

Strategic Sourcing of Aircraft Parts for American Aerospace and Defence Major

Overview

Strategic sourcing is an essential component of the supply chain. It describes the strategy for how and why businesses acquire, as well as the ongoing examination of purchasing operations inside a company. Strategic sourcing in aviation may decrease costs and improve the nuts and bolts of existing operations with the support of a high-performing sourcing team. It also assists businesses in developing the potential to better manage their global supplier network, create new procurement models, and enhance time to market.

The client, a leading aerospace and defense major required to optimize the time for expensive parts to arrive, find and evaluate finest vendors, and monitor the creation of thousands of parts at several places via a trusted vendor.

Tech Mahindra provided the following solutions based on its expertise in globalization of supplier base for aircraft structures manufacturers and supply chain diversification for US-based tool manufacturers.

Client Background and Challenge

The customer, headquartered in Wichita, Kansas, is one of the world's leading manufacturers of commercial airplanes, defence platforms, and business/regional jets. The company's key products, which include fuselages, integrated wings and wing components, pylons, and nacelles, are made with aluminum and innovative composite manufacturing techniques. Also, the customer provides aftermarket services for commercial and business/regional jets. TechM brings significant domain expertise combined with technology and digital transformation experience. The customer wanted a trusted partner who can not only address the current challenges but also align with the company vision.



Thousands of parts are developed each year which are sourced from suppliers who are reliable in terms of quality and provide the material in time. The client needed a cost-effective supplier monitoring solution.



High cost and long lead time in sourcing.



Identification and evaluation of best vendors



Monitoring development of thousands of parts at different locations through a reliable vendor

Our Approach and Solution

- ▶ TechM has supported the customer with vendor identification and evaluation based on multiple parameters
- ▶ Dedicated resources positioned at the manufacturing sites for multiple geographies who monitor and collaborate toward the timely turnaround of required parts
- ▶ SPOCs provided for detailed planning and quality support for all the operations
- ▶ Real time reporting on the project progress to the customer
- ▶ Reduced cost and lead times by rationalizing original equipment manufacturers (OEMs) supply chain
- ▶ Strategic sourcing of components with resource cost optimization
- ▶ Approximately 20% reduction in production lead time

Solutions

Globalization of Supplier Base for Aircraft Structures Manufacturer

- Over 10,000 products developed across 5 continents – North and South America, Europe, Asia Pacific and Africa.
- Cumulative savings of over \$100 Mn delivered
- 40 sourcing specialists deployed across 8 countries within 90 days

Supply Chain Diversification for US based Tools Manufacturer

- Transfer of \$1.5Bn / year parts from China to India, Mexico and ASEAN countries
- 100% business outcome linked commercial model

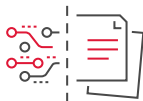
Business and Community Impact



\$5 Bn
per year sourcing



\$30+Bn
product cost models executed



7000+
Vendor database



100%
business outcome linked commercial



3,000+
production part approval process (PPAP)
reviews and signoff



\$1.7Bn
savings realized through should
costing



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