time
- Etc...

• **Don't delay – there is lots you can do to prepare today**



Just remember...



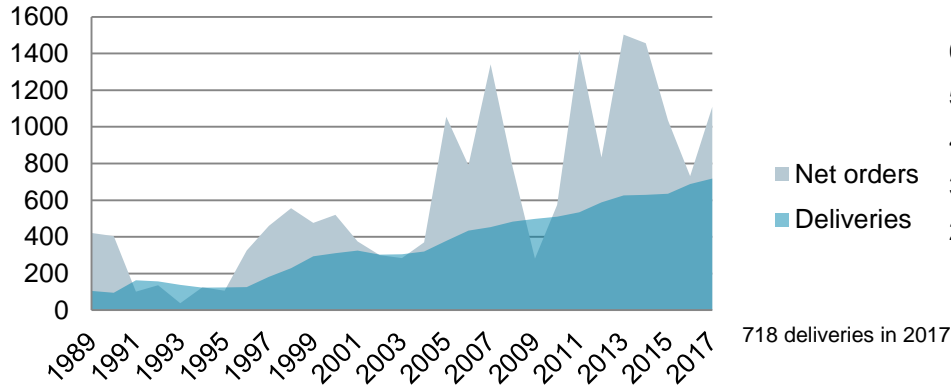
You don't I have to listen to me;
It's all been said before!
None of this is new;
It's your choice,
It's your money,
It's your business,
It's your job...

Miracles might happen – but I'd rather rely on planning and preparation!

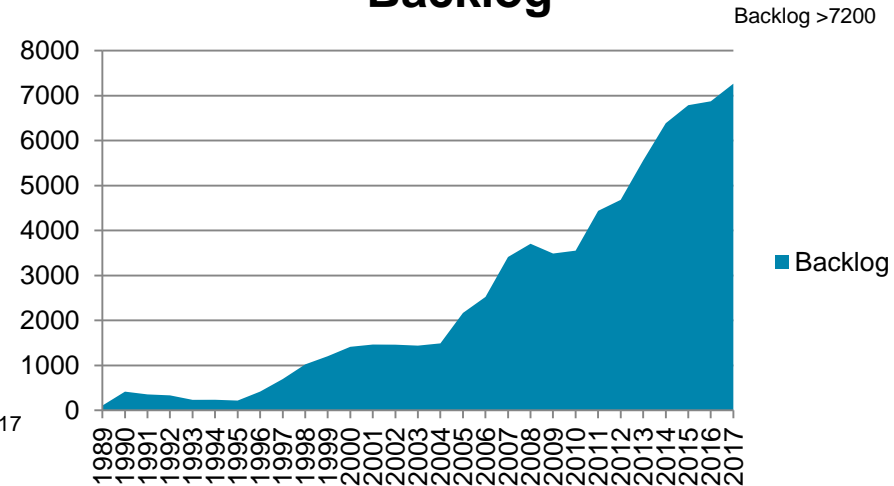


What are we fighting for?

Airbus orders and deliveries 1989 to 2017



Backlog



Airbus spends over €7 Billion in the UK each year

Let's keep it that way...

Thank you

SC21 Competitiveness + Growth Programme Launch

Chris Owen

Chief Executive

SMMT Industry Forum



SC21 Competitiveness + Growth (C+G)

NMCL (National Manufacturing Competitiveness Levels) Programme Launch

Wednesday 31st January 2018

Dr. Chris Owen, CEO, SMMT IF

Aerospace & defence supply chain improvement options



Increasing investment in people to address future market challenge and to meet increasing ambition for growth and capability

SC21 OE

Improving Operational Effectiveness, Industry Recognition & Awareness of Change Needed

Develops Ambition

SC21 C+G

Increasing Competitiveness And Improved Organisational Capability

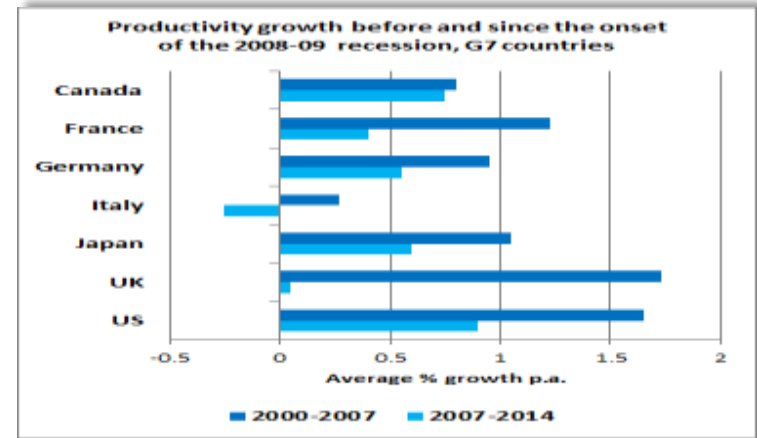
Enhances Ambition

Sharing in Growth

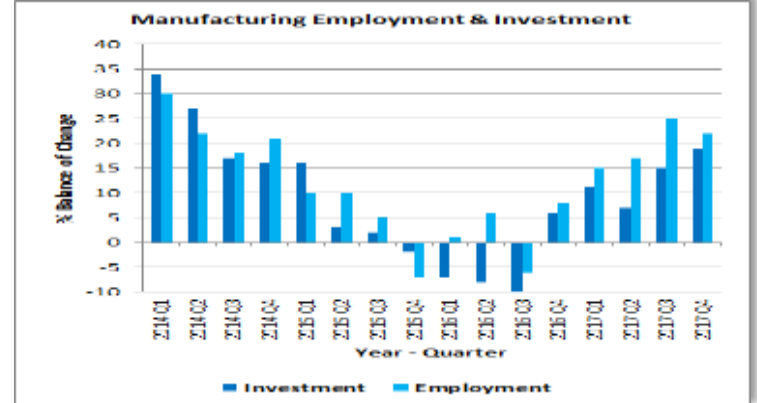
Strategy, leadership and operational capability development to achieve sustainable accelerated growth

The need

- National productivity still faltering – Biggest opportunity in the supply chain
- Automotive, Aerospace, Rail & Nuclear sectors growth must be underpinned by competitive domestic supply chains
- “Match Fit” to capitalise on new export opportunities post-Brexit
- Size of investment in capex in decline from 7.5% to 6.5% 2017
- Consistent, long-term roadmap for growth through competitiveness needed for manufacturers
- Brexit uncertainty – Trade tariffs, Customs, FX, Labour
- Removal of Government support mechanisms – AMSCI, MAS....



Source: ONS International Comparisons of Productivity, 2014



Source: EEF Employment & Investment Trends Data

The opportunity



Automotive

- 1.7m vehicles assembled in UK 2017 vs. 2011 1.35m
- £71.6bn industry turnover and £19bn GVA ^[1]
- Increase in UK domestic sourcing 36% to 44% ^[2]
Aspiration of 50%
- Willingness to source from UK suppliers if competitive



Aerospace

- 33,070 new aircraft required in next 20 years. Doubling of fleet 2016 to 2035 ^[3]
- £31.8bn industry turnover and £8.9bn GVA
- UK order backlog 9 years worth £195bn ^[4]
- 60% of companies expect growth > 10% ^[4]



Rail

- NTFL – 250 trains c. 2,500 carriages c. £2.5bn. First delivery 2022
- JNAT - 27 trains, 170 cars, Contract award Q3 2017
- NTFD – c. 45 Trains, contract award Q1 2018
- HS2 – First phase, contract award end 2019



Nuclear

- Domestic market size £75bn
- Current UK industry size £18.5bn
- Global Market £1.2tn
- UK Supply chain £6.1bn
- UK workforce 87,500

What is NMCL - The proposal



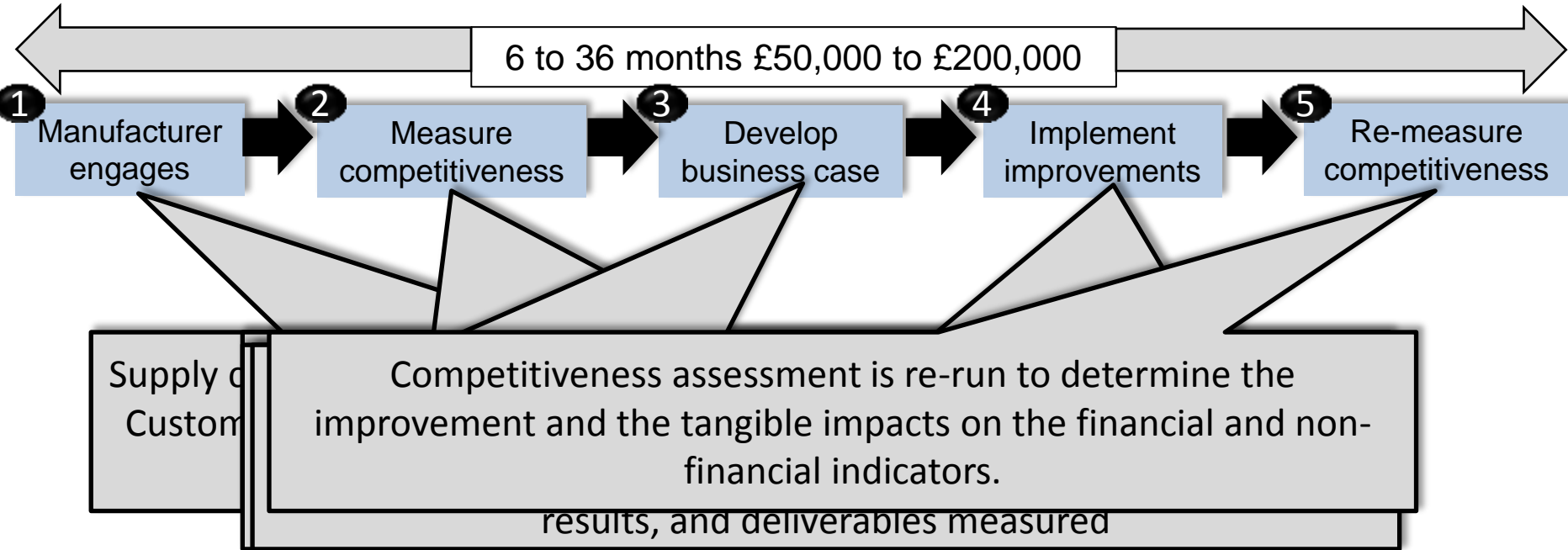
Overall Aim

To have a single, national, quality assured, approach to improving the productivity and competitiveness of manufacturing supply chain companies to raise workforce capability, boost economic growth and export

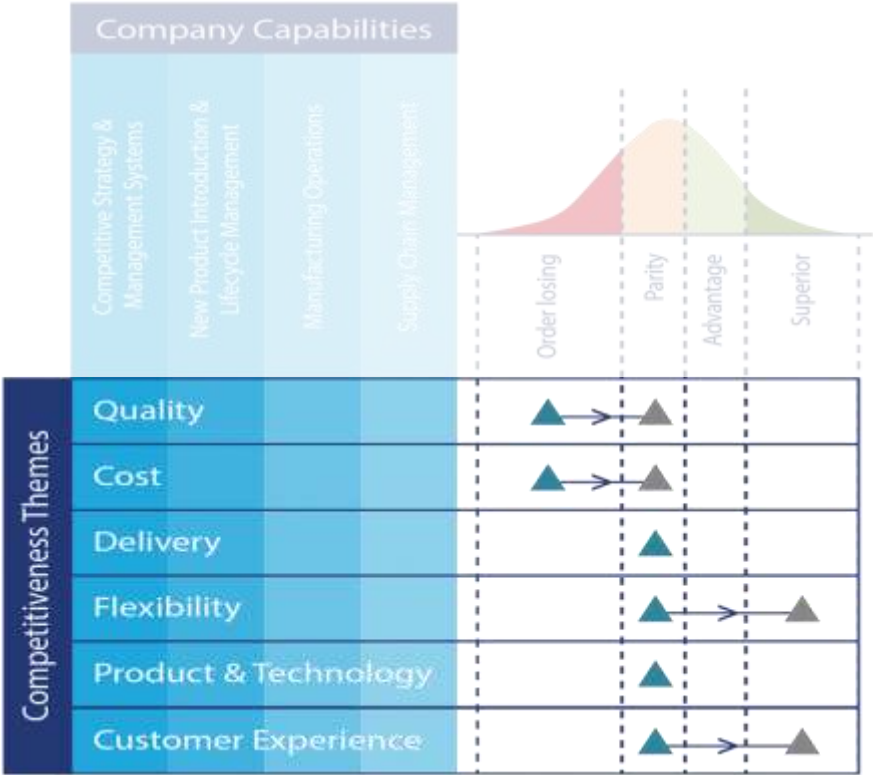
The Proposition

- Strong cross sector collaboration – Auto Council, Aerospace Growth Partnership, Nuclear Industry Council, Rail Delivery Group
- Nationally consistent and recognised framework for identifying **priority** improvements and providing structured help to deliver measurable results for manufacturers
- Leading manufacturers shape and approve the support tools and resources made available to their supply base
- Manufacturers programmes ranging from 6 month focussed improvements, to 3 year business transformations
- Sector Boards will take ownership for managing their sector's programme
- Best practices leveraged cross-sector nationally where it makes practical sense – Yet allowing sector autonomy
- Industry working in partnership with their suppliers to boost competitiveness

