



The Dowty Aerospace Gloucester *Newsletter*

November 1990

Issue 17



New Image at Farnborough

Farnborough '90 saw the Dowty Group in a completely new light. With our new Corporate Identity and colour scheme the Dowty stand had a definite edge over that of other exhibitors, however, it was not the 'wrapping' alone that made our stand a focal point of attention.

Two of D.A.G.'s products on display, the A330/340 main landing gear and the Saab 2000 propeller, generated a lot of interest and discussion with stand visitors, press and public alike. The Saab 2000 propeller in particular, painted in the house colours of white, yellow and blue, was an impressive exhibit. The A330/340 landing gear, which towered above the rest of the stand, was frequently used by equipment suppliers and sub-contractors as an extension of their own stands as a means of describing their involvement in the product.

Pictured above is a view of the overall stand prior to the opening of the show, hence the lack of people!

Half Year Results Review

Comment

Half way through the 1990/91 financial year we were slightly ahead of our forecast sales target.

However, our profit was below target because of our high level of overhead expenditure i.e. spending too much on the day to day costs of running the business. In addition our warranty costs were above the expected level.

The shortfall in profit affected our Return On Capital Employed for the period April to September 1990 which was 24.2%. This compares to our target level of 26.5% at the half year stage. We need to continue our efforts to get back on target and beat our ROCE target of 28% for the full financial year which ends in March 1990.

On the order book front we received, in addition to the orders shown below, a record \$44 million order for Airbus A330/340 main landing gears in October.

Sales Turnover

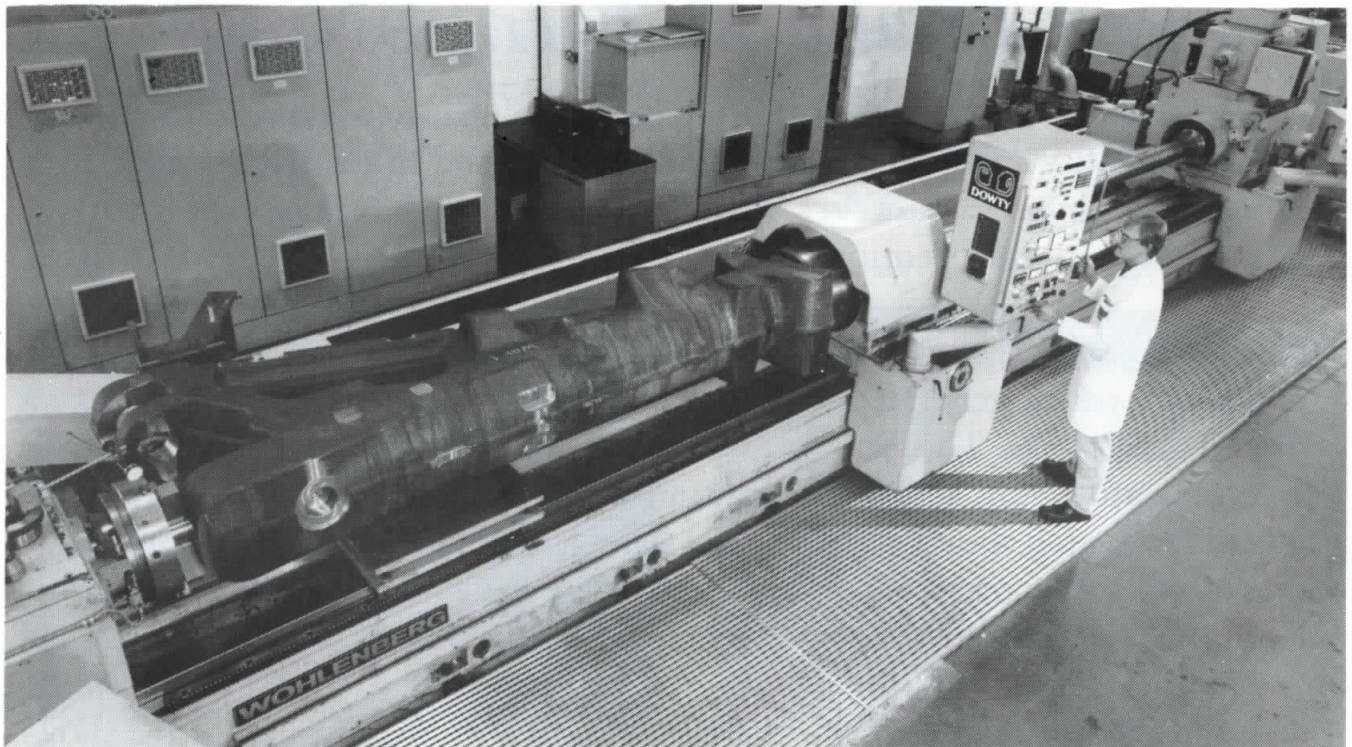
Period	Target	Achieved
April to June 1990	£38,454,000	£39,366,000
July 1990	£11,877,000	£12,042,000
August 1990	£12,551,000	£12,610,000
September 1990	£13,626,000	£13,284,000
April to September 1990	£76,508,000	£77,302,000

