

landing matters

INTERNAL NEWSLETTER Messier-Dowty Gloucester

Including the first issue of *Leading Edge*, the new Business Improvement newsletter for Messier-Dowty Gloucester



2010 FARNBOROUGH INTERNATIONAL AIR SHOW

The Farnborough Air show this year featured the arrival of two new aircraft.

The Boeing 787 Dreamliner arrived on the Sunday before the show for its international debut. It took pride of place on the static display, but only until Tuesday when it departed to continue its test flight program. The new 787 took off during the show and performed a flypast flanked by two Spitfires.

The second new arrival at the show was the Airbus A400M, which, as well as being on display on the ground, also performed in the flying display.

Messier-Dowty had a key position on the Safran stand displaying the Boeing 787 main gear and the Airbus A350XWB main gear.

Against a backdrop of the beginning of a recovery in the aviation market orders for

435 aircraft were reported to have been placed during the show.

Airbus announced orders for a total of 255 aircraft (133 firm and 122 MoUs) worth up to \$28 billion, if all options are exercised, comprising mainly A320s and a number of A330s. While Boeing announced around 250 orders worth about \$27 billion, comprising mainly 737s and 777s plus three 787s.

The regional aircraft market also saw Sukhoi announce 30 firm orders, 15 options and 52 MoUs for the Superjet 100.

Safran itself announced orders worth more than \$5 billion for engines, equipment and services including Messier Services, who announced contracts for Virgin Atlantic Airways and Thomas Cook Airlines.



2010 FARNBOROUGH INTERNATIONAL AIR SHOW



Business Update

We all know that 2009 was a very challenging year for the Messier-Dowty Group as a whole, and for us here in Gloucester. After several years of increasing demand we saw a decrease from the second half of the year, which led to some difficult decisions having to be made, both in 2009 and 2010. We fully recognise and appreciate the sacrifices that all employees have made over the past 12 months and which contributed significantly to reducing the potential impact of the situation we faced. It remains vital that we continue to work together to secure a healthy future for Messier-Dowty.

The three most important indicators of the health of any business are its (sustainable) profit or EBIT, cash-flow and level of customer satisfaction.

In 2009 in the Group Accounts we reported what was probably a record loss in EBIT terms, at just over £50m. This was due to the decision to take a full provision against the capitalised

development costs on the B787 program as well as a provision against the expected losses on the B787 gears to be delivered through to the end of 2011. These items took around £80m off the 2009 EBIT figure, but it does mean we will not have to carry these costs against future years' results.

After three years of negative cash-flows in Messier-Dowty Ltd, resulting mainly from the development costs of new programs, notably B787, we did record a positive cash-flow in 2009. Also, the overall cash outflow at Group level was much lower than in 2008. The cash-flows at both local and Group level are on course for further improvement in 2010.

In terms of customer satisfaction we saw for the second year in a row an improvement in our overall Airbus Vendor rating. This shows we are taking the right steps to be more customer focused. We still have further challenges to meet to reach our goal.

The improvement in cash-flow and customer satisfaction reflects the good work by all of you, whatever your position in the company. It should form a strong platform from which our full recovery can be launched – the journey has just begun and we still have some way to go, but, together we can succeed in creating a strong and secure financial future.

A major priority for this year and next is the "GearUp" project. Its successful implementation will mean that for the first time we will have an integrated MRP system so that all parts of the business are working with the same data. This will bring many efficiencies and improve the accuracy and availability of the information we need to manage our business. For example, it will mean that all stock movements going through the MRP system will automatically be captured in the Finance system as well, without us having to undertake complex and time-consuming reconciliations.



Neville Kite

Looking forward I believe that there are very definitely grounds for optimism. We have a cost base that is better adapted for the future requirements of the business, Airbus demand is holding up better than expected, the negotiations between the B787 Program Management in Toronto and Boeing are getting closer to a conclusion, and the dollar exchange rate is moving in our favour. In short, as long as we all continue to pull together we have a lot to look forward to in 2011 and beyond.

Neville Kite
Finance Director &
Company Secretary

QUICK RESPONSE QUALITY CONTROL (QRQC)

QRQC is the new production methodology that allows a team of subject matter experts (SME's) to work in harmony in reducing production problems. QRQC has been introduced within the MD Gloucester site with initial success since December 2009.