Process outline

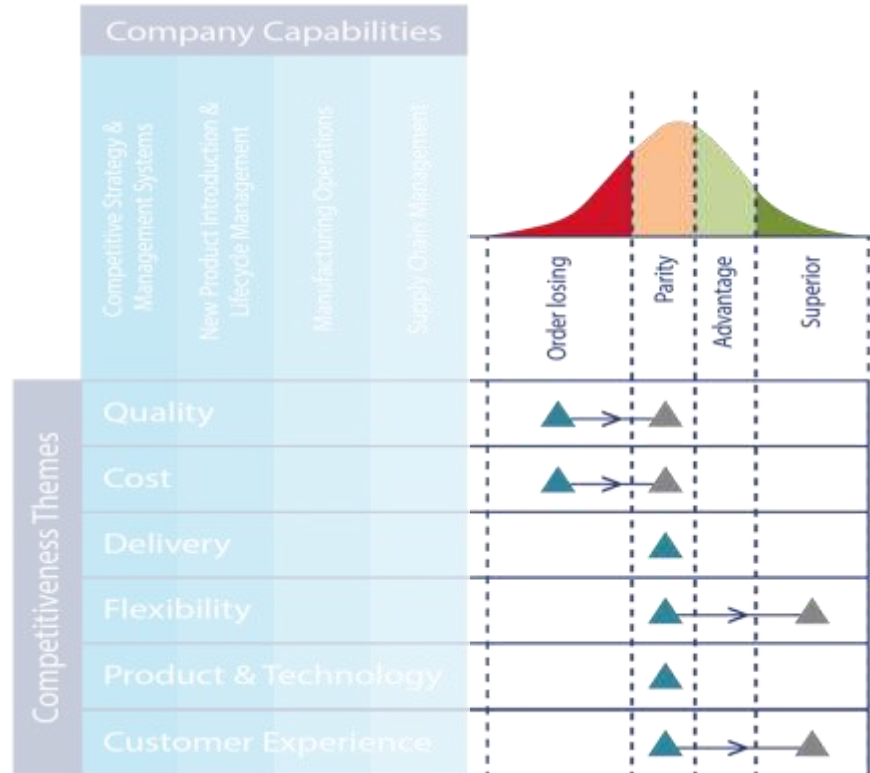


What do we mean by competitiveness?



Six themes of competitiveness

Why competitiveness?



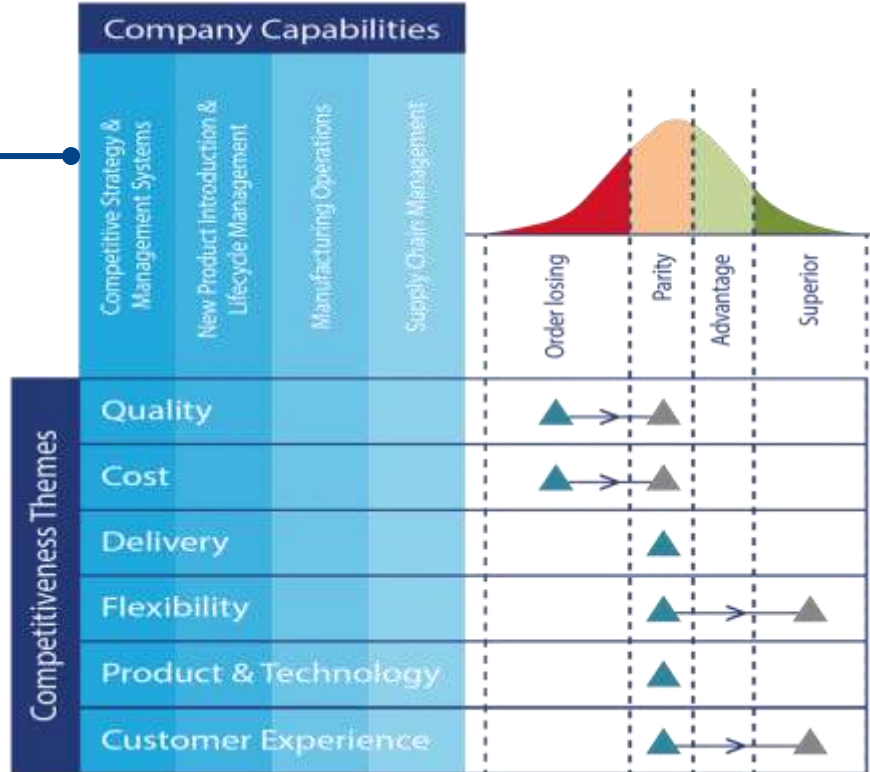
Why do your customers choose to buy from you?

What is the basis of competition of your company, for the products you make, and the markets you serve?

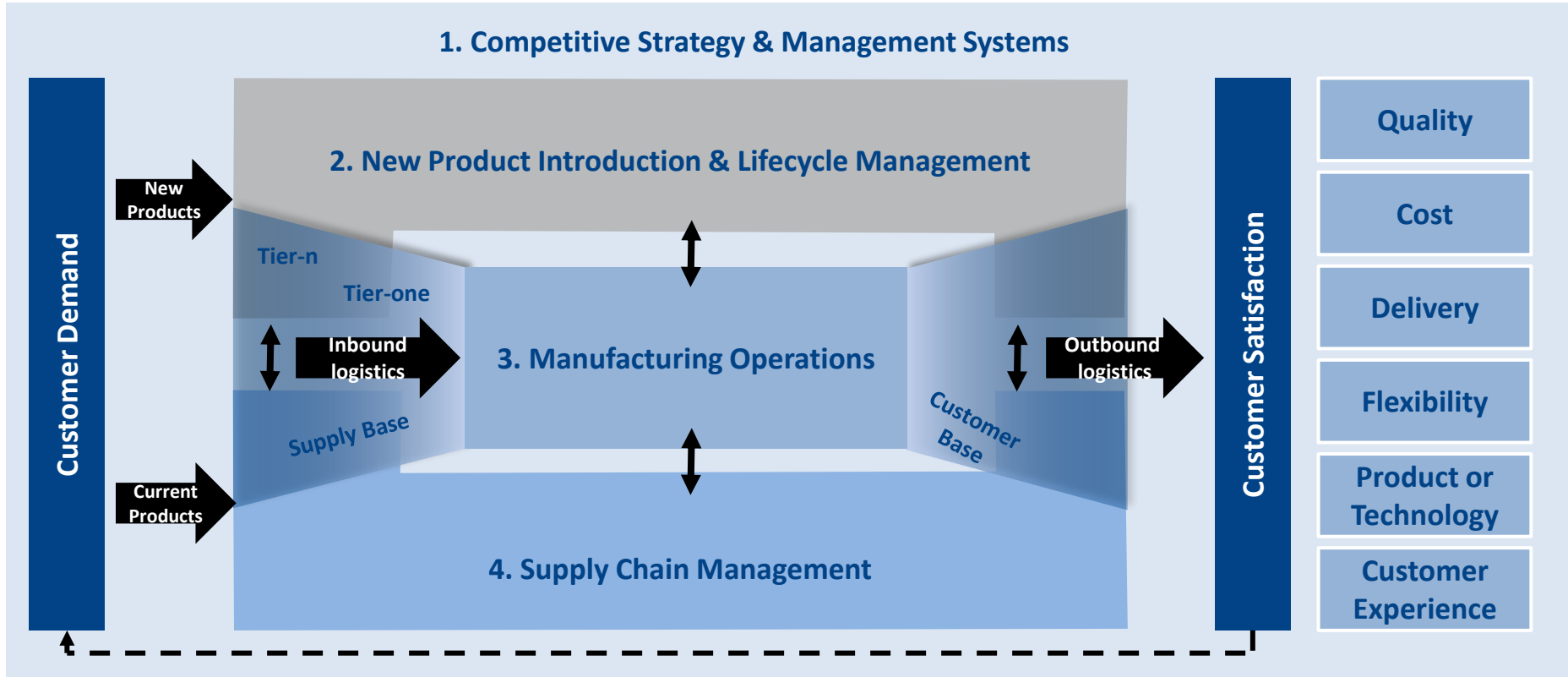
How could I be “order winning?”

Building capability to compete

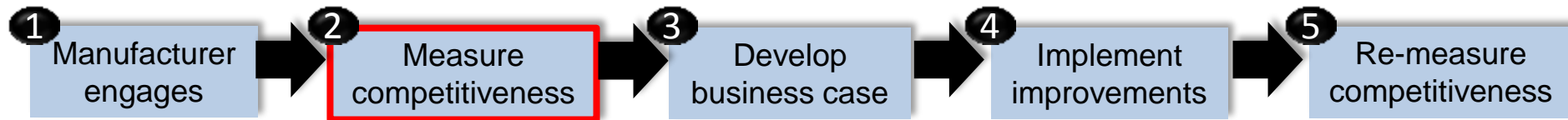
What areas of **company capability** do you need to develop to compete?



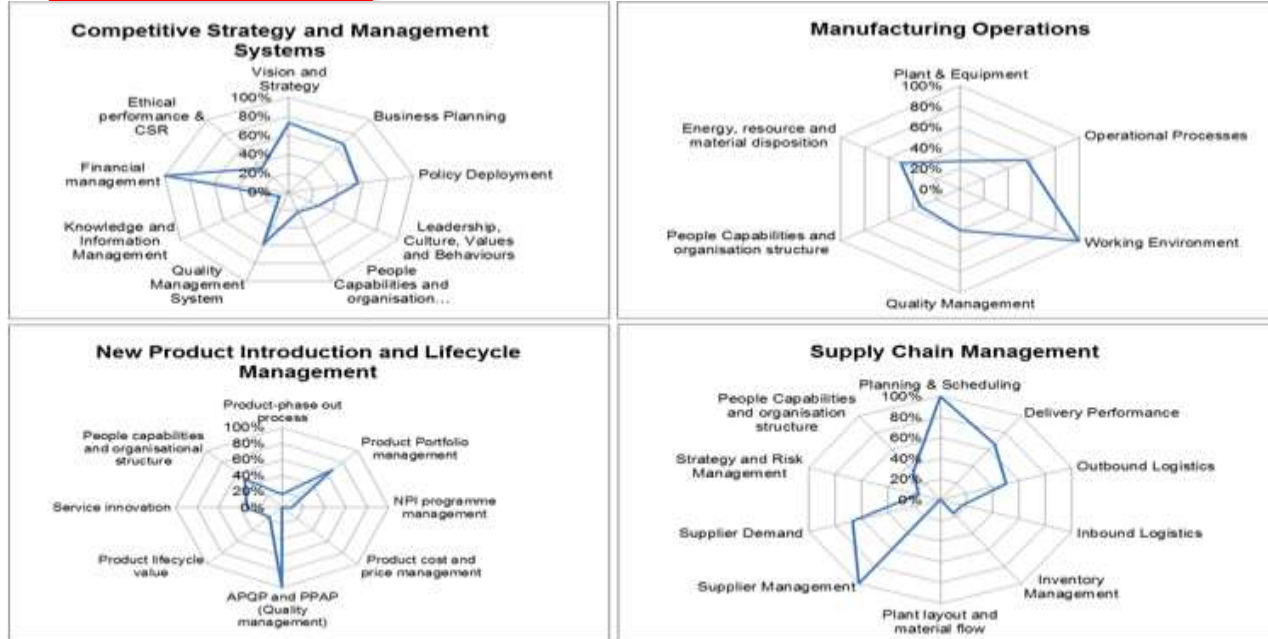
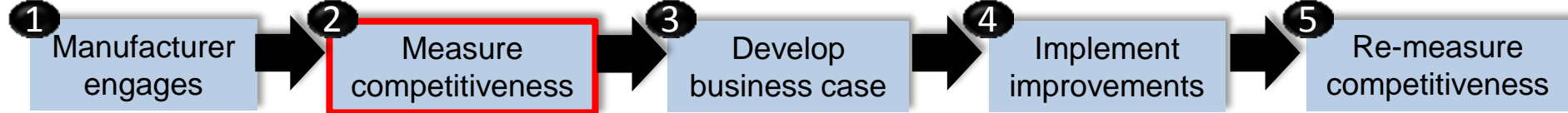
Building competitive performance