Order Book

Month	Orders Received	Total Outstanding
July 1990	£14,713,000	£257,568,000
August 1990	£13,960,000	£258,953,000
September 1990	£10,442,000	£256,087,000

Major Orders (April to September 1990)

Project	Equipment	Order Value
A330/340	Landing Gear	£10,875,000
Fokker 100	Hydraulics, Landing Gear	£ 4,685,000
AV8B	Hydraulics, Landing Gear	£ 3,943,000
Saab 340	Propellers	£ 3,487,000
Fokker 50	Landing Gear, Hydraulics, Flaps	£ 3,348,000
A320	Ram Air Turbines	£ 3,192,000



A330/340 main landing gear forging, weighing 13,000 pounds, in No. 2 Machine Shop.

Message from Graham Lockyer

You will have read the results for the first half of the 1990/91 financial year and will have seen that whilst we are beating our sales target we are behind on profit. It is critically important that we recover this shortfall by the end of the financial year and I would ask for your support in achieving this, and indeed even beating our financial targets.

Our forward order book stands at over £250M, as a result of our success in winning some major orders. There are signs, however, that the market place is becoming more difficult. We should not expect the civil aircraft boom to go on forever.

The world is also changing rapidly. The Gulf crisis, whilst giving a small boost to the short term spares sales, has seriously affected the price of oil, which is a critical factor for the world economy, and in particular for the civil airline business.

On the military side, the loss of the Tornado contract is significant in itself but the general reduction in the military business worldwide will mean that other companies that were previously dependent on military work will be hungry to get other work and protect their business.

Whilst the "experts" argue about whether there is a recession or not, all I can tell you is that business is getting more and more difficult. Whether it be inflation driven, interest rates driven or the high value of the pound, we will not keep our current position unless we improve our competitiveness significantly.

I do recognise the improvements that have been made in the company in recent years, and your contribution towards this. A combination of the factors mentioned above means that we must continue this progress with renewed vigour and reduce our costs yet further to ensure our long term survival. I am confident that through our combined efforts we can achieve our objective of becoming a world leader in each of our main product areas.

Finally, I want to comment on the reorganisation of the company into separate business units. I fully understand that you want to know how this change will affect you, what business unit you will be in, what job you will be doing, etc. We have now announced the first phase director appointments. There is, however, still a lot of work to be done by those appointed in deciding the strategy and organisation structure for the business units before we can answer your questions. Although this will take time I want to re-affirm my commitment to keep you informed of progress as events develop.

1990/91 Profit Sharing Scheme

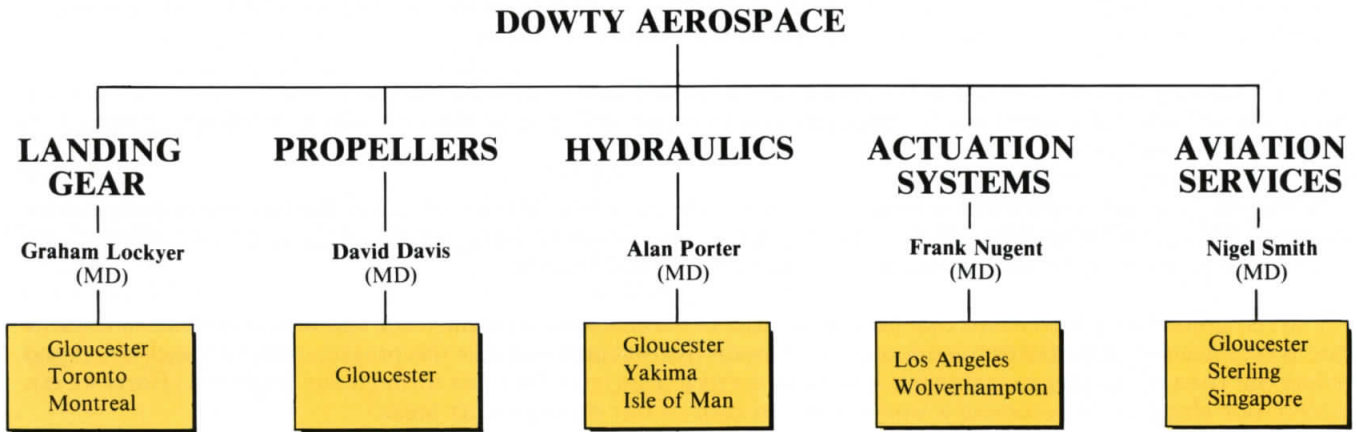
Detailed below is our Profit Sharing Scheme for the 1990/91 financial year. The scheme is based on the same principle as in previous years i.e. payment for performance in excess of our Return on Capital Employed forecast.

