

THE SUPPLIERS' VOICE



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Lean Leads the Way

DynaBil's Lean Journey to Customer Responsiveness and Corporate Profits in Turbulent Times

By Hugh Quigley, President, DynaBil Industries, Inc.

Quigley is a member of the SMC Executive Committee and past SMC representative to the AIA Board of Governors.

Business in the years since 9/11 has been more than a bit turbulent for DynaBil Industries, a Coxsackie, N.Y.-based supplier of sheet metal assemblies and components to the aerospace industry. The "lean manufacturing" journey the company began in November 1996, though, has allowed us to be flexible enough and knowledgeable enough to seize new opportunities and overcome adversity.



Quigley

For example, the impact of the 9/11 attacks in 2001 on commercial aviation caused us to lose about 30 percent of our business. Later, however, when the U.S. Department of Defense had to ramp up for the invasions of Afghanistan and Iraq, DynaBil had the flexibility and operational knowledge gained through "lean" to win

new government business and help offset commercial losses.

Then early last year, we faced another setback. The U.S. Army cancelled the RAH-66 Comanche stealth helicopter that would have generated \$12 million in annual revenue for us at full Comanche buildout in 2010.

Just before 9/11, DynaBil was reporting about \$18.5 million in annual sales, with 70 percent of our business wrapped up in com-

mercial aviation. When the commercial sector plummeted, we decided — because of the lean principles ingrained in our business culture — not to lay off any employees and reassigned engineers to boost our sales force. We went after more defense-oriented work, and because of our past successes and solid reputation on the commercial side of the business with Boeing, Lockheed Martin, Sikorsky, and Vought, we had an excellent entrée to the defense side of their businesses.

In short, "lean" is about our people — we train them, empower them, trust them, and reward them. It is also about always looking forward, improving, and being flexible.

Scene from PARIS AIR SHOW



Tish Chaikumnerd of AIA associate member company iBASEt is framed by a carbon disk brake as she talks to a customer at the Paris Air Show. iBASEt was one of 11 companies that participated in AIA's designated floor space at the show. See more about AIA activities at Paris on the back page of this newsletter.

New opportunities to rethink what DynaBil could offer arose. "Lean" led us to see the possibilities of moving up the supply chain to provide these customers with higher value assemblies more economically and with more speed and efficiency.

For instance, rather than supplying a customer with many detail sheet metal parts for a major frame assembly, we could assemble the whole frame for them. We currently have five value streams set up that produce either thousands of clips and brackets a week or one or two mid-size or major aircraft assemblies a week.

Recent news has us very optimistic about the future. Vought Aircraft is very busy as is Sikorsky Aircraft with the Black Hawk. Boeing's 787 is off to a great start, and the 777 is stronger than ever. Further, teaming with Boeing's partners has given us exposure to Asia.

Lean has allowed us to "turn on a dime" and be responsive to our customers needs.

In short, "lean" is about our people — we train them, empower them, trust them, and reward them. It is also about always looking forward, improving, and being flexible. Using "lean" on the manufacturing floor and in our pre-production activities, along with a pro-active management, will enable us to exceed \$18.5 million in 2005.

AIA Members Support Suppliers at the Paris Air Show



Representatives from the “buy” side of AIA member companies made major contributions to three Supplier Management Council events, ensuring that AIA and associate members who are aerospace and defense suppliers had a fulfilling experience at the Paris Air Show.

One event was hosting lunch meetings for suppliers at the company chalets and a dinner in Paris. Suppliers had the opportunity to discuss business, present supply chain issues, and see flying demonstrations “up close and personal.”

The second event was called “Buyer Days.” Representatives from the buyer side briefed suppliers on company structure, program content, and how to make contact with companies for possible subcontracting opportunities.

The third event was a business lunch and roundtable discussion with Assistant Secretary of Commerce for Manufacturing and Services Al Frink. Supplier issues, such as healthcare insurance, energy costs, support for the Commerce Department’s Manufacturing Extension Partnership Program, and supplier marketing were reported and discussed.

SMC HATS OFF TO . . .

. . . all of these AIA company representatives who gave their valuable time and expertise to the benefit of AIA member and associate member suppliers.

Paris Dinner

Norma Clayton
VP, Supply Chain Management & Procurement,
Boeing Integrated Defense Systems

Steve Roberts

Director, Global Supplier Development,
Vought Aircraft Industries

DoC Lunch and Roundtable

Vince Hrenak
VP, Supply Chain,
Raytheon Netcentric Systems

Chalet Lunches

Bill Brown
VP, Business Development,
Kaman Aerospace

Buyer Days

Bill Brown, Kaman
Norma Clayton, Boeing
Vince Hrenak, Raytheon
Steve Roberts, Vought Aircraft Industries
Mary Simmerman, Northrop Grumman

Mike Chanatry

General Manager, Global Sourcing,
General Electric Aircraft Engines

James Thomas

Corporate VP, Operations,
Lockheed Martin

Mary Simmerman

VP, Corporate Sourcing,
Northrop Grumman

Dan Smartis

VP, Materiel,
Vought Aircraft Industries

SMC Welcomes Newest Associate Members

Dassault Systemes of America
Ingersoll Machine Tools, Inc.
Relli Technology Inc.
Shoreline Electronics Inc
Sigma Metals Inc.

THE SUPPLIERS' VOICE

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Upcoming AIA/SMC Meetings

AIA Regional Meeting - Cincinnati, OH - October 12-13, 2005. Sponsored by GE Aircraft Engines.

Fall SMC Meeting - Hilton Head, SC - October 25-27, 2005. Sponsored by Gulfstream, General Dynamics.

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