NMCL Assessment Timeline

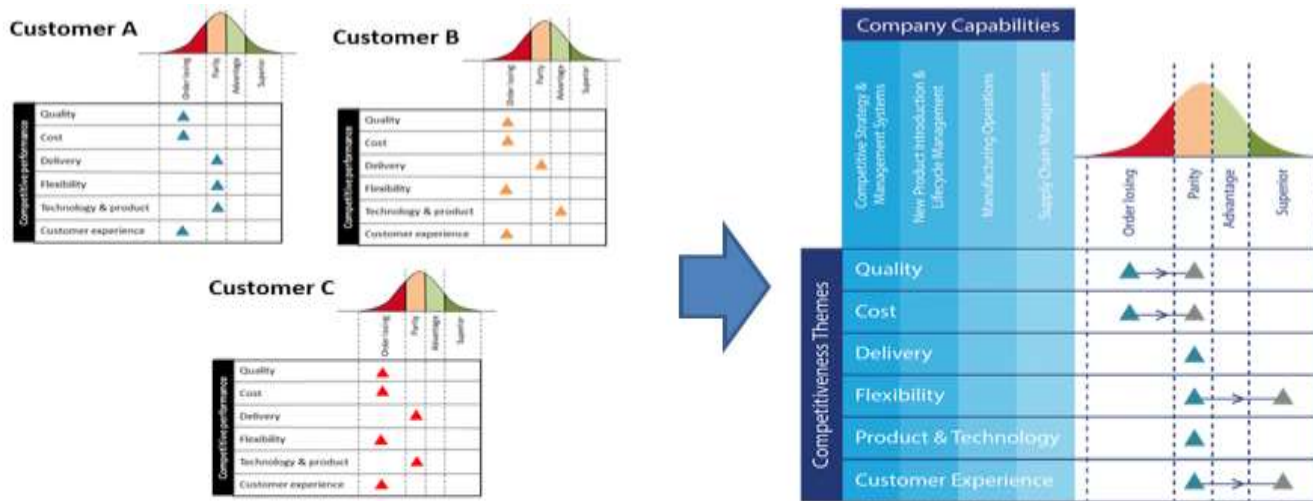
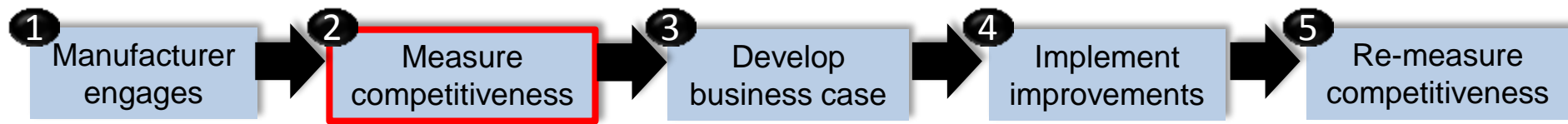


NMCL Assessment – Capability assessment



The two day capability assessment identifies areas of strengths and gaps across the four capability dimensions. It focuses on ensuring 'foundation' capabilities are in place so that 'progressive' areas of capability can deliver real benefit.

NMCL Assessment – Customer benchmark



Strategic customers are nominated and visited to discuss where they rate the company's competitiveness against their peer group currently and where they need to be to be winning work in the future. The company receives aggregated scores and anonymised feedback. The company self-assesses their current and target competitiveness by product market group.

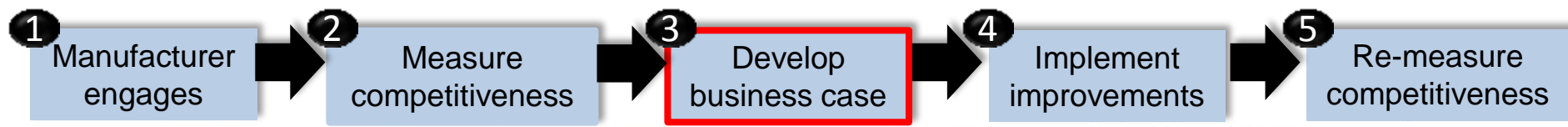
NMCL – Improvement planning



Work-stream	Sub-stream	Activities	Days	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	
Organised to Succeed	Strategy & technology roadmap	Strategy development	2/2/3	[Gantt bars]								
		Technology mapping	2/2/-	[Gantt bars]								
	Organisation & policy deployment	Organisation Plan	-/2/-	[Gantt bars]								
		Policy Deployment	1/2/2	[Gantt bars]								
	Performance and development	PDR	-/1/1	[Gantt bars]								
		Training plan	1/-/-	[Gantt bars]								
A factory for the future	Daily management	Visual management	1/3/3	[Gantt bars]								
		Problem solving	2/1/1	[Gantt bars]								
	Optimise critical process performance	Set up improvement	1/2/-	[Gantt bars]								
		TPM principles	5/8/4	[Gantt bars]								
Develop future capacity	VSM deployment	VSM deployment	1/4/4	[Gantt bars]								
		Through life costing	Cost estimating	1/2/1	[Gantt bars]							
		Project budget	1/1/-	[Gantt bars]								
Excelling at NPI	Enhance NPI Process	Gated process	1/4/2	[Gantt bars]								
		APQP	3/1/1	[Gantt bars]								
	Plan to succeed	Optimise planning process	S&OP	2/5/3	[Gantt bars]							
Capacity planning			1/4/2	[Gantt bars]								
Supplier performance		Vendor rating	-/2/1	[Gantt bars]								
Teach 25 / Coach 46 / Mentor 28 = 99				14	15	16	19	13	10	6	6	

The competitiveness views and capability gaps are used to identify work-streams, activities and improvement modules blending teaching, coaching and mentoring support. Timing and intensity is scoped to ensure the company can adequately resource activity and gain full value from every activity day.

NMCL – Business case development



Project Charter

Project Name: ...

Project Manager: ...

Project Sponsor: ...

Project Start: ...

Project End: ...

Project Objectives: ...

Project Risks: ...

Project Deliverables: ...

Project Charter

Project Name: ...

Project Manager: ...

Project Sponsor: ...

Project Start: ...

Project End: ...

Project Objectives: ...

Project Risks: ...

Project Deliverables: ...

Work Package

Work Package Number/Name: ...

Work Package Description: ...

Work Package Objectives: ...

Work Package Risks: ...

Work Package Deliverables: ...

Work Package Resources: ...

Work Package Status: ...

Risk Register

Risk ID	Risk Description	Impact	Probability	Severity	Owner	Status
1	...	High	High	Very High	...	Open
2	...	Medium	Medium	High	...	Open
3	...	Low	Low	Medium	...	Open
4	...	High	Low	High	...	Open
5	...	Medium	High	High	...	Open

Financial Summary

Category	Value
Revenue	...
Cost of Sales	...
Gross Profit	...
Operating Profit	...
Profit before tax	...
Profit after tax	...

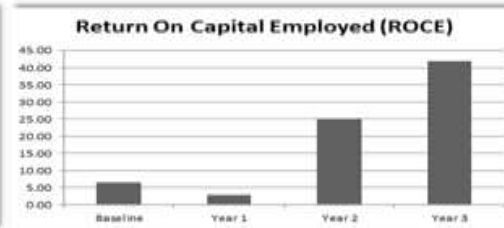
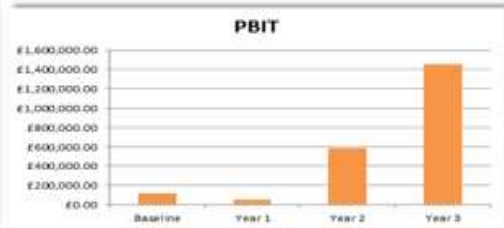
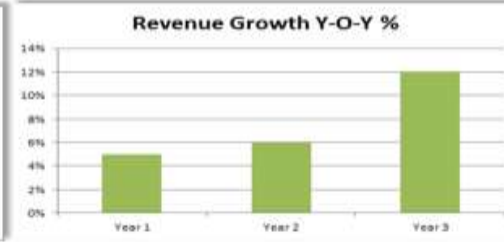
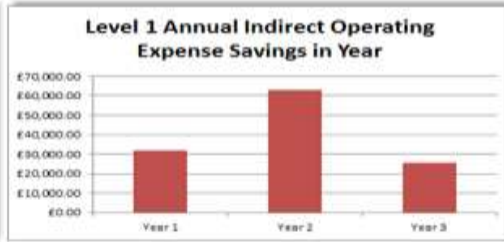
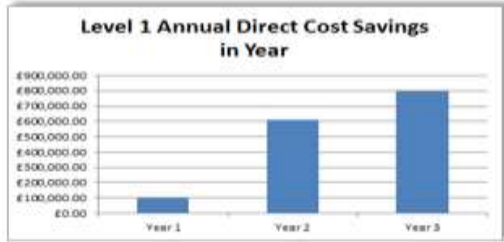
INCOME STATEMENT

	2018 Baseline	Year 1	Year 2	Year 3
Turnover	£8,465,144.00	£8,877,901.20	£9,677,901.20	£10,902,901.20
Cost of Sales	£7,510,004.00	£8,030,141.70	£8,342,041.70	£8,704,891.70
Gross Profit	£945,140.00	£847,759.50	£1,335,859.50	£2,198,009.50
Distribution costs	£171,860.00	£171,860.00	£187,346.54	£211,060.31
Administrative expense	£729,092.00	£996,092.00	£933,042.00	£907,492.00
Other operating income	£73,798.00	£73,798.00	£73,798.00	£73,798.00
Operating Profit	£118,086.00	£53,605.50	£508,869.96	£1,462,255.19
Interest payable	£16,177.00	£16,581.43	£16,995.96	£17,420.89
Profit on ordinary activities before tax	£102,909.00	£37,024.08	£571,873.00	£1,436,834.31
Tax on profit on ordinary activities	£3,840.00	£7,775.06	£120,051.33	£301,525.21
Profit for the Financial Year	£99,069.00	£29,249.02	£451,821.67	£1,135,309.12
Retained Earnings at start of year	£663,861.00	£762,650.00	£792,099.02	£1,243,720.69
Retained Earnings at end of year	£762,930.00	£792,099.02	£1,243,720.69	£2,379,029.81

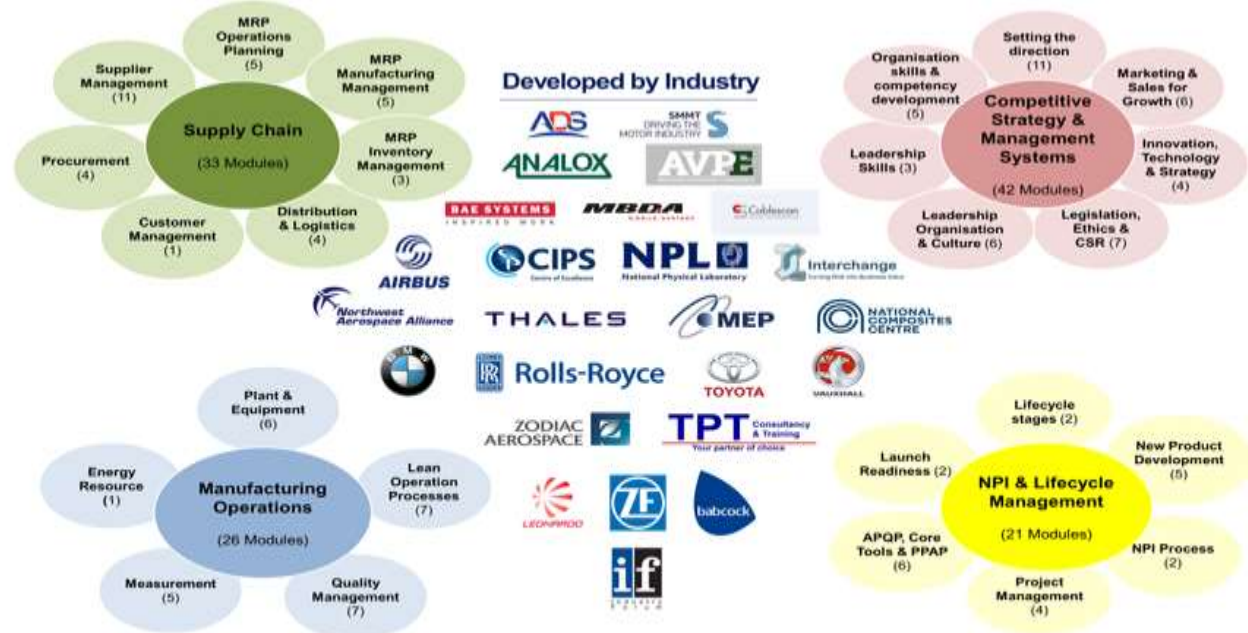
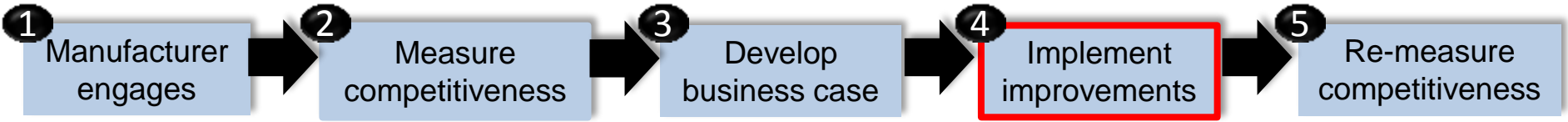
BALANCE SHEET