Using the SAFRAN Corrective, Improvement and Development (CID) theme, MD Gloucester has engaged in QRQC by introducing the following activities;

1 Management Board (visual management system) defining the daily and weekly communication requirements for all of the team members to be aware of the problem definition, containment, corrective and preventive actions accordingly

- 2** Various daily and weekly members for planning and scheduling resource control
- 3** The top 3 problems (defective products) within the relevant department area, i.e., machine shop, special processes and/or assembly shops for quick quality analysis
- 4** The actual deviation report and the supporting 8D form displayed for team awareness
- 5** The relevant departmental key performance indicator and objective

These activities allow the team to evaluate performance measurements and monitor this performance across the site whilst meeting the overall goal of reducing defects.

We introduced a Corrective Action Board (CAB) in February



QRQC team members

2010 which is managed by the Production Manager and supported by the Production Quality Manager on a weekly basis to ensure consistency by the QRQC Team. The purpose of the CAB is to evaluate the effectiveness of the team's capability in root cause analysis which is the preventive arm of problem resolution.

Due to the above two new production problem solving techniques, we have reduced our production scrap inline with our financial budget and we are meeting our overall site target... we are striving to be successful in 2010.

*Clifton Pflieger
Production Quality Manager*

Pin Group Move

The vision is to achieve a One Way flow of parts with no return of operations within the Pin Cell. It is also the start of the transition towards Autonomous cellular Manufacturing at Gloucester.

The main drivers for this decision are to encompass Pin Group into Medium Landing Gear Manufacturing Team and reduce our overhead running costs operating a remote facility.

It will give an integrated OE and Spares facility under one roof.

The pull forward of machined parts was completed to create a window for the move to take place without affecting Assembly Build line.



Floor space in MLG was allocated and foundations laid to accommodate machine tools.