Return on Capital Employed	Payment for Employee
28%	£50
29%	£200
30%	£350
31%	£500
32%	£650
33%	£800

To qualify for payment it is necessary to have been employed by the Company for the whole of the 1990/91 financial year i.e. 1st April 1990 to 31st March 1991. The only exception to this is people who retire or retire early after 1st October 1990 who receive a pro rata payment.

The first phase Director appointments for the business units that will result at Gloucester from the Aerospace Division restructuring have been announced.

The chart below reminds us of the plan and shows that there will be 4 business units at Gloucester, namely Landing Gear, Propellers, Hydraulics and Aviation Services.



The appointments recently announced are as follows:

DOWTY AEROSPACE LANDING GEAR (U.K.)



Andy Stevens
Director and
General Manager
designate



Peter Booth
Director
Purchasing
designate



Dave Waring
Production
Director designate



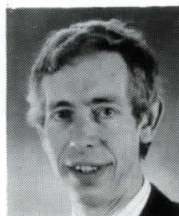
John Lindley
Director, Product
Support designate



Richard Willcox
Sales and
Commercial
Director designate



David Wood
Director
Projects designate



Geoff Capps
Finance Director
designate



Doug Knott
Director
Human Resources
designate

Directors Appointed

DOWTY AEROSPACE PROPELLERS



Les George
Operations
Director designate



Nick Wallis
Finance Director
designate

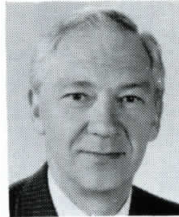


Les Barker
Director
Engineering
designate

DOWTY AEROSPACE HYDRAULIC EQUIPMENT (U.K.)



Chris Pearce
Director and
General Manager



Stuart Russell
Sales and
Marketing Director
designate

This is not the full list of Director appointments and further announcements will be made in due course.

Whilst the restructuring is taking place we need to keep the present business operating and satisfy our customers and shareholders. The people appointed to the above positions will continue with their current responsibilities for Dowty Aerospace Gloucester during the re-organisation phase.

Improving Quality Through Teamwork



Earlier this year a Design to Manufacture Improvement Task Team was formed.

The Team's purpose is to examine the design to manufacture process with a view to making recommendations in two areas. Firstly, how to ensure that equipment is produced right first time and meets customer requirements. This involves looking at how to apply statistical and problem solving techniques during the process. The second is how to eliminate, permanently, mistakes in this process thereby reducing scrap, rectification, modification and warranty costs.

The product selected for investigation by the team is the SAAB 2000 propeller. "This is being tracked on a pilot scheme basis, but the application may be for any product we manufacture" said Ian Bailey-Scudamore, the

Task Team Leader. The team members work on this project on a part-time basis and are drawn from different functions within the business. They have an exciting opportunity to work together on this challenging assignment. "This is a completely new venture for us all," Ian continued. "Our first task was to be trained in problem solving techniques. Then responsibilities were assigned to individual team members. A timetable was established with 14 phased milestones. Many hours have been spent in identifying and discussing issues with the departments involved in the design to manufacture process. Our understanding of the product and the inputs involved is improving all the time. However, success will depend in no small measure on the co-operation of other departments. So far this has been excellent".

We shall report on the Team's progress in future issues of the Newsletter.

Dowty Sports & Social Society

Forthcoming Events

Friday, 7th December
Thursday, 13th December
Saturday, 15th December
Friday, 21st December
Monday, 24th December
Wednesday, 26th December
Monday, 31st December

Maintenance Department Christmas Dinner and Dance
Christmas Bingo
Panto outing for children
Modern Dance Club
Christmas Eve Dance
Boxing Day celebrations, 12 - 2.30 pm
New Year's Eve Dance

Inter-Departmental Cricket



The winning team of the Inter-Departmental cricket competition, Players No. 6 from No. 6 Hangar

A total of 34 teams entered this year's competition. In the final, Players No. 6 (from No. 6 Hangar) scored 115 for 6 beating the Cidermen (from No. 1 Machine Shop) who scored 93 for 6.