	2018 Baseline	Year 1	Year 2	Year 3
Fixed Assets				
Tangible	£1,863,414.00	£1,863,414.00	£1,863,414.00	£1,863,414.00
Current Assets				
Stocks	£1,828,584.00	£1,828,584.00	£1,828,584.00	£1,828,584.00
Debtors	£1,889,366.00	£1,909,366.00	£1,105,726.00	£1,313,282.45
Cash	£334,594.00	£734,084.00	£940,084.00	£900,108.00
£3,992,034.00	£3,992,034.00	£3,992,034.00	£3,175,896.45	
Current Liabilities				
Trade payables	£2,462,280.00	£2,339,451.00	£2,222,476.45	£2,111,304.33
£2,462,280.00	£2,339,451.00	£2,222,476.45	£2,111,304.33	
Net current assets	£1,529,754.00	£1,652,583.00	£1,769,557.55	£1,064,592.12
Total assets less current liabilities	£2,112,888.00	£2,215,997.00	£2,188,331.00	£2,718,009.33
Current Liabilities				
Trade payables	£188,631.96	£178,432.28	£182,264.18	£188,618.89
Provisions	£21,367.00	£27,736.00	£93,900.00	£100,427.00
£209,998.96	£206,168.28	£276,164.18	£289,045.89	
Net Assets	£1,862,889.04	£1,889,828.72	£1,912,166.82	£1,428,963.44
Capital & Reserves				
Called up share capital	£1,100,000.00	£1,100,000.00	£1,100,000.00	£1,100,000.00
Profit and loss account	£762,889.04	£789,828.72	£812,166.82	£328,963.44
£1,862,889.04	£1,889,828.72	£1,912,166.82	£1,428,963.44	

NMCL – Business case development

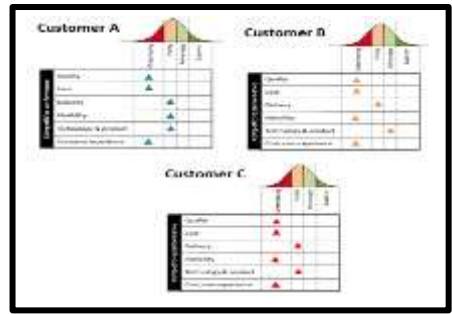
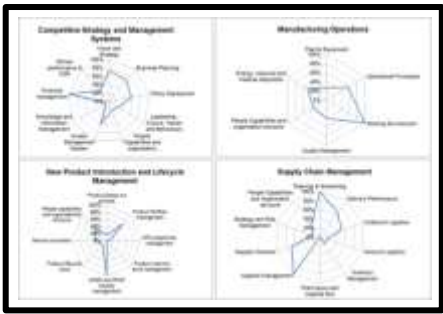
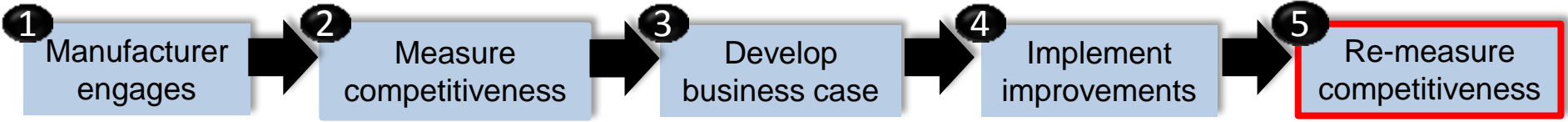


NMCL – Improvement planning



Improvement activities align to module themes to be delivered by sector board approve providers. The modules have been defined and approved through workshops with multi-sector representation from Primes to SME's.

NMCL – Improvement planning




NMCL
Improvement

Have the right internal capabilities of the company measurably improved?



Have these improvements pulled through to customers to increase performance vs. competition?



What has been the impact on sales and margin? More products to current customers, new customers, new products?

NMCL Pilot progress



Automotive NMCL

- 3 completed
- 4 In process
- 6 ready to start



Aerospace SC21 C&G

- 2 completed
- 6 In process
- 20 ready to start



Rail

- 3 In process

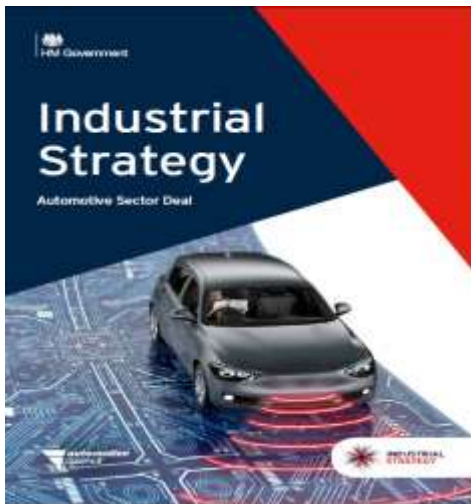


Nuclear

- 3 In process

47 companies engaged across four sectors

Automotive Sector Deal – Ready for launch



Business Environment

Supply chain competitiveness and productivity improvement

- ▶ £16m funding subject to business case for an industry-led national supplier competitiveness and productivity improvement programme to support a sustainable and internationally

competitive UK supply chain for future volume vehicle production. A robust monitoring and evaluation framework will be set up to measure the success of this programme.

Business Environment

Supply chain competitiveness and productivity improvement

In order to support the industry's ambition to increase the value of UK content in domestically produced vehicles to 50 per cent by 2022, industry will:

- ▶ Implement a single scalable productivity improvement programme; and
- ▶ Match fund at least £16m (contribution in kind) from supply

chain companies participating in the competitiveness and productivity improvement programme.

- ▶ Vehicle manufacturers and Tier one suppliers will take a leading role in identifying key strategic suppliers and take part in the governance of programme.

NMCL – Launch activity and timeline



		2018											
		1	2	3	4	5	6	7	8	9	10	11	12
1.	Completion of cross-sector pilots	[Blue bar]											
2.	Assessor entrance examinations – Waves 1 & 2				▲ 1						▲ 2		
3.	Assessor training & examination – Waves 1 & 2					1	Qualification					2	
4.	Service provider tendering, selection & approval			Phase 1		Phase 2			Phase 3				
5.	On-line assessment portal tool launched					▲							
6.	Automotive – Open for expressions of interest	SMMT/NMCL											
7.	Automotive sector NMCL initial assessments						Provisional subject to contract						
8.	Aerospace – Open for expressions of interest	ADS/NMCL											
9.	Infrastructure for Aero SC21 C&G NMCL assessments							▲					
10.	Aero sector SC21 C+G NMCL Assessments										Provisional subject to contract		

Conclusions



Reflective Points

Q1. Are you confident of your current performance vs. your competitors – order winning or order losing?

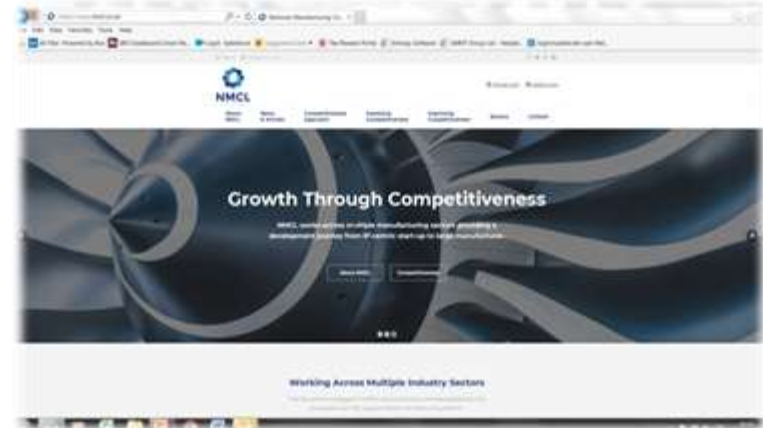
Q2. Are you developing your organisations capabilities to be able to compete in the future?

Q3. What potential does your business have – what could it become?

What SC21 C+G NMCL offers

- A unique approach focussed on increasing your competitive performance
- Access to high quality support and resources to deliver results
- A nationally accepted and recognised best practice approach to developing your business and getting ahead

Want to know more?



IS SC21 C+G NMCL RIGHT FOR YOU?

**OPEN FOR EXPRESSIONS INTEREST
NOW**

Contact ADS team directly, visit the NMCL website or email Info@nmcl.co.uk

Refreshments

Visit company stands

Breakout sessions 1 & 2

NEW TECHNOLOGIES (NATEP) – OLYMPIC SUITE

- **Harriet Wollerton**
ADS Group
NATEP Programme Director
- **Michael Curran**
Bombardier
Director Engineering
- **Peter Quigley**
CCP Gransden
Engineering Manager
- **Pat Doyle**
Invest NI
Innovative Procurement Specialist

BUSINESS ETHICS – BRITANNIC SUITE

- **John Burbidge-King**
Interchange Solutions
CEO

BEST PRACTICES – TITANIC SUITE

- **John Irwin**
Denroy Plastics
General Manager

COUNTERFEIT AVOIDANCE – THE BRIDGE

- **Alan Ovens**
Leonardo MW
Supply Chain Development Manager

Cash Returns from R&D Tax Credits

David Stewart

Head of NI Corporate Tax Office

HM Revenue & Customs



HM Revenue
& Customs

The Northern Ireland Corporate Tax Office (NIrCTO)

David Stewart



Aims

To help promote NI:

