



TRANSFORMATION CONTINUES AT AIRBUS HELICOPTERS

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Airbus Helicopters, says chief executive Guillaume Faury, is on a “journey” of transformation, as it attempts to go from being the “biggest to the best” rotorcraft manufacturer in the world.

Faury, who in 2013 was handed the reins of what was then Eurocopter, has wrought impressive change since kicking off its transformation early the following year, but clearly that process is ongoing.

“We intend to keep moving forward and keep transforming the company,” he says.

In some senses Faury inherited an easy task. Annual revenues have been above €6 billion (\$6.7 billion) for the past several years and as 2015’s delivery figures show, it has consolidated its position as number one in volume terms, taking a healthy 26% of the global helicopter market – some way ahead of its nearest rival, Sikorsky, on 16.5%.

However, those consistently strong headline figures mask some ugly problems that Faury had to

resolve. At the time of his appointment the H225 – a key helicopter for the oil and gas industry – was grounded, along with the firm's relationship with offshore operators. More broadly, Airbus Helicopters also appeared to have lost touch with its customers, particularly in terms of service and support. In addition – and possibly another symptom of the same malaise – although new helicopters were arriving and in development, delays and troubled service entries suggested too much was being attempted too quickly.

It is an analysis Faury does not entirely disagree with. "I say very openly that when I came, the performance of service [and support] was not at the level it should have been," he says.

Customer feedback suggested "given the quality of our products", aftersales support needed to be "much higher", he says.

To some extent, however, Faury, who held a number of senior roles at Eurocopter from 1998 to 2008, feels Eurocopter was a "victim of our success". During the early part of the decade it pursued an aggressive growth strategy, expanding into new markets and introducing new products.

"We did a lot of new things but we were not as focused as we should have been [on] doing things right," he says. "You cannot be strong everywhere at the same time."

That is not to imply criticism of his predecessors, however: "The strategy was the right one for the time: capturing growth and new customers. Nothing I would regret now."

Over in the commercial aviation business, Airbus, he notes, followed a similar trajectory "growing very quickly and going through some crises in the middle of the decade, before it launched a very strong improvement programme".

With that in mind, a core part of his transformation has been to forge deeper links with its parent and its sister company – "repositioning the Airbus Helicopters brand within Airbus Group", as he puts it.

The most obvious manifestation of this, of course, is the change of name, but a deeper, systemic transformation has taken place, too.

Now, he says, there is "more capability" to work "with Airbus in an interesting way, benefiting the company". In fact, Faury argues the transformation is one of three defining events in the manufacturer's history: the other two being its formation in 1992 and subsequent incorporation into EADS in 2000.

Airbus, he points out, operates in a segment "where reliability and availability" are extremely important to its customers, two considerations he has tried to instil in the helicopter business. Its priorities are now safety and quality, competitiveness and customer satisfaction.

There are other processes that have been imported – or indeed "cut and pasted" from its bigger sister – such as the way it interacts with its supplier base, its quality management systems and industrial make-up, all of which offer it a competitive advantage.

"When you look at our competitors, we are the only ones to benefit from a sister company like that and I see it as a privilege," he adds.

One obvious example of the change are the "system helicopter zero" and "dynamic helicopter zero" test facilities built at Marignane. Designed to enable higher levels of maturity in development programmes before first flight, they have been adopted and adapted from similar test rigs used by

Airbus.

With product renewal firmly under way, the initial helicopter to benefit from the new development process is the H160 (previously referred to by Faury as the “first of the H generation”), two examples of which are currently flying.

And the medium twin will also be the first to be built using another new initiative being brought across from Toulouse. This will see four Airbus Helicopters sites each produce a major component assembly (MCA) for the helicopter and deliver that directly to final assembly line.

This will result in a “lighter, faster” process able to benefit from greater use of automation. Faury calculates it will cut final assembly on the H160 to around 18 weeks, halving the 36 weeks it takes to build the current-generation Dauphin.

It means that in future, each of those four sites will specialise in a particular MCA: Albacete in Spain will produce the tail and rear fuselage; Donauwörth in Germany the centre fuselage; blades will come from Le Bourget in France; and from Marignane, dynamic components such as the main gearbox and rotor head.

However in the case of the H160, final assembly will be in Marignane, the new industrial model applies wherever a new helicopter is eventually bolted together.

“We have a lot of assembly lines, but the industrial concept is to be more flexible in future,” says Faury. Although Marignane and Donauwörth will remain the main locations for final assembly, under the revised set-up “we believe the assembly lines will be easier to move around the world”, he says.

Donauwörth will continue its long association with production of light and medium twins, adds Faury, “but now it has workshare on mediums, on the H160, and potentially in the future on the X6 [heavy twin] if we confirm that at a later stage”.

For Albacete, the change ensures a longer-term future beyond assembly of military helicopters for Spain’s armed forces. “It will contribute in future to all Airbus Helicopters products,” he says.

And of course, the shift does not preclude sourcing from countries where there is a requirement for industrial offset, but “the MCAs are delivered from the lines where they are manufactured”.

Site-specific specialisation will be the “business model of the future”, he says, which is “completely consistent with the Airbus model”.

In fact, if you were looking for a good omen, Faury points out the same industrial structure was adopted for the A350 “after the difficulties of the A380”. And while not flawless, the development of the former was infinitely smoother than that of the latter.

“It is another area where we have been inspired by what Airbus is doing,” he says.

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