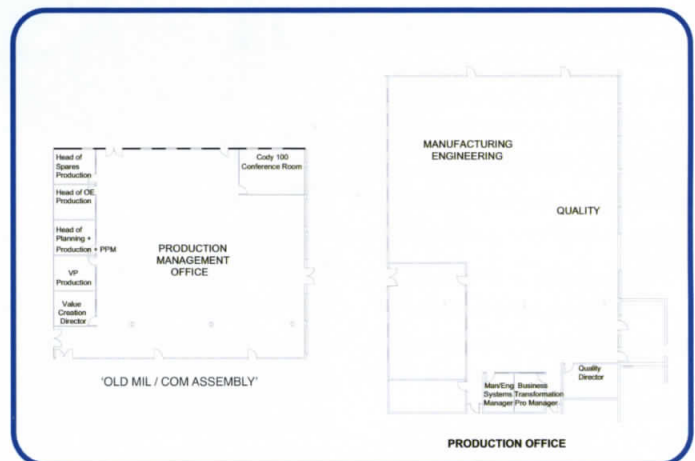
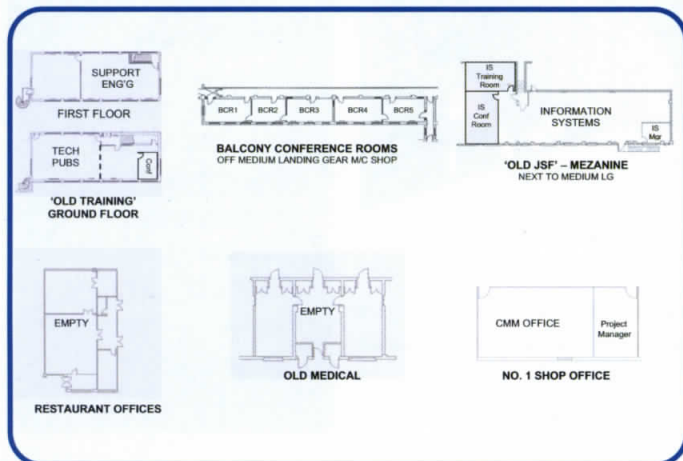
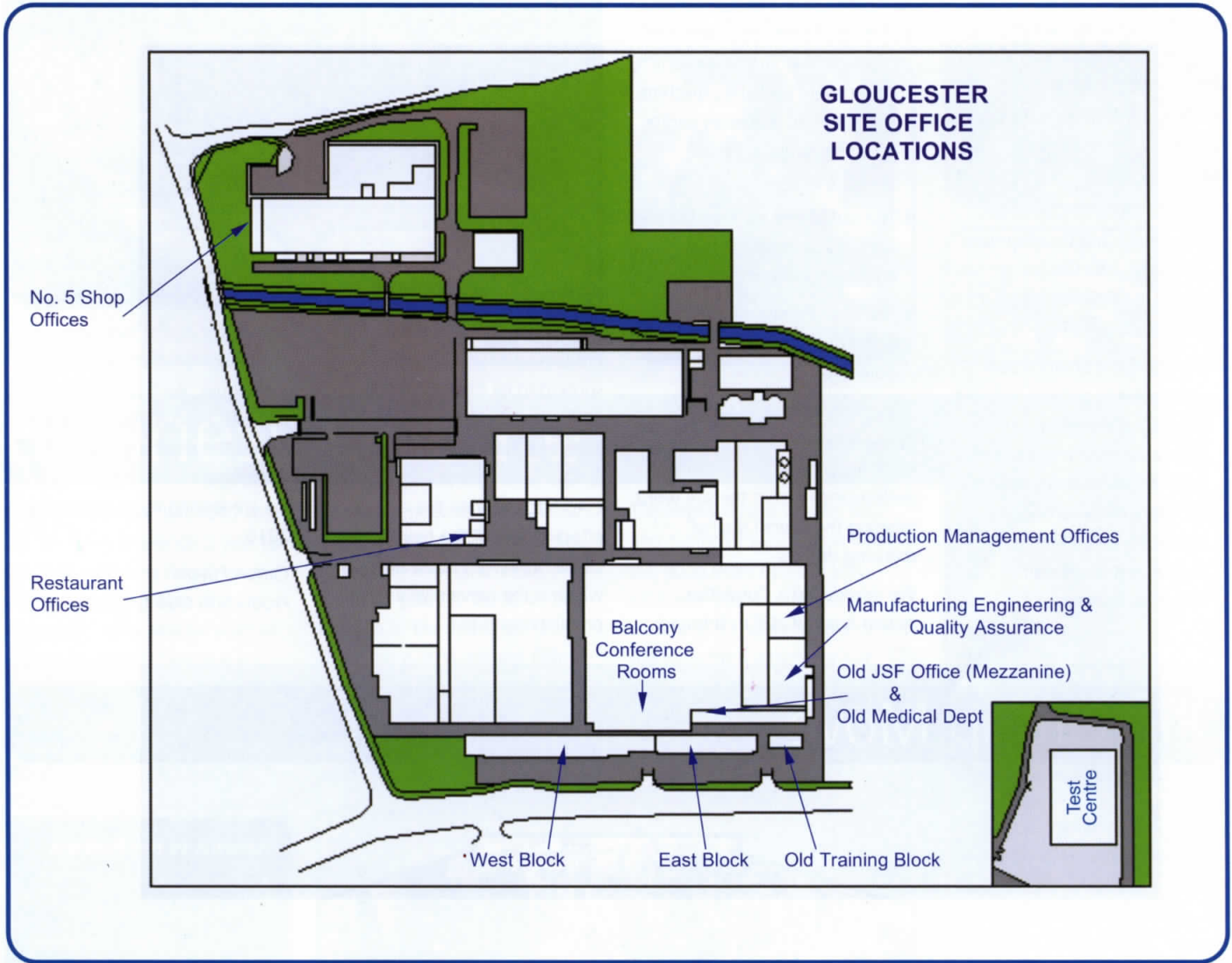
The movement of machinery commenced the 4th May. It took approximately 6 weeks to complete the transfer and all machines were running by the 17th June.

The Project met the agreed Budgetary target on schedule.