Players No. 6 scored a double victory by also winning the Inter-Division challenge. This match is played between the winners of the Staverton and Arle Court inter-departmental competitions. They won handsomely scoring 124 for 5 against Arle Court's "West Indians" 55 all out.

In our Plate Competition, which is for first round losers in the main competition, the finalists were Coma's Crew (Accounts) and the Crackshots (NDT). Coma's Crew, who incidently were knocked out by Players No. 6 in the first round, won the match scoring 75 for 2 against the Crackshots 72 for 9.

Cycling for Charity

Four energetic employees recently got on their bikes to raise money for the Meningitis Trust.

The intrepid quartet undertook a 343 mile bicycle ride from Inverness to the Pennine Way. Setting off on the 1st September, they completed their journey in a week. Not surprisingly it rained on every day except the last of their trip.

Their efforts raised £528.00 in donations from employees throughout the Company.



The Cyclists (from left to right) Robin Roles, Gerald Flynn, Luke Morris, David Jones



Our congratulations go to Peter Willis our Co-ordinate Measuring Machine Engineer on winning a certificate of merit in the National UKASS suggestion competition, "Ideas Unlimited". UKASS is the United Kingdom Association for Suggestion Schemes which assists companies in setting up and running their suggestion schemes. You may recall that Peter wrote a programme for the checking of composite blades on the Ferranti Measuring Machine.

Suggestions Update

Pictured receiving a cheque for £600.00 from Stephen Lee, General Manager of D.A.A.S., is John Sims a machinist in the Company. John's idea was to design and manufacture a set of collapsible dollies which enables the removal of bushes from components without damaging the details. This suggestion has saved the Company an average of 8 hours per week machining time. As Stephen Lee said at the presentation "We need more ideas like this one to improve the performance of the Company".

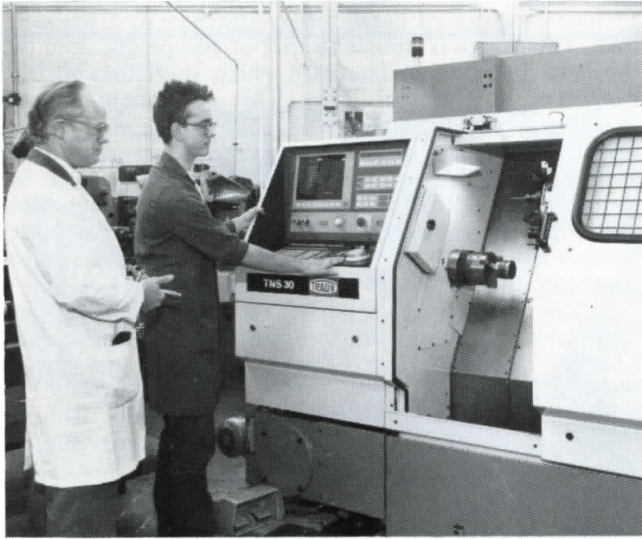
John was also awarded Suggestion of the Month for September for which he received £100.00.



Training for Advanced Technology

Our Training Department has recently bought a Traub CNC lathe.

The department has been involved with CNC training for 9 years but until now this has been of a general nature. This new machine is the same as those in No. 1 Shop



although on a smaller scale. This means that our apprentices will now gain hands-on experience on the sort of high technology machine they will be using in the future.

One of the main advantages of the Traub is that it has graphic simulation facilities. This means that once the programme has been written, the screen can display the component part so the dimensions and tool path can be checked against the drawings.

The Traub will not only benefit the apprentices. Our sponsored undergraduate students, who undertake a three week introduction to the CNC Machining, will also make use of it. It will also be used by employees requiring training to increase or update their technical knowledge.

At present we 'sell' our training facilities to local companies. Our new CNC machine will mean we have some of the most advanced training facilities in this area.

When not being used for training purposes, the Traub is sufficiently advanced to be used for manufacturing small components for commercial use. This will ensure that our new machine with a value of £85,000 will be used to maximum efficiency at all times.

Pictured using the Traub is second year apprentice Dan Blossome under the watchful eye of Tevor Matthews, Training Supervisor.

Award for Customer Service

Our congratulations go to Steve Barnes, Product Support Engineer, who has won a Chief Executive's Divisional Award for Excellence. His prize is a luxury weekend holiday for two.

