Current issues and trends in the Aerospace supply chain
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Global A&D insights and trends

• Overall global A&D industry expected to grow by around 3% in 2015

• Global commercial aerospace sector to sustain its significant revenue and earnings growth in 2015

• Continued declines in revenues for the global defence sector

According to ADS, British companies are responsible for $1 in every $6 spent by the world’s commercial airline manufacturers in the present boom. There has been a fivefold increase in the manufacture of commercial aircraft since 2009, and ADS forecasts another 5 percent increase in deliveries this year.
58% of survey participants were more optimistic about the economy than in the previous six months.

70% of companies expect to increase their headcount in the next six months.

The three biggest challenges that suppliers are facing are skills shortage, unpredictability of demand and customer cost pressure.

 Suppliers are optimistic that their customer base will increase over the next 12 months with growth of new overseas customers increasing significantly.
What about other Supply Chain leaders?
Deloitte CPO Survey 2014

**Participation in growth**
A changing mandate for Supply Chain leaders, moving from cost focus to new product development and supplier innovation

**Talent**
57% of Supply Chain and Procurement leaders feel their teams lack the skills needed to deliver their operating strategy

**Risk**
Overall supply chain risk has increased with economic, reputational and geopolitical risk rising most markedly

**Analytics**
70% of Supply Chain and Procurement leaders intend to invest in their analytics capabilities in the next 12 months
What’s next for Supply Chain Management?

Focusing on **risk** and protection of reputation through responsible supply chain management

Aligning capability to **emerging markets** and acting as a beachhead for growth

Ruthlessly driving **efficiency** from operational and transactional tasks

Proactively bringing **innovation** from the supply base to the business

**Corporate Reputation**

**Supplier Relationships**

**Emerging Markets**

**Back Office & Outsourcing**

**Analytics and Big Data**

**Innovation**

**Capability**

**LCCS vs on-shoring**

**The 2020 world**

Working increasingly **collaboratively** with suppliers to generate value

Being at the forefront of **strategic decisions** to determine the future supply chain design

Leveraging **analytics** to bring insight and demonstrate true financial value

Building the **knowledge** and capability to support a whole new era of requirements

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