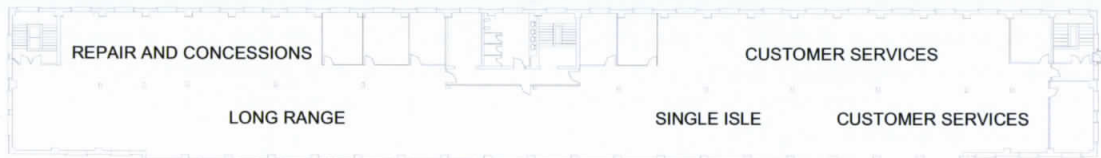
Benefits to the Business

- Creation of Single Medium Structures Facility with an integrated Team.
- Reduction in Utility costs of £30k p.a.
- Reduction in Maintenance costs of £25k p.a. by removing duplicate machine tools.
- Reduction in Transportation cost by £20k p.a.
- Reduction in floor space by 40%.

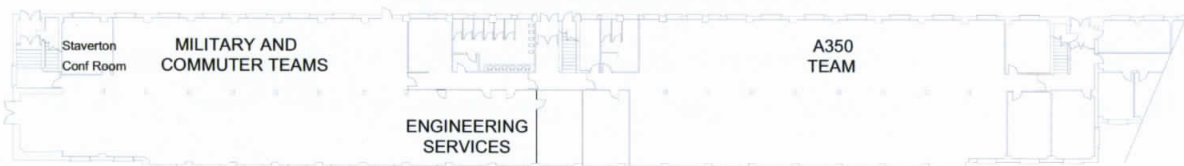
New Department Layouts



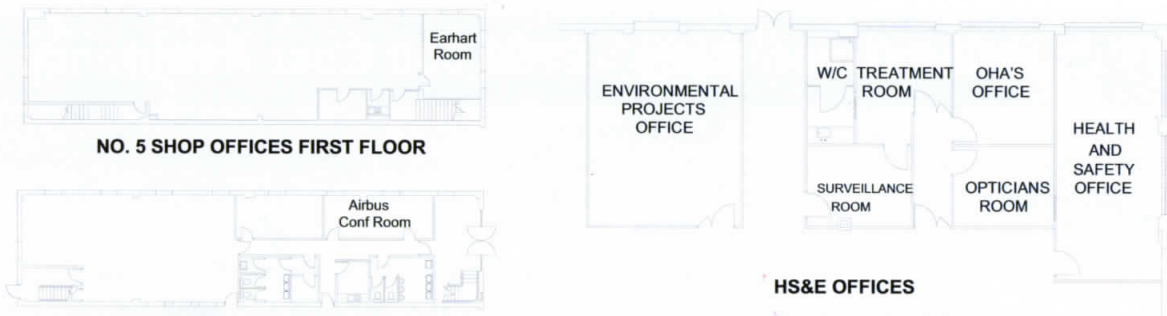
Office Location Map – May 2010



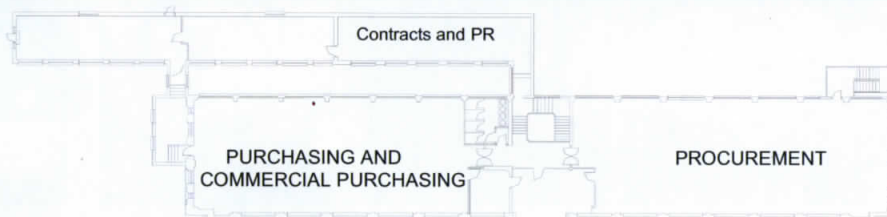
WEST BLOCK FIRST FLOOR



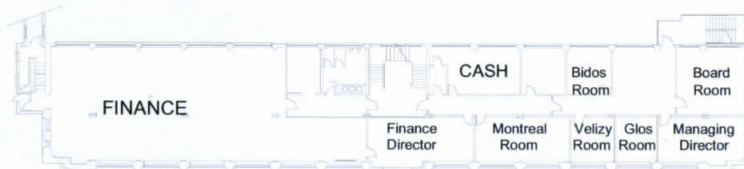
WEST BLOCK GROUND FLOOR



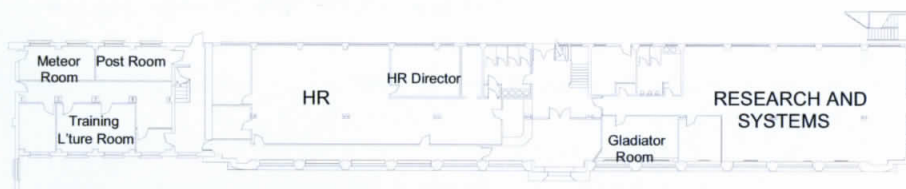
NO. 5 SHOP OFFICE GROUND FLOOR



EAST BLOCK SECOND FLOOR



EAST BLOCK FIRST FLOOR



EAST BLOCK GROUND FLOOR

Welcome to the first edition of **Leading Edge**, the monthly Lean-Sigma newsletter for Messier-Dowty Gloucester. Our intention is to keep everyone up-to-date on improvement activities and their associated benefits. Any suggestions on how the content or format of the newsletter can be developed will be welcomed. Please contact Dave Brown, Graham Faulkner or myself. **Andy Margrie – Gloucester Master Black Belt**

An Introduction From Thierry Pistre

The Lean-Sigma programme was initiated by Messier-Dowty in April 2008, with the aim of creating a continuous improvement culture across the business. Critical to success are the engagement and development of all employees in understanding the Lean-Sigma methodology and the deployment of the appropriate infrastructure to facilitate the delivery of improvement initiatives in all areas.

Managers have a key role to play in leading and supporting improvement activities both within their own areas and cross-functionally to ensure that Company and SAFRAN+ objectives are met. The overall results to date are highly encouraging. In 2009 the SAFRAN+ cash and EBIT objectives were both achieved reflecting significant increases compared to 2008, with nearly 50% of the improvements coming directly from Lean-Sigma projects.

I know we can count on the Gloucester team to be pro-active on this journey and to continue to be part of driving our business processes and performance towards excellence.

Thierry Pistre - Value Creation & Process Improvement VP

11 Certified Green Belts - £750,000 Cost Avoidance

68 employees across all functions have now been trained to Green Belt level at Gloucester, with 11 successfully leading their first DMAIC project and achieving certified status. The combined cost avoidance from Green Belt projects to date through the elimination of waste and non-value added activities is over £750,000. Congratulations to our certified Green Belts and their associated project teams.

