Lean Aerospace Initiative
Plenary Workshop

Wrap-Up

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Summary of Main Points (1)

- Auto industry experience demonstrates that lean practices, encompassing integrated networks, provide significant benefits
  - Shorter cycle time
  - Lower cost
  - Better quality

- Chrysler’s extended enterprise presents specific “home-grown” lessons for aerospace sector
  - Building supplier trust
  - Delegation of greater responsibility to suppliers; target costing
  - Investment in interfirm coordination mechanisms
  - Incentives for enterprise-wide value creation
  - Supplier partnerships
Aerospace industry has made important strides in adopting lean supply chain management practices

- Supplier network integration a central feature of industry restructuring, yielding significant performance improvements
- Parts synchronization with suppliers critical to cycle time reduction and flow optimization
- Emerging lean model of early supplier integration: implications
  * Imperative of 3-D concurrent engineering (product, process, supply chain): strategic supply chain design is a meta core competency
  * Key characteristics definition & flowdown to suppliers essential for early design-process integration
Major remaining challenges need to be addressed

- Supplier network consolidation and integration across different corporate cultures, business units, and programs?
- Implications of transition to commercial practices for multi-tiered supplier base?
- Policy implications of growing internationalization of aerospace industry for lower tiers?
- Implications of information technology for supply chain and design management?

Report on Implementation IPT workshop (Feb 12-13, 1998) will document some lessons-learned, potential barriers, and recommendations for overcoming them