

## Optimising defence supply chains

Managing equipment support and availability on a global basis...

Weapon systems capability and availability is crucial to enable the armed forces to deliver their operational mission. With the defence community being challenged to achieve this in the most effective and cost-efficient manner we look to their supply chains to ensure maximum efficiency and effectiveness in getting supplies to the right place at the right time.

Innovation, partnership and personnel are all key in optimising supply chain flow and should be considered along with the more traditional considerations such as end-to-end visibility, lean techniques and systems integration. The most successful supply chains are ones which you can trust, those which can be relied on to deliver the right equipment in optimal condition and timescales needed to support the front-line. Availability and efficiency improves therefore, by taking an end to end, integrated view of the whole supply chain and driving a consolidated process and approach. In increasing supply chain efficiency we are able to drive down costs and direct saved funds into the development and procurement of new weapon systems, hence enhancing our defence capabilities.

Supply chain solutions should cover the complete product lifecycle, touching all parts of design, production, packaging, in-service support and ultimately

disposal of that product. Through applying supply chain best-practice across all areas, and consistently across air, land and marine sectors, considerable benefits can be realised through consolidation of transportation, warehousing and repair loops. But how do we practically apply this theory, and what rewards does it really bring?

### Supply chain innovation

Innovative application of supply chain design and implementation can be seen in action on the Aircraft Carrier Alliance (ACA) Queen Elizabeth (QE) Class aircraft carrier programme. A dedicated Wincanton warehouse, centrally located between the production facilities on the Clyde and the assembly facilities in Rosyth, has provided the optimal base for the collection, receipt, storage and distribution of components from a range of suppliers on behalf of the ACA.

Wincanton's IT solution interfaces with the ACA systems, providing full visibility and tracking of inventory, allowing the build and assembly sites around the UK to call off stock as required to support the build programme and facilitate just-in-time delivery of equipment. Transport efficiency is further optimised by using Wincanton's own fleet, sharing loads and minimising empty running. This innovative approach delivers quantitative results on all counts:

- Cost: a complete logistics solution operating at 15% below budget, yielding annual benefits in excess of £1 million;
- Environment: savings in excess of £200k pa through reduction in road miles and carbon emissions;
- Health and Safety: no RIDDORs (Reporting of Injuries, Diseases or Dangerous Occurrences Regulations) or LTAs (Lost Time Accidents) since the start of operation;
- Accuracy: management and processing of six million items with a stock accuracy of 99.94%.

### Supply chain people

In any supply chain change, the management of risk and continued operational performance are extremely important. When Wincanton was asked to manage