- Inward investment
- Local expansions
- HMRC Incentives and reliefs

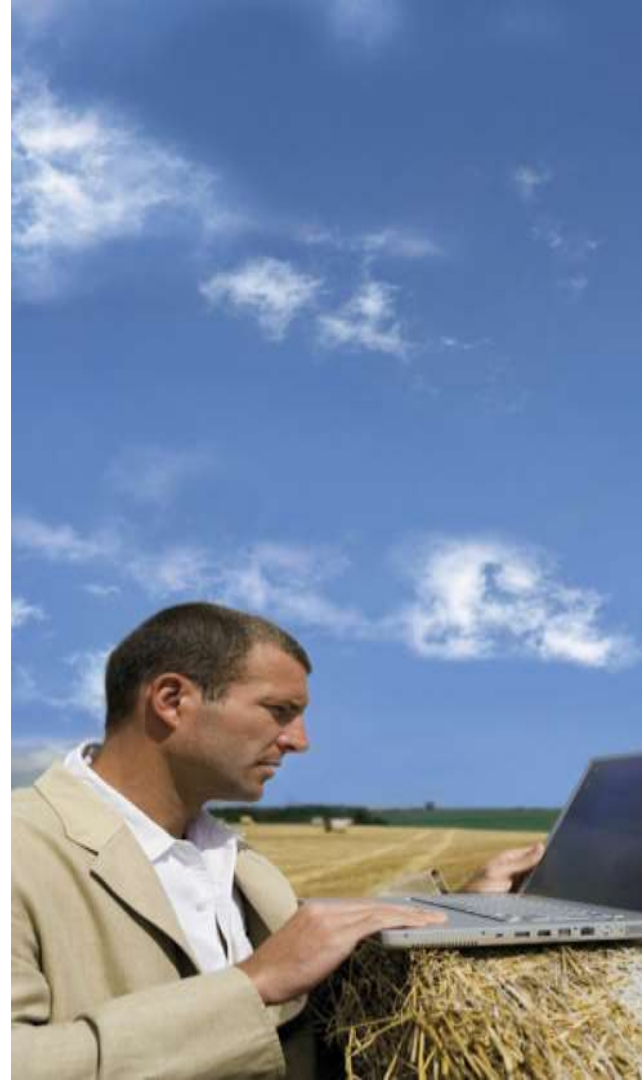
Including: R&D Tax Relief

Patent Box

Creative industry reliefs



HM Revenue
& Customs



R&D Tax Relief – Brief overview

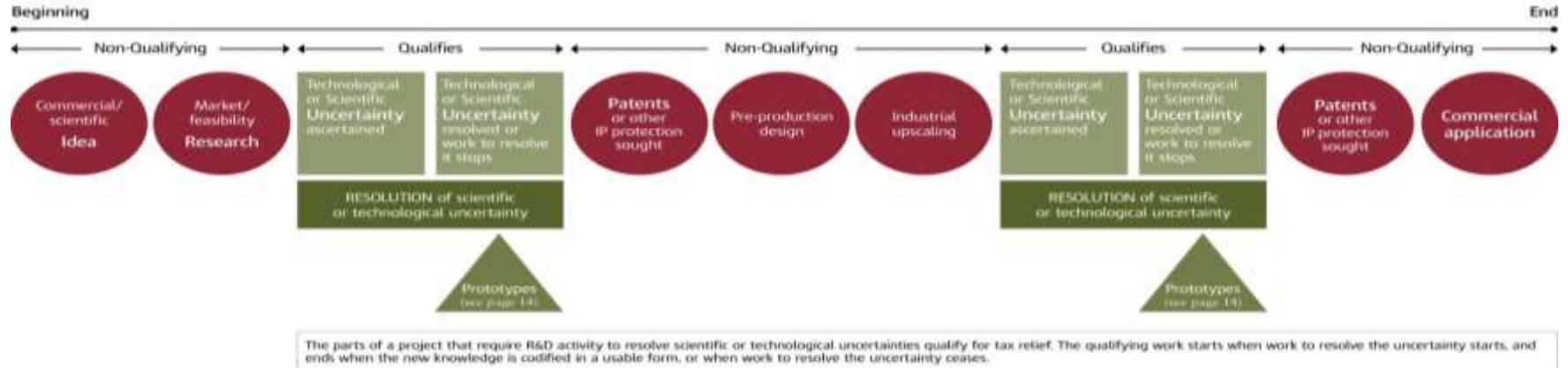
- Relief for qualifying **revenue** expenditure on R&D.
- Where a **project** seeks to achieve an advance in **science** or **technology**
- Which is not readily available or deducible by a **competent professional** working in the field.
- Must be an advance in **overall knowledge or capability in the field** – not just the company's own state of knowledge or capability.
- Pure product development in itself will not qualify.
- (100% RDA's are available for **capital** expenditure).



Further considerations

- Focus on the advance being achieved and not the industry or product aspiration, specification or design.
- It's not enough that a product is commercially innovative.
- What was the actual 'uncertainty' and what did you do to overcome it?
- What failures did you have?
- Involve the R&D staff in the process e.g. research manager.

Possible commercial project time line – defining R&D for tax purposes



R&D tax Relief - How the relief works

The level of relief available depends upon which R&D relief scheme a company falls within:

- The **small or medium company (SME) scheme** - enhanced deduction of **230%** of the company's qualifying expenditure from 1 April 2015.

14.5% repayable credit for R&D losses.

- **11% research & development expenditure credit (RDEC)**. Autumn Budget 2017 announced an increase to 12% from 1 January 2018.

Payable to loss making companies subject to certain restrictions.



SME or Large

Pre 1 August 2008
< 250 Employees
and
Annual turnover not exceeding €50m
or
Balance sheet totalling no more than €43m

Post 1 August 2008
< 500 Employees
and
Annual turnover not exceeding €100m
or
Balance sheet totalling no more than €86m

This extended post 1 August 2008 definition is for R&D Tax Relief purposes only.

Research & Development Expenditure Credit (RDEC)

- Available for large companies and SMEs in receipt of an Invest NI grant or carrying out subcontract R&D for a large company.
- Relief given as a taxable credit calculated as a percentage of the qualifying expenditure for the relevant accounting period.
- 11% from 1 April 2015, 12% from 1 January 2018.
- Payable credit limited to company's PAYE/NIC liabilities of staff engaged in qualifying R&D activities in the accounting period.
- Fully payable (net of tax at full rate) to companies with no CT liability.
- Administered and settled through the CT system.



SME and RDEC Worked Examples

SME Worked Example

Profit & Loss Account	£(000)
Sales	1000
Cost of sales	(500)
Gross profit	500
Qualifying R&D expenditure	(100)
Other expenses	(150)
Total operating costs	(250)
Net profit before Tax	250
Tax due (see below)	22.80
Profit after tax	227.20
Corporation Tax Computation	£(000)
Net profit before tax	250
Less R&D relief (additional 130%)	(130)
Adjusted profit before tax	120
Corporation Tax due at 19%	22.80
Corporation Tax payable	22.80

RDEC Worked Example

Profit & Loss Account	£(000)
Sales	1000
Cost of sales	(500)
Gross profit	500
Qualifying R&D expenditure	(100)
11% RDEC on expenditure	11
Other expenses	(150)
Total operating costs	(239)
Net profit before tax	261
Tax due	49.59
Profit after tax	244.41
Corporation Tax Computation	£(000)
Net profit before tax	261
Corporation tax due at 19%	49.59
Tax payable	
Corporation Tax due	49.59
Less tax credit	(11)
Corporation Tax payable	38.59



Qualifying R&D expenditure

Is expenditure on:

- **Direct R&D Staffing costs** (CIRD83000/83200) (includes salary costs, bonuses, employers NIC, pension contributions, but no benefits in kind).
- **Consumable items** (CIRD82300/82400) (Includes water, fuel, power). Costs of materials incorporated in products that are sold aren't eligible for relief.
- **Software** (CIRD82500) (revenue expenditure on software directly employed in R&D activity)
- **Externally provided R&D workers** (CIRD84000/84100) (If unconnected, 65% of the expenditure qualifies)
- **Subcontracted R&D** (CIRD84200) (If unconnected, 65% of the expenditure qualifies)
- **Contributions to independent research** (Large companies) (CIRD82200)



Grants & Subsidies (Main Principles)

SME Scheme

- Grants & subsidies are deducted and the R&D claim is made on **net** allowable expenditure.
- If grants are Notified State Aids, no claim possible under the SME scheme, but you may still make a claim under the *RDEC Scheme*.

RDEC Scheme

Grants & subsidies are not deducted and the R&D claim is made on **gross** allowable expenditure.

- NB** - Company's responsibility not to exceed either de minimis limits of €200k in a 3 year period, or overall state aid intensity levels.
- The grant receipt is taxed under the normal taxing provisions.
 - Grant receipts are not conclusive evidence of R&D for tax purposes and don't necessarily correlate to qualifying R&D expenditure for tax.



Grants – practical examples

A Ltd a **SME** spends £100k on qualifying R&D with a £40k subsidy which **is a notified state aid** (to include ‘Invest NI Grant for R&D’ etc):

• R&D Costs	£100,000
• Less grant funding	£ 40,000
• Net project cost	£ 60,000

No Claim Under SME scheme **BUT** can claim under **RDEC scheme**

RDEC Credit (against CT payable) £100,000 @ 11% = £ 11,000

Tax saved

RDEC credit (against CT payable) **£ 11,000**

Grants – practical examples

A Ltd a **SME** spends £100k on qualifying R&D with a £40k subsidy which **is not a notified state** aid (e.g. Horizon 20:20):

• R&D Costs	£100,000
• Less grant funding	£ 40,000
• Net project cost	£ 60,000

Claim under both SME and RDEC Schemes

R&D SME tax relief	£ 60,000	@ 130% =	£ 78,000 Plus
RDEC Credit	£ 40,000	@ 11% =	£ 4400

Tax saved (using 19% tax rate)

Enhanced expenditure	£78,000	@ 19% =	£ 14,820 Plus
RDEC Credit (against CT payable)			£ 4400



How R&D Relief is claimed

- In full company tax return at end of accounting period or an amended return.
- Outline the project and determine the start and end dates.
- Outline the scientific or technological uncertainties to be resolved.
- Describe the successes and failures.
- Quantify the allowable costs under each qualifying activity.
- Backdated claims possible
(generally 2 years after the end of the accounting period).

Record Keeping

It is recommended that a company keeps the following records in support of a claim:

Staffing Costs

PAYE records

Contracts of employment for R&D staff

Records of pension payments

List of R&D staff / time recording

Consumables

List of items used

Details of apportionments, evidence of costs

Software
commissioned

Receipts / contracts for software purchased, licensed or

Copies of marketing literature

Evidence showing it was properly charged to the R&D activity

Subcontract Costs Invoices from subcontractors

Evidence of the nature of the work and terms

Evidence of payments e.g. bank records



HM Revenue
& Customs

Advance Assurance Scheme

- Voluntary scheme available for small businesses making their first claim to R&D tax relief.
- Annual turnover £2m or less and
- Less than 50 employees.
- If accepted, HMRC will allow the R&D claim without further enquiries for the first 3 accounting periods claimed.



Autumn Budget 2017

- Autumn Budget 2017 announced:
 - a pilot programme to evaluate an advance assurance service for RDEC claimants
 - a sector based SME support campaign to ensure SMEs can access maximum support from R&D tax credits.

- An overview of how R&D tax relief works is available on various HMRC YouTube videos on the gov.uk website:
<https://www.gov.uk/government/collections/research-and-development-rd-tax-relief>.



Help and Further Information

- R&D – GOV.UK website at:
www.gov.uk/guidance/corporation-tax-research-and-development-rd-relief
- The HMRC Corporate Intangibles and Research & Development (CIRD) Manual at: <https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird80000>
- Manchester R&D Specialist Unit

Tel 03000 510190

Email: randd.manchester@hmrc.gsi.gov.uk





https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/673628/NIrCTO_Booklet.pdf



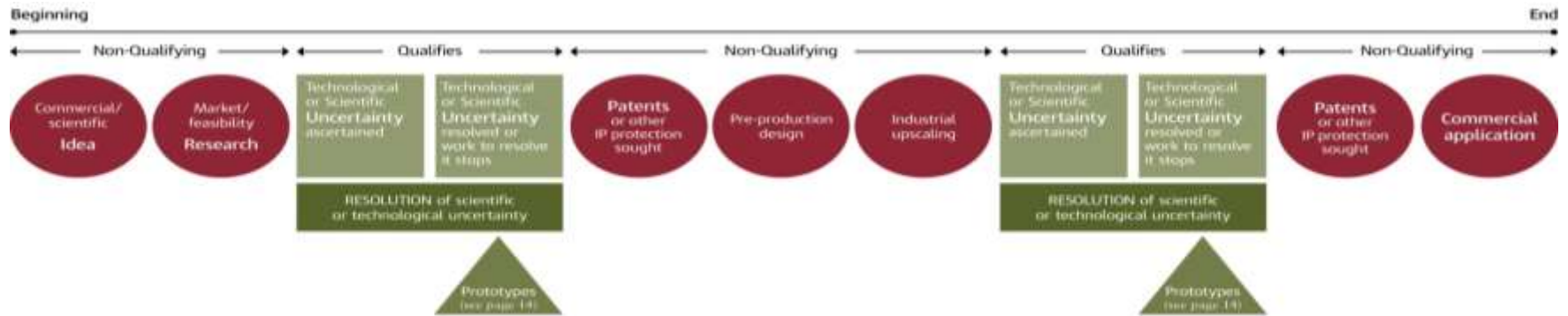
HM Revenue
& Customs

The Patent Box

- Overview of main conditions
- What profits qualify?
- Recent changes



Patents and R&D



The parts of a project that require R&D activity to resolve scientific or technological uncertainties qualify for tax relief. The qualifying work starts when work to resolve the uncertainty starts, and ends when the new knowledge is codified in a usable form, or when work to resolve the uncertainty ceases.



What is it?

- Allows limited companies to tax qualifying **profits** earned from its qualifying patents or patented inventions at **10%**.
- Company must hold a qualifying **UK** or **EPO patent** or an exclusive licence to develop such rights. Limited other EEA jurisdictions also apply.
- Development Condition – the company must have created or significantly developed the patented invention.
- Active Ownership Condition - for groups, the company must have either developed the IP itself or be actively managing it.



What profits qualify?