Pictured left-right: Roy Hughes, Lloyd Harrington, Neil White, Wayne Hall, Carl Redmond, Emilie Castera, Dave Brown, Neil Sheppard, Steve Morrison, Phil Phelps, Sebastien Guemas



Innovation, Innovation, Innovation

The most valuable asset of any organisation is the capability of its employees to contribute to improvement through their knowledge and experience. Establishing the appropriate infrastructure to facilitate this process is essential. The use of **CID** tools such as 8D for **Corrective** recovery, DMAIC for team based **Improvement** projects and Business Process Reengineering (BPR) for step-change process **Development** is now becoming more widespread and better understood.

Locally, pilots for the capture of employee ideas are running in Production, Human Resources and the Customer Services Warehouse, with the intention to roll this out site-wide.

An existing channel open to all employees is the **Innovation Contest**, which allows implemented improvements to be recognised and proposed improvements to be assessed.

Please submit any remaining entries to Human Resources or Communications by September 15th

Lean-Sigma Fundamentals - Process Based Thinking

Every activity is a Process !!!

Every Process has a desired Output (Y)

Lean – the elimination of Process Waste

Six Sigma – the reduction of Process Variance

In combination, Lean-Sigma allows us to establish control of the Inputs (Xs) to ensure the desired Output (Y) is achieved.



Whether it's developing a new landing gear, recruiting staff, machining a component, using a vending machine or anything else we do, the Lean-Sigma methodology & toolset can ensure successful results.

26 NVQs in Business Improvement Techniques



26 employees have achieved National Vocational Qualifications (NVQs) in Business Improvement Techniques in an initiative funded by the Government as part of its "Train to Gain" programme.

Candidates are required to complete mandatory knowledge based questions and associated tasks that are assessed by an independent verifier on topics such as workplace organisation, continuous improvement techniques and visual management systems. Congratulations to all involved.

Pictured left-right: Darren Devaney, Dave Spackman, Dave Brown, Jay Patel, Andy Gamble, Simon Burgess (Avon Vale Training), Malcolm Lewis-Watkins, Jiva Yakub, Bryan Henwood, Steve Willis, Andy Sealey, Billy Gill

96% of Spares Shipments Within 3 Days



A Lean deployment project in the Customer Services Warehouse has reduced average lead-times for spares shipments from 9 to 3 days. Having created a Value Stream Map (VSM) of the current state process to identify non-value added activities, improvements have been implemented to improve flow through revised roles & responsibilities, physical layout and visual controls. Additional benefits have also been realised in safety, quality and communication.