The Chief Executive's Award Scheme was started last year and aims to recognise people who have made exceptional efforts and achievements to support their company and colleagues. A minor change has been made to the scheme this year to allow team, as well as individual, entries.

Steve is based at Aerospatiale in Toulouse, France. He was nominated for an award for providing a total quality service to Aerospatiale, who are the constructor for the Airbus A320. He has been responsible for ensuring that our landing gears are properly prepared for fitment to the aircraft on schedule and to the required build standard.

When we ship A320 landing gears from Gloucester they are received directly into our Toulouse workshops where further items are fitted to them. They are then installed into Aerospatiale transporters ready for fitment to the aircraft and accompanied by all the necessary clearance documentation. The Service Team at Toulouse provide support for all our equipment on A320 right through to the handover of the aircraft to the airline operator.

Under Steve's leadership the team at Toulouse has moved to a situation where Aerospatiale can rely on on-

time delivery of equipment and service support. Steve has achieved this through his example of hard work, enthusiasm and a willingness to finish each job in a professional and efficient manner.



Terry's Heart of Gold



When employee Terry Payton heard that his neighbours' young daughter suffered from Cerebral Palsy, he wanted to offer his support to them.

Three year old Kelly Gwilliam needs special equipment and teaching and this requires a great deal of financial help. Terry, from the Maintenance Department, organised a collection for Kelly amongst his friends and colleagues and raised £566.

A delighted Mrs. Gwilliam told us that the money would be used to buy a new, specially adapted push chair for Kelly.

Pictured receiving the cheque from Terry Payton are Mr. and Mrs. Gwilliam with a smiling Kelly.

Apprentice Aid

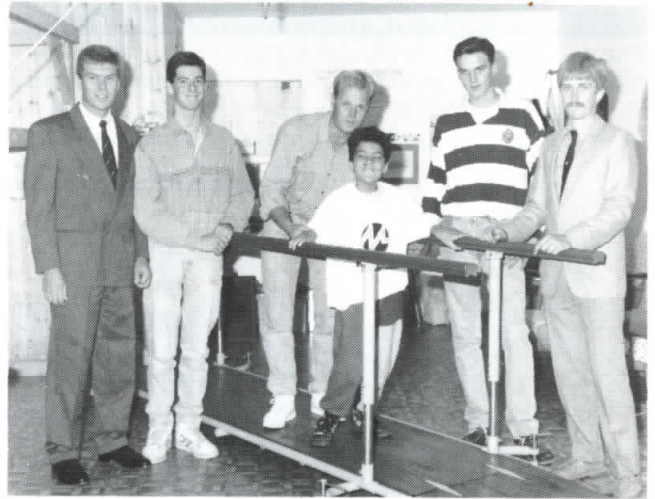
Six of our first year apprentices have been involved in a project over the last four months to help a young boy in his dream to walk.

Eleven year old Ashley Smith from the Forest of Dean suffers from Cerebral Palsy. His determination to learn how to walk inspired Roger Sterry, from the Drawing Office, to design a walking frame for him. The frame is a 15 foot long set of parallel bars attached to a wooden base. The design is similar to that of equipment used by the Peto Institute in Hungary which specialises in the treatment of Cerebral Palsy. This equipment is not available at present in England.

In the manufacture of the frame the apprentices used all their recently acquired machining skills, as well as gaining experience in woodwork. The walking frame was delivered to Ashley at the end of August. Our congratulations go to Roger and the apprentices on a good job done for a very worthy cause.

Pictured with Ashley from left to right are Alan Sterry, apprentice Peter Harding, Roger Sterry, apprentice Robert Bowkett and Training Supervisor Peter Clifford.

The other four apprentices involved were Robert Fortey, Mark Dodd, Mark Jones and Chris Washbrooke.



Retirements

Bill Stanton and Larry Cowley recently retired from the Experimental Department after a remarkable 99 years service between them with the Dowty Group.

Bill joined Dowty as an Office Boy in 1941 when one of his duties was to deliver wages round Cheltenham every Friday by bicycle! After completing his apprenticeship he worked in the Repair Department at Ashchurch and at Arle Court before joining Dowty Rotol in 1963. A keen cricketer, Bill often faced Sir George Dowty at the wicket.



Bill Stanton being presented with a clock by Les George

Larry began his career in 1940 with Rotol Airscrews, moving to the Experimental Department in 1941 where he remained for the rest of his record breaking 50 years service. Also a sportsman, in his younger days Larry played football with his two brothers for Gloucester City.

We wish them both a long and happy retirement.



Larry Cowley at his presentation with Andy Stevens