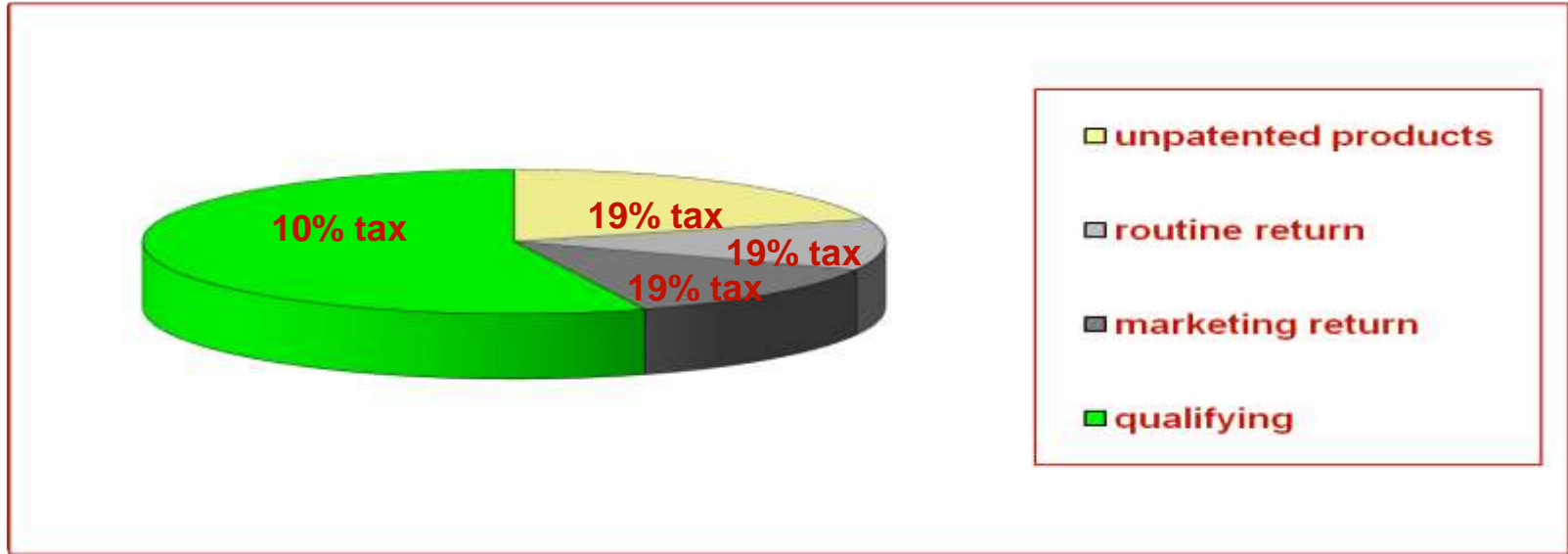
- Sales of the patented item or items incorporating it
- Royalties from licensing
- Sales of qualifying patented rights
- Infringement Income

And a notional royalty for:

- Using a patented process to produce non-patented items
- Using patented items to provide a service



The Patent Box Profits



New Rules from 1 July 2016

- Any new IP acquired or applied for after 1 July 2016 can only receive Patent Box benefits under new rules (modified Nexus).
- The amount of profit which can qualify is restricted to reflect *proportion of R&D activity on the asset undertaken by the company itself*.

Help and Further Information

- Website: <https://www.gov.uk/corporation-tax-the-patent-box>
- The HMRC Corporate Intangibles and Research & Development (CIRD) Manual at: <https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird200000>
- The Manchester R&D Specialist Unit
Tel **03000 510190**
Email: randd.manchester@hmrc.gsi.gov.uk
- And finally...



Northern Ireland CT





HM Revenue
& Customs

The Northern Ireland Corporate Tax Office (NlrCTO)

www.gov.uk/guidance/northern-ireland-corporate-tax-office-nircto

03000 599 000



Preparing for Brexit

Jeegar Kakkad

Chief Economist & Director of Policy

ADS Group

aerospace
defence
security
space



ECONOMICS BRIEFING





A running commentary

BREXIT MEANS...

Ferguson

The UK's position



Redlines for the UK Government

- Discretionary control over immigration
- Discretionary control over law-making
- No compulsory contributions to EU budget
- Ability to negotiate own trade deals

The EU's position

Council & Commission directives:

- Protect EU political & economic project
- To guarantee UK financial obligations
- Legal certainty; rules and citizens
- To settle the 'divorce' before discussing the 'relationship'



ADS' priorities



- **No deal is worst possible commercial and security outcome**
- **Bad deal is one that leads to regulatory & economic divergence**

- **....but a good deal delivers:**
 - Transitional arrangements agreed by March 2018
 - Access to and influence in EASA, EU REACH
 - Burden-free access to European markets (a customs union with EU?)
 - Access to and influence in EU space and R&D programmes.
 - Access to skilled labour

Where are we now?



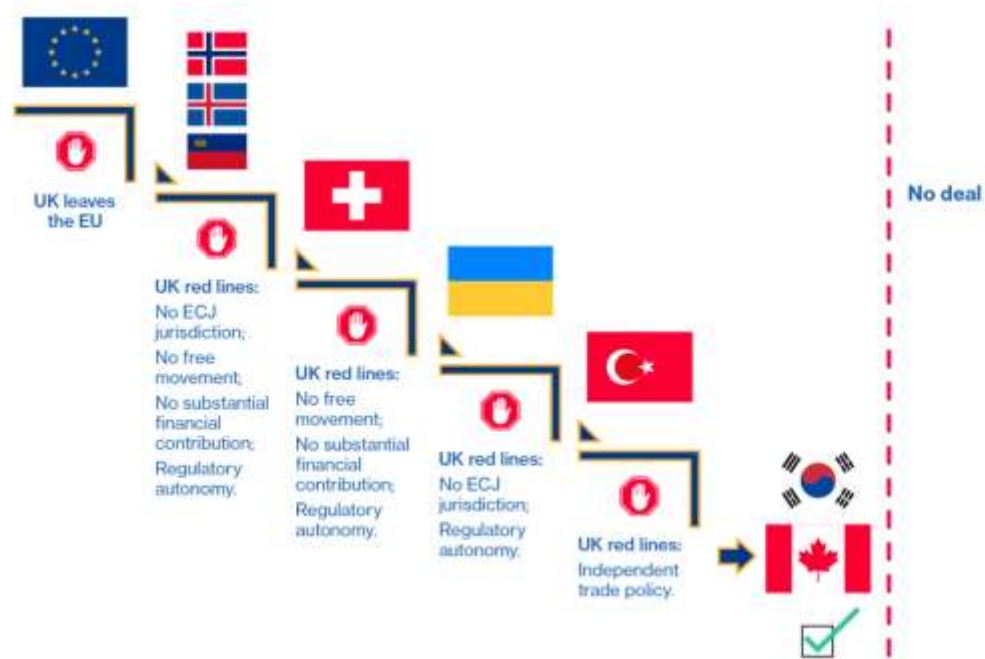
- **Timetable:**

- **2017, Jun- Dec:** 1st phase of negotiations
- **22nd March 2018:** EU Council & UK complete transition talks and begin 2nd phase of negotiations
- ***End-October:*** Withdrawal Agreement sent to UK & European Parliaments for ratification
- **UK leaves EU at 23.00, 29th March 2019**

- **Politics**

- **Real battles:** Transition, Brexit end-state and cherry picking
- **Fake battles:** Brexit bill, sector impact assessments and striking 3rd country FTAs

What are the options?



Source: European Commission; slide presented by Michel Barnier to EU leaders

Bloomberg

- UK's redlines would mean hard UK-EU27 borders
- May's Cabinet yet to decide on shape of Brexit
- EU taking a legal approach to negotiations

PREPARING FOR THE BORDER

Exporting to the EU now

1

Make it



Check if you need a licence or to follow special rules to export restricted goods from the UK

2

Send it



Your courier or freight forwarder will ask you to complete a proforma invoice and attach to the consignment.

Charge VAT if you'd do the same for customers in the UK

3

Intrastat it



If you move goods anywhere within the EU worth over £250,000 in the last calendar year, make an Intrastat declaration.

You don't need to do this if you're not registered for VAT in the UK.

Exporting Post-Brexit: No Deal

1

Get ready...

1. Get an EORI #
2. Find an AEO(C) and/or AEO(S) certified shipper
3. Identify Commodity Code for tax & regulations
4. Check if you need a licence or to follow special rules to export restricted goods

2

...make it...



1. Fill out and attach commercial invoice (and licence if needed) to consignment
2. Courier or freight forwarder makes an official export declaration to HMRC
3. Shipper provides detailed Electronic Summary Documentation (ENS) to EU Customs Authority prior to arrival at 1st EU customs office/port

3

...send it...



Road transport
1hr before arrival in 1st EU customs office



Rail
2hrs before arrival in 1st EU customs office



Air Transport (less than 4hrs)
Actual departure

Air Transport (more than 4hrs)
4hrs before arrival in 1st airport in EU



Bulk/Break bulk cargo
4hrs before arrival in 1st EU port



Containerised cargo
24hrs before loading on vessel

4

...declare it...

- **Arrival Notification**
- **Present goods to Customs** (eg via a C1600 form & a manifest)
- **Declare goods for customs** via an electronic customs declaration, including:
 - **Commodity code**
 - **Customs Procedure code**
 - **General Valuation Statement**
- Goods either assigned approved treatment or put in to temporary storage (up to 90 days)
 - Approved Treatment includes placing under a Customs Procedure (eg release for free circulation, transit, customs warehousing, inward processing, etc...)
- **High risk of regulatory compliance, licencing & security checks**
- **Pay import charges**

5

...clear EU customs



On the white cliffs of Dover

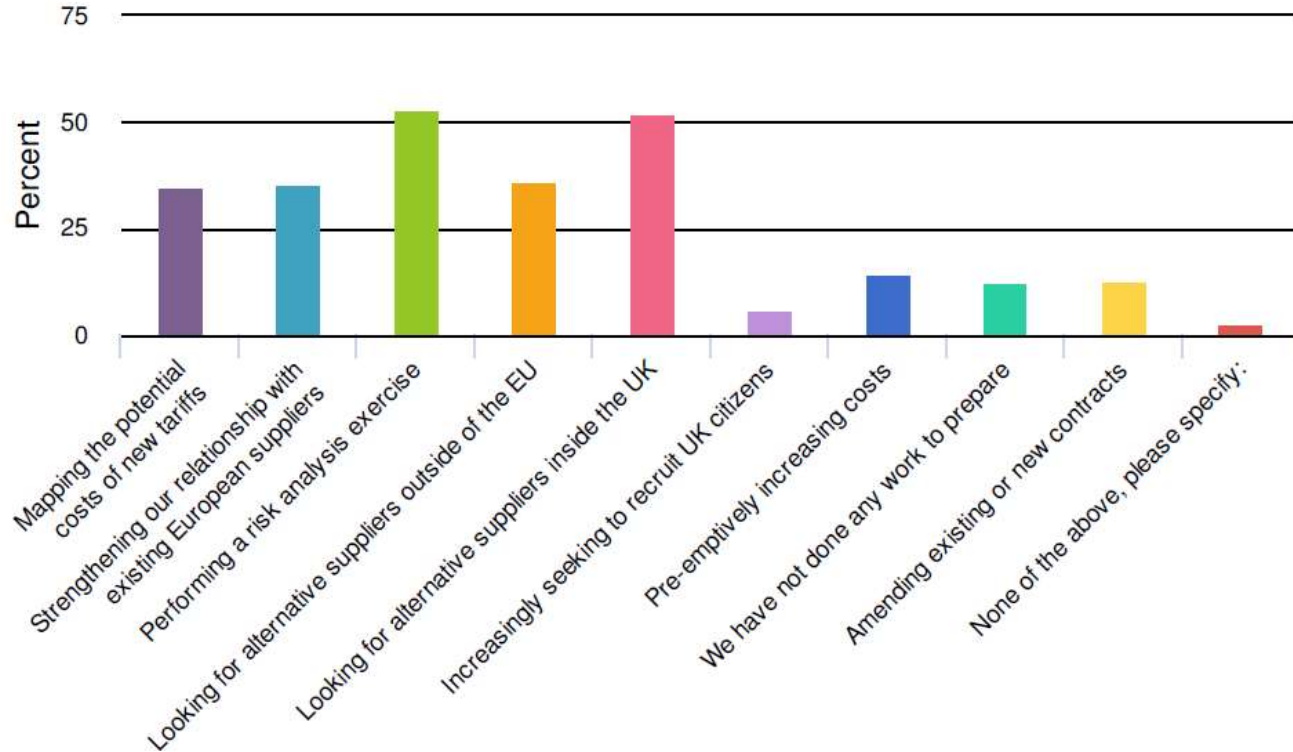
- 10,000 lorries per day
- ~500 checked
- Lorries on ferries in less than 2 min
- 50% of lorries that pass through UK ports pass through Dover



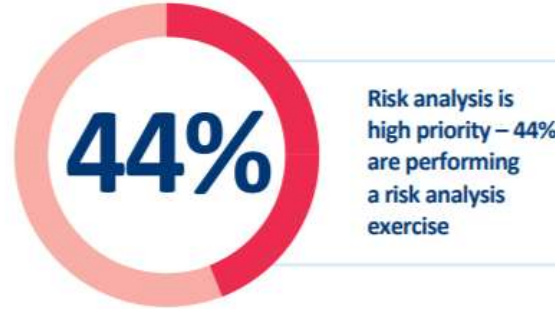
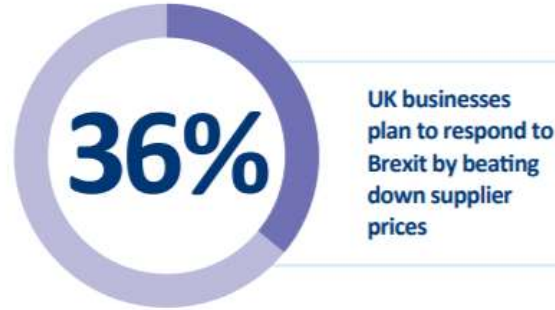
Brexit is coming

WHAT CAN COMPANIES DO?