Pictured: The Customer Services Warehouse Team

Lean-Sigma – A Users View

I have already been able to use a successful Green Belt project as a shining beacon of what can be achieved when a project is managed with the correct tools and insight.

Doug May – IS Manager

When the DMAIC process is carried out you will have a completed successful project.

Lloyd Harrington – Processing Team Leader & Certified Green Belt

SAFRAN UK Cricket Tournament

One Friday in July the Messier-Dowty Sports and Social Cricket ground was witness to a multitude of boundaries, outstanding individual performances, unusual bowling styles, some stunning catches more suited to Lords and a few inevitable muscles strains during the inaugural Safran UK cricket tournament.

Visiting teams included Aircelle (Burnley), Sagem Morpho/Orga (Wokingham) and Safran

Engineering Services (Bristol)

In the first match between Messier-Dowty and Aircelle, MD managed 106 runs for the loss of nine wickets in their 20 overs but Aircelle plundered 111 runs from only 15 overs for the loss of only 4 wickets to comfortably win the first match.

The second match between Aircelle and a Safran All Stars saw Aircelle reach 136 for 6 with the All Stars restricted to 92 all out from 18 overs, making

Aircelle the overall tournament champions.

In the battle for the minor placings the All Stars finished with a strong total of 123 for 5. However, in true Gloucestershire tradition the match went down to the wire with Messier-Dowty scoring 127 for 4 with only three balls remaining. A great finish to a very successful tournament.



CAKE BREAK 2010

On Thursday 29th April, Materials and Processes held a cake break to raise money for the MS Society. This is the fourth time we've taken part in this nationwide event and our most successful to date. Thanks to the customers for our homemade cakes, donors of prizes and colleagues who entered the quiz or raffle, we managed to raise a total of £311.90!



BATH HALF MARATHON

In March this year Andy Barlow, Jon Crewe, Steve Walters, Derek Shiells, Austin Blackburn, James Ridge, Jean-Philippe Villain-Chastre (JP) Karlsen Jones and Andy Leonards (not pictured), completed the Bath Half marathon.

A number of charities were supported by the group including: Karlsen Jones – £505 for the James Hopkins Trust; Jon Crewe – £382 for Cancer Research; JP Villain-Chastre – £322 for Unicef

CHAR A TEA Club

For the last three years Paul Dembenski has collected donations for the Gloucester for Rainbows charity. Paul has done this by collecting £2 per week for tea, coffee and biscuits from participating employees.

A donation of 50p goes to the charity. Last year they raised £500.

Rainbows charity is the Hospice for the East Midlands and offers respite symptom control and end of life care to children and young people as well as support for the whole family.

For more information on the charity visit www.rainbows.co.uk



Bath Half Marathon

RALLYING SUPPORT Part 1

Despite it being a 1977 registered Mark Two Ford Escort, LEJ 990R was in fact re-born in 2009. This car has been built up from a standard shell by Dave Cox who works in the Pin Cell here at Gloucester. Dave has many years of experience in driving and preparing rally cars and was at one time sponsored by the BBC to compete on the RAC Rally of Great Britain.

The car is owned and driven by



local builder Tim Freeman but the Messier-Dowty link continues as the co-driver is Mike Mitchell, a Procurement Manager here at Gloucester.

The car has taken some 3 years to build and boasts a 300+BHP engine which originally came from a RS200, a 6 speed sequential gearbox, a 5 linked "Atlas" rear axle with a limited slip differential, disc brakes all round plus all the necessary safety equipment i.e. 14 point roll cage and safety harness' to keep Tim and Mike in their seats.

2009 saw the team out on two local rallies, the first in March was a real "shakedown" for the car and despite running as high as 5th overall, a minor malady, a broken throttle linkage, resulted in stage maximum and a disappointing end result.



The second was in October and once again "new car problems" struck again and despite running at 7th overall and 1st in class the team were forced to retire when the cam belt stripped its teeth whilst moving slowly up to start a stage, fortunately without causing major damage to the engine.

