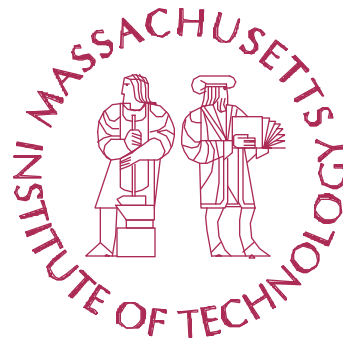


Lean Aerospace Initiative Plenary Workshop

Wrap-Up



March 31- April 1, 1998

**Presented By:
Kirk Bozdogan
MIT**

Research Sponsored By LAI



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



Summary of Main Points (2)

- **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 (Illustrative)

- **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**