How are companies preparing?



How are companies preparing?



Actions for companies

1. Understand your workforce

- What % of your UK workforce is from the EU27? Are they in critical roles? What's their status post-Brexit?

2. Assess dependence on EU regulatory regime

- Can you, your suppliers, and your customers continue to operate without EASA certification?

3. Assess exposure to customs checks & delays at UK/EU border

- How resilient is your supply chain to border delays? Do you have contracts with penalties for late delivery?

4. Prepare for EU/UK customs compliance & costs

- What customs procedures do you comply with in non-EU markets? Can you afford to scale these up for EU exports? Can you afford cash flow cost of paying import VAT?

5. Invest in your competitiveness

Rockwell Collins Supplier Development Programme

David Quin

Supply Chain Director

Rockwell Collins

Rockwell Collins Interior Systems

Kilkeel

Our Vision Roadmap

Vision

Be the most trusted
source of aviation and
high-integrity solutions
in the world



Interior Systems - Seating

Group Locations



- **Oak Plaza – Headquarters & Engineering Development Lab (500+ Personnel)**
- Executive management, Sales, R&D, Engineering, Program Management, Strategic Supply Chain, Product Support



- **West Point (400+ Personnel)**
- Focused Factory – Seat Assembly
- 12 assembly lines Ops Management, Logistics, Supply Chain, Assembly, LEAN, QA



- **Kilkeel UK (800+ personnel)**
- Focused Factory – Seat Assembly
- 13 assembly lines, Composite "Factory Within A Factory"
- Ops Management, Logistics, Supply Chain, Assembly, LEAN, QA

Kilkeel Facility





Kilkeel by numbers



215,475 ft²

Production Space

\$350M

2018 Expected
Material Purchase
Spend



700,000

Available Production Hours
Per Year



928 Number of
Employees



13 Production
Lines



Seats for three NB
planes shipped daily

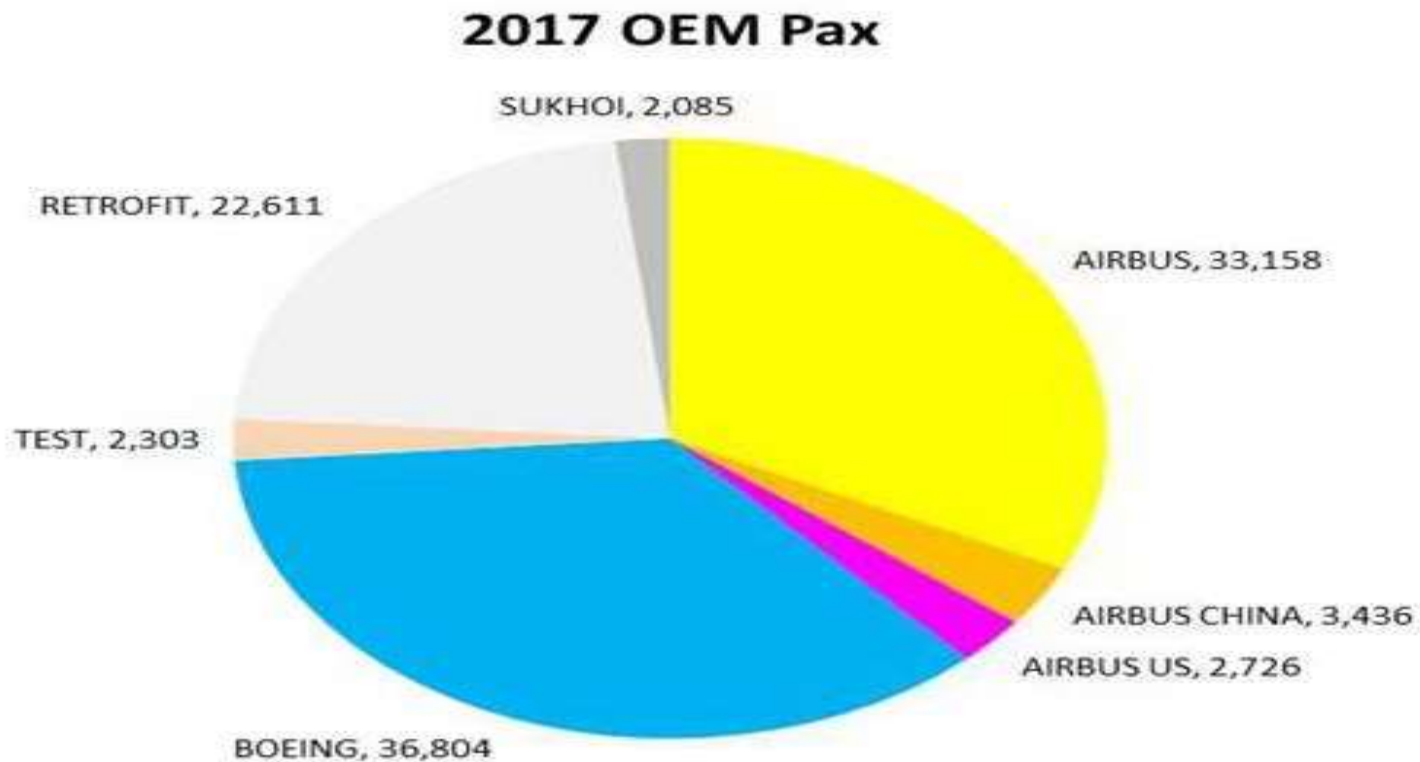


Manufacturer of
Composites, Vacuum
and Pressure Forming

105K+

PAX shipped in
15, 16 & 17

2017 Kilkeel PAX by Customer

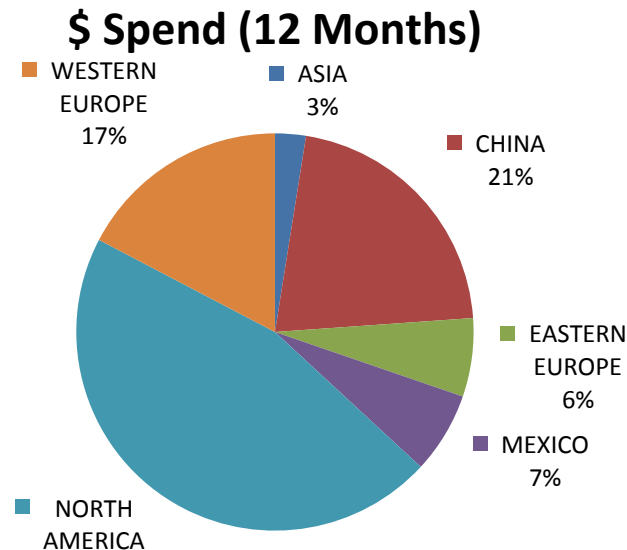
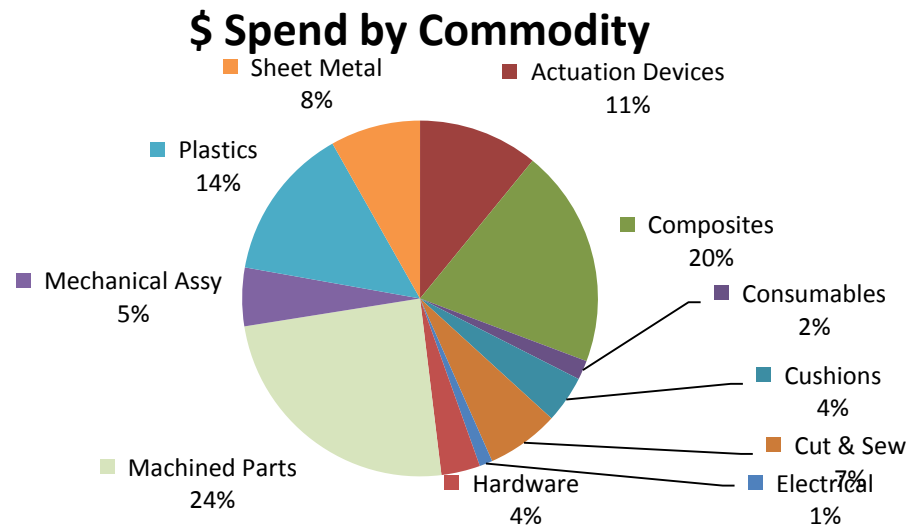


	2016	2017	2018
Main Cabin			
Pax	93,000	98,000	100,000
New product launches	28	29	40
Premium Cabin			
Pax	5,500	7,000	8,800
New product launches	10	22	27

Key Product Launches

Super Business Lounge	B777, A350
Super Diamond	A330
MIQ	A350, A321, A320, B737-8 MAX
Meridian	B737-8 MAX, A320
Aspire	A350, B777, B787
Pinnacle B	A320, A321, B737

Kilkeel Commodity Spend & Part Count



Key Characteristics

Spend	\$350M
Number of Suppliers	158
Number Active Parts	30,000

Supply Chain Expectations

Every production day our facility consumes...



3,500 individual part numbers



150,000 pieces of material

Therefore to remain successful we must ensure...

Plan For Every Part (PFEP)

- Most efficient transport
- Adequate packaging
- Lead-time reduction
- Flexibility

Quality

- 0 defects!
- Implementation of source inspection
- Paperwork right first time

Cost

- Maintaining our competitive edge

Why SC21?

- A requirement for a supply base that strives on continuous improvement
- Increase in demand for competitive local suppliers
- SC21 is a proven vehicle for driving Improved scorecard performance of our suppliers through quality and on time delivery
- Active adoption of the SC21 programme is a potential consideration in new business award decisions



What SC21 Means to Rockwell Collins

- Improve communication between the companies and enable joint performance improvement.
- Share capabilities & knowledge to fulfil customer requirements in the most cost effective way.
- Drive continuous improvement processes between companies to remove waste.
- Aspire to improve delivery and quality to enable JIT deliveries.



SC21 Programme Update

Colin Hart

Head of SC21

ADS Group

Introduction

Colin Hart

*Head of SC21
ADS Group*



Achieving Supply Chain Excellence



New Year Resolution - What's yours ?



A YEAR
FROM NOW
YOU WILL WISH
YOU HAD STARTED
TODAY

Karen Lamb



Achieving Supply Chain Excellence



Why Supply Chain Excellence?



*Competitive and sustainable supply chains are vital to the future **growth** and success of our industries; through the SC21 programme, companies benefit from a clear and practical framework that enables greater efficiency and **productivity**.*



Paul Everitt - Chief Executive



Over 11 years of SC21...



**Number of companies
that have participated:**

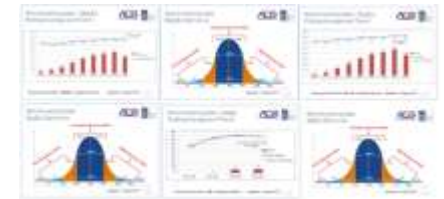
775+

**Bronze, Silver or Gold
standards achieved:**

680+

What changed in 2017 ?

- Improved data collection – revised Submission Template
- Programme Performance - Improved benchmarking analysis
- Partners and Practitioners Workshops
- Development & launch of SC21 C+G (NMCL)
- Re energised communication - enhanced monthly bulletin, Defence Growth Partnership, LEPs

A table titled 'SC21 MONTHLY BULLETIN: DECEMBER 2017'. The table has columns for 'Process', 'Start', 'End', 'Type', and 'Total Participants (Number)'. The table contains data for various processes, including 'SC21 Operational Excellence (Existing programme)', 'SC21 Performance Excellence (New programme)', 'SC21 Competitiveness + Growth (New programme)', and 'SC21 Partners and Practitioners Workshops (New programme)'. The table also includes a 'Total' row and a 'Total Participants' row.

What new for 2018 ?