So far in 2010 the team has competed on 4 more rallies albeit with little success due to various niggling little problems which have resulted in retirements. The good news however is that the car is clearly competitive as on one event we were leading overall prior to the gremlins striking.

RALLYING SUPPORT

Part 2

Providing valuable assistance and support, Carl Waite from large landing gear manufacture is helping his good friend and car driver Huw Reed to compete in an Escort Cosworth Rally Car this season.

Following his first rally driver Huw commented: "We had a very successful first outing and finished 16th overall and 5th in class. Considering the pace of the local crews we all consider this to be a very strong finish."



Huw Reed

Drag Racing Championship Contender

Ian Hook is competing in the 2010 Street Eliminator drag racing championship which is open to road legal cars only. Driving his 10-litre V8 powered 1934 Ford hot rod. Ian has so far had a very good season with 4 wins in the first 5 rounds of the 8 round series and is in a strong position to take the title.

"Although we have not qualified as well this year (best position 3rd) we have always managed to find that bit extra on race day. Handling has been an issue since the start of the season and I have had the car on two wheels several times but we think we are on the way to curing that with new shocks and springs. If we can get on top of that I believe we could win the championship before the final round."



Ian Hook

In June Chris Durrant took on the Three Peaks Challenge, climbing Ben Nevis, Scafell Pike and Snowdon within a 24 hour period.

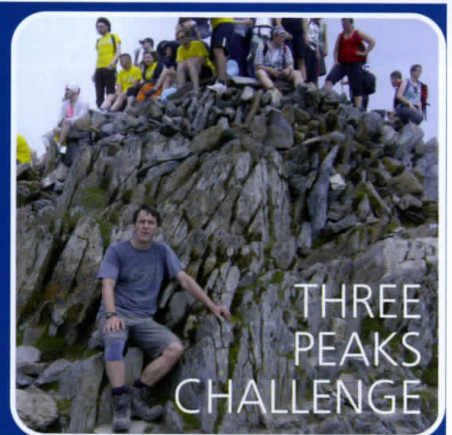
After completing the exercise Chris commented: "I would like to express my heart felt thanks to the company for their kind donation and everyone else who supported me."

At the time of writing I have raised just over £520 for Cancer Research UK.

The three peaks challenge was a very, very, strenuous task never to be repeated (it seemed a good idea at time!)

I achieved a personal time of 18 hours 57 minutes, and a group time of 23 hours 12 mins. We were very lucky with the weather and no hold ups with the traffic!

Once again, many thanks to all who sponsored me."



THREE PEAKS CHALLENGE

Systems Integration and Tests

In January the Engineering Group was reorganised.

The four core disciplines were merged into two:

- Systems Integration & Tests.
- Design and Analysis.

The rationale behind the reorganisation was as follows:

- **Improve the effectiveness of our resource allocation:**
 - Reaffirm the relationship between supplier and customer.
 - * *Aiframers.*
 - * *Programme, Production, Purchasing, Customer Support.*
- **Prepare for the future:**
 - Early identification of future technology leads.
 - Develop future technologies to a maturity level needed for new programmes.
 - Create the conditions to allow for increased airworthiness delegation.
- **Develop competencies with our partners:**
 - Work on cross-site projects.
 - Encourage exchanges between sites to promote best practice.
- **Reinforce the technical authority of the functional skills and the technical audit:**
 - Make the function fully responsible for the quality of the deliverables.
 - Solicit the opinions of our best experts in reviews to assure the best technical decisions are made and the correct application of development processes.

The organisation:

Here in Gloucester, John Griffin is the SI&T Manager, supported by Rob Menezes as Systems Manager and Tim Baker as Chief Engineer Test. Notably the Dynamics Team have moved across from Analysis and in so doing Pat Hickey, Dave Cowell and Jon Smith are now part of SI&T. The change described in this short article relates to the SI&T function: and the main missions are as follows:

- Maintain and develop technical competencies and capabilities.
- Support the two engineering project organisations.
- Continuously ensure the integrity of Messier-Dowty products.

