

Transformation of the aerospace supply chain - The Aequs Way



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Manufacturing for the aerospace sector is a complex exercise for a number of reasons. It is capital intensive, has high technological requirements and a prolonged gestation period. Apart from these, there are also the systemic challenges manufacturers face in terms of the supply chain itself. However, the aerospace industry has come a long way and is still evolving to overcome the challenges it faced traditionally. Costly raw materials, the need for skilled labour, technological requirements and the procuring of parts from multiple manufacturers are the primary issues faced by the aerospace manufacturing industry. All of this has traditionally led to increasing costs and reduced efficiency.

In order to face these challenges, the aerospace manufacturing industry has steadily transformed its supply chain over the decades. The solution has been found, among other things, by globalising the industry. Although globalising the supply chain has both its pros and cons, the pros have been found to far outweigh the cons. By globalising the supply chain, OEMs (Original Equipment Manufacturers) have ensured that there is a greater flexibility in sourcing parts.

Earlier, OEMs sourced their components from a multi-leveled supply

chain, where Tier 3 companies supplied parts to Tier 2 companies, Tier 2 companies supplied parts to Tier 1 companies and Tier 1 companies finally supplied the finished parts to the OEMs. These days, however, OEMs are reducing their dependency on such a supply chain model in favour of sourcing maximum number of parts from a Tier 1 company. In this way, they reduce the element of risk and significantly speed up the delivery process. Aircraft manufacturers have gone from utilising hundreds of suppliers to sometimes as low as thirty aerospace suppliers to complete a finished aircraft. Essentially, the industry has been relying on the tier one suppliers to fulfill the role of tier two and three suppliers. This reliance has led to the thriving of Tier One suppliers, who need to step up to adequately fulfill their more prominent role in the supply chain. The need of the hour in the aerospace manufacturing sector is to adapt and evolve. Suppliers need to adapt to the need of OEMs and at the same time also evolve to become more efficient in terms of delivering the final goods. With its "Aerospace Ecosystem" in Belagavi - India, Aequs has mastered the art of innovation and built a system that encapsulates the best practices of

the aerospace manufacturing industry. Aequs has set up facilities which cater to multiple stages of the supply chain all in one location. This setup enables Aequs to carry out fabrication, machining, forging, warehousing and much more in one place, as opposed to being performed by multiple companies in multiple places. The ultimate aim of Aequs is to create a holistic and integrated aerospace ecosystem which enables customers to source all their requirements from one place and save time, costs and logistics involved in outsourcing from multiple locations.

Aequs has become a pioneer by setting up facilities which perform multiple functions in the same location and through utilising technical expertise from partnerships all over the world. In essence, what they have done is basically taken the global know-how and made it local. Aequs has thus succeeded in crafting a supply experience for its clients that brings the best of globalisation and mitigates all the risks of being globalised. They have also managed to bring leaders like SAFRAN and UTAS to India through their associations in France and US respectively. Through their laudable international partnerships, Aequs has been able to acquire manufacturing technology and techniques from experts all over the world. In this way, they have underscored the advantage of the capacity India brings, while also leveraging capabilities from across the world. Till last year the company has invested USD 100 million as capital and they look forward to invest USD 200 million in the next five years. Aequs along with industry players have achieved in leaps and bounds over the past few years in a fast paced industry. In a country that didn't have the infrastructure to build detailed parts, Aequs is building machinery nearly two times of India's capacity. They are building a sustainable ecosystem, to make India a valuable part of the aerospace supply chain. ■

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