- SC21 5 year Development Roadmap established
- Refine roles and responsibilities of Stakeholders to ensure they are “fit for purpose” to effectively deploy SC21
- Further improve data capture and information sharing
 - Version 2 of Submission Template will be launched 1st Feb 2018
 - More data based decisions and Information capture & analysis
- Further deployment of SC21 Competitiveness + Growth (incorporating NMCL).
- Refine & refresh SC21 syllabus (Cyber, Ethics, i4.0, etc.)
- Advance the deployment of Competitiveness Charter

A screenshot of a data table with multiple columns and rows, likely representing a development roadmap or a list of activities. The table has a green header row and several rows of data with varying cell colors.

Make 2018 your year of Supply Chain Excellence



What's your recipe for success ?

Delivery your Supply Chain Improvement Plan

Become more competitive

Further improve your productivity

Invest in the right capabilities & skills to add value to your customers

Commit to the Competitiveness Charter

Achieving Supply Chain Excellence



Future meetings/conferences (1)



SC21 Next “Achieving Supply Chain Excellence” event

Thursday 19th July 2018



SC21 – Achieving Supply Chain Excellence

Future meetings/conferences (2)



- **SC21 Steering Board meetings**

Date	Time	Location
Thu 22/03/2018	10:00 to 14:30	ADS London
Tue 12/06/2018	10:00 to 14:30	Thales Reading
Tue 18/09/2018	10:00 to 14:30	MBDA Stevenage
Wed 05/12/2018	10:00 to 14:30	ADS London

- **SC21 P&P Meetings**

Date	Time	Location
Wed 16 th May 2018	9:30 to 16:00	ADS London
Tue 2 nd October 2018	9:30 to 16:00	TBC

- **SC21 PDQ SIG meetings**

Date	Time	Location
Wed 18/04/2018	10:00 to 14:30	ADS London
Tue 26/06/2018	10:00 to 14:30	ADS London
Tue 25/09/2018	10:00 to 14:30	ADS London

Questions?



Colin Hart

Head of SC21

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Email: Colin.Hart@adsgroup.org.uk



Marika De Rosa

Quality, Standards and SC21 Executive

Tel: +44 (0) 7717 173746

Email: marika.derosa@adsgroup.org.uk



Achieving Supply Chain Excellence

Lunch & Networking

The Winner's Experience

SC21 Case Study

Steve Savage

Strategic Operations Manager

Abbey Forged Products Ltd



“The Winner’s Experience: SC21 Case Study”

About us

Abbey Forged Products Limited is one of the UK's leading forge-masters specialising in the manufacture of bespoke components for the Oil & Gas, Nuclear and Aerospace markets.

The company has a six-acre manufacturing facility based in Sheffield, on site capabilities include sawing, forging, heat treatment, machining and both destructive and non-destructive testing.

By having all processes at one location, the company can offer short lead times, starting from 5 days which is unparalleled for this industry.





Developing our Road-Map from our 5-year Business Plan

Having recognised the decline in the Oil and Gas sectors our 5 year plan identified the 2 key value streams we wanted to penetrate, these being Aerospace and Nuclear.

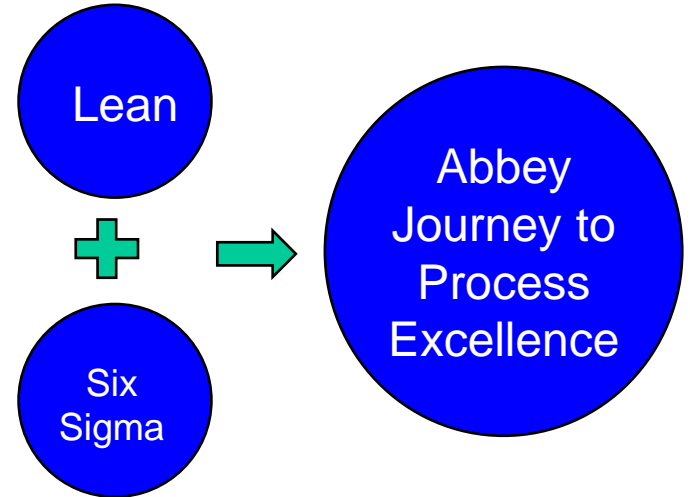
Our Journey to Process Excellence core values were established and the necessary required approvals engaged to support the journey.

Abbey Journey to Process Excellence

Customers – keeping them at the centre of our thinking about what we deliver

Compliance – with the process and with the quality standard for what we produce

Continuous, Controlled Improvement – through the engagement of everyone, we relentlessly seek continuous improvement, in a controlled way.

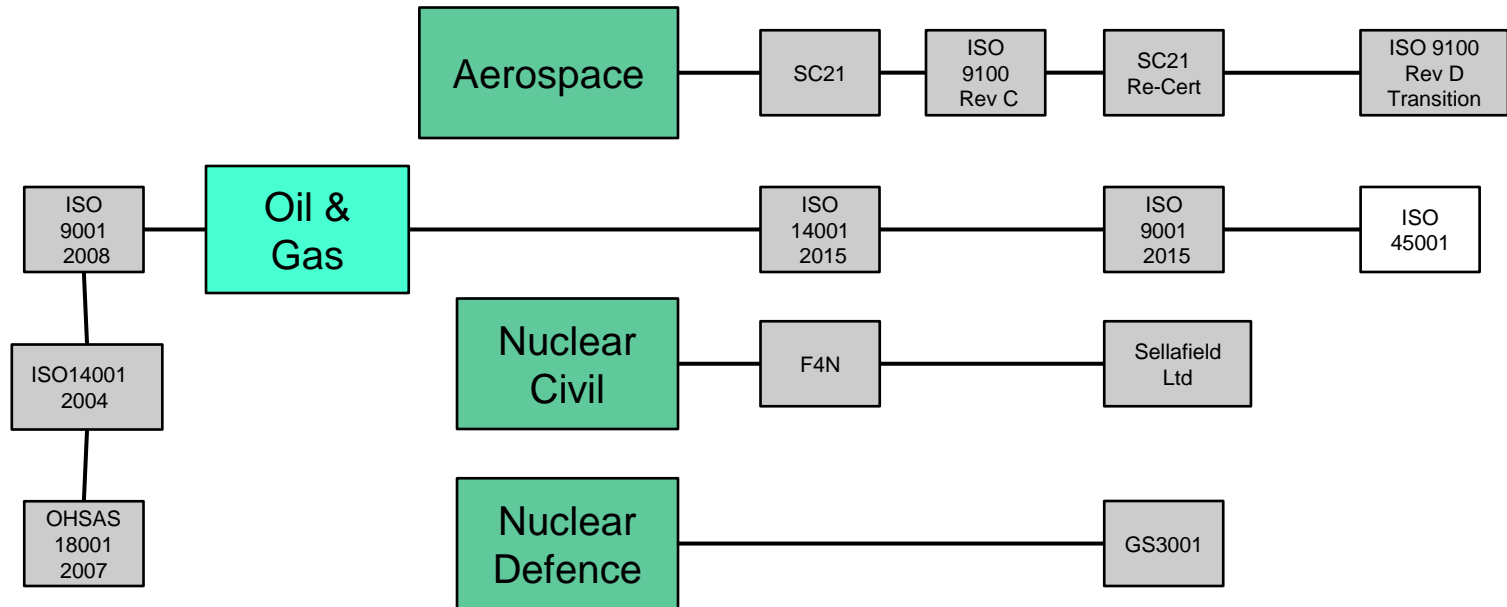


2015

2016

2017

2018





Abbey Journey to Process Excellence

SC21 Why we got involved

For the Aerospace value stream identified, we wanted a program to enable us to benchmark ourselves against our supply chain peers, and from that develop improvement activities where any weaknesses had been identified.

Our initial scores for the Man Ex, Bus Ex and Rel Ex were extremely positive, and the findings were used to enhance our Improvement Journey.



Abbey Journey to Process Excellence

SC21 Benefits

We have to this date put through over 60% of the entire workforce through Lean Learning activities, including PFMEA's, CSIP activities, FOD training.

Developed a “Customer Perception Module”, where we track our “Perception Score” and work more closely with our customers to enhance and grow the business. This now has been encompassed to our supplier network.

And most importantly we have won new business in both the Nuclear Civil and Defence Sectors, and the Aerospace Sector.

VISION FOR THE FUTURE



The company's vision is to become a market leader in the supply of forgings to the Oil, Gas Aerospace and Nuclear. Growth will be organic with a planned and very closely managed increase in the companies size and resources whilst maintaining its core values and family ethos. We will compete on quality and service and not cost leadership

A big part of the growth strategy will be increased levels of employee engagement, encouraged through individual learning and development plans to actively be engaged in key areas throughout the company.

This philosophy will not only see improvements in the overall expertise but will help staff to grow into senior positions for long term careers and is drawn directly from the companies Values; Integrity, Respect Passion, Excellence, Teamwork, Service and Empowerment

Continual reinvestment has been the company's practice over the years, a policy that will continue into the future by ploughing back profits year on year, leading to growth of production capabilities and sales revenues of the business through modernisation and continuous investment in the latest technology, plant and machinery maximising our operational efficiency.

Pushing past a traditional relationship with our clients we will go further by working with our customers, developing improved manufacturing techniques, investing and building our business around the customer's needs

**A MARKET
LEADER IN
THE SUPPLY
OF FORGINGS
TO THE OIL &
GAS,
AEROSPACE
AND NUCLEAR
MARKET**



SC21 Award Presentation

SC21 – Delivering Supply Chain Excellence



Re-Awarded Bronze



- *Rosyth*



Sponsor:

**Presenter: Claire Malone, BAE Systems
on behalf of Babcock Marine Rosyth**

Bronze Awarded



- *Portsmouth Royal Navy Dockyard*



Sponsor:

Presenter:



Claire Malone

Re-Awarded Bronze



Sponsor:



Presenter:

Ciara Kennedy



Silver Awarded



Sponsor:



Presenter:

Ciara Kennedy



Re-Awarded Silver



Sponsor:



Presenter:

Ciara Kennedy

Re-Awarded Silver



Sponsor:



Presenter:

Ciara Kennedy



Re-Awarded Silver



MOYOLA
Precision Engineering



Sponsor:

BOMBARDIER
the evolution of mobility

Presenter:

Ciara Kennedy

Re-Awarded Bronze



"The Future of Innovative Machining"



Sponsor:



Presenter:

David Quin

Re-Awarded Bronze



Sponsor:



Presenter:

David Quin

Re-Awarded Silver



B R A D F O R



Sponsor:



Presenter:

David Quin



Re-Awarded Silver



Sponsor:



Presenter:

David Quin

Bronze Awarded



CCP Gransden
ADVANCED COMPOSITES



Sponsor:

THALES

Presenter:

Jerry Mabey & Ian Wickie

Bronze Awarded



Sponsor:

THALES

Presenter:

Jerry Mabey

Re-Awarded Bronze



Sponsor:

THALES

Presenter:

Jerry Mabey & Ian Wickie

Re-Awarded Silver



Sponsor:

THALES

Presenter:

Jerry Mabey

Re-Awarded Silver



Sponsor:

THALES

Presenter:

Jerry Mabey

Re-Awarded Silver



Sponsor:

THALES

Presenter:

Jerry Mabey

Re-Awarded Silver



Sponsor:

THALES

Presenter:

Jerry Mabey

Bronze Awarded



Sponsor:

Self Starter



Presenter:

Stephen Cowan

Re-Awarded Bronze



Sponsor:

Presenter:

Self Starter

Stephen Cowan



Re-Awarded Bronze



Sponsor:

Self Starter



Presenter:

Stephen Cowan

Re-Awarded Bronze



Sponsor:

Self Starter



Presenter:

Stephen Cowan

Re-Awarded Bronze



Sponsor:
Presenter:



Self Starter  GKN AEROSPACE
Stephen Cowan

Re-Awarded Bronze



ANGLO Member of the
KREMPEL | GROUP



Sponsor:

Self Starter



Presenter:

Stephen Cowan

Re-Awarded Bronze



Sponsor:

Self Starter



Presenter:

Stephen Cowan

Silver Awarded



Sponsor:
Presenter:

Self Starter  **GKN AEROSPACE**
Stephen Cowan

Re-Awarded Silver



Sponsor:

Self Starter



Presenter:

Stephen Cowan

Re-Awarded Silver



Bodycote



Sponsor:

Self Starter



Presenter:

Stephen Cowan

Re-Awarded Silver



Sponsor:
Presenter:

Self Starter  GKN AEROSPACE
Stephen Cowan

Re-Awarded Silver



Sponsor:
Presenter:

Self Starter  **GKN AEROSPACE**
Stephen Cowan

Re-Awarded Gold



• *Bicester*



Sponsor:

Self Starter



Presenter:

Stephen Cowan

Questions to Panel and Closing Remarks

End of the event

Thank you for your attendance