At Gloucester our SI&T efforts will be focussed on the following:

- Systematic use of Requirement Based Development.
 - Optimised verification coverage (no gap – no duplication).
 - Verification team independent from design team.
- Optimisation of Test means.
 - More generic integration rigs.
 - Better co-ordination/synergy with MB.
 - Integration rigs policy.
- Improve synergy between Systems and Test Departments.
 - Use this synergy to reach critical mass on some key system skills (avionics, hydraulics, control systems...)
- Bring safety as a key player in the Design Process.
 - Early in the design to avoid last minute findings and redesigns.
 - As a key specifier to prescribe the proper tests.
 - Safety culture to disseminate to the Systems team.
- Support Supply Chain Organisation to improve the management of our suppliers.
- Increased support to manufacturing for definition and configuration management of production test means.

SUPPORTING THE GUIDE DOGS



Many of you will be aware that the Systems Integration and Test department supports the Guide Dogs charity. Two ladies from the charity visited us in August to catch up on developments and thank us for our continued support. We are as a target aiming to sponsor and name a guide dog, and in order to do this we must raise £5000. The money funds a puppy from birth up until it goes into training at 12 to 14 months old. The donation helps towards the general costs including the breeding programme that they carry out. We are in our fourth year of support, and currently have accumulated £2213 much of which has come from the staff raising money during different events such as marathons, Horseless trial and biking, and of course our department fundraisers particularly at Christmas. The boxes that used to be round the department

and took coins, stamps, keys, costume jewellery etc have been removed. However we are reinstating the collection of old mobile phones and inkjet cartridges. So if you have any of these items that you want to get rid of, we will take them either by internal mail or drop us a line and we'll collect them.

At Christmas we have invited the charity back in to visit us, and this time they will be bringing a couple of dogs that are currently going through their paces of training. We will let you know when the date is fixed and you are more than welcome to join us and learn more about the charity. If you are interested in payroll giving then please contact the charity direct. Finally, thank you for any support you may have already given us, and last but not least is the picture of staff and the GD district fundraiser Henrietta Kitt (a local Churchdown resident).



Surface Finishes Team Members receiving their training award: Andrew Sealy, Wayne Ellis (absent – Richard Jones), with Barry Gay from the Institute of Metal Finishing and Neil Kenyon. The course was specifically designed for Messier-Dowty to enhance understanding of surface finishing chemistry and analysis. All the candidates achieved a pass with distinction

LONG SERVICE AWARDS

Congratulations to all the employees celebrating 20 and 30 years of service. At a combined event at Cheltenham Racecourse, 29 employees celebrated their 30 year achievement and 13 employees celebrated 20 years.

The long service achievers together with their partners gathered for a celebratory lunch followed by an afternoon of Races. To coincide with the event the company sponsors one of the day's races for which one of the duties is to select the 'Best Turned Out Horse' and present the prize to the Stable Lad.

The three lucky winners of the draw to perform the task are pictured with their partners and the winning horse from our sponsored race.

Also pictured are Mike Platt and Rebecca Wassell presenting the prizes to the winning jockey and trainer.



RETIREES



Ken Amphlett, Health, Safety & Environmental, pictured at his retirement presentation on 12th April. Ken had worked for the Company for 19 years.



Ian Mowatt, Customer Services, retired on 28th January after 33 years of service.



Steve Mitchell, Customer Services, retired on 5th February after 24 years of service.

SADLY



On 5th February Jerry Randall passed away. Jerry was a machinist in the Medium Landing Gear Department and had worked for the Company for 32 years. The family would like to say "thank you" for the kind donations totaling £711 for the The Great Oaks Charity.

PROUD PARENTS

Heidi Beal and husband Steve celebrated the birth of their son Daniel James born 25th February weighing 8lb 1oz

Simon Harris and wife Kate celebrated the birth of their daughter Beth Louise Harris at Gloucester Royal Hospital on 14th June at 10.51 am weighing 6lbs 10½ oz

Sylvie Darrieumerlou and Andy Taylor celebrated the birth of their son Xavier Zander on 19th May weighing 8lb 8oz

NEWLY WEDS

Paul Lines married Stacey at St Mary's, Prestbury on 3rd April.

any bright ideas?

Enter the Safran Innovation contest



For more details, contact your local internal communications representative or visit the Innovation pages on the intranet.

Deadline for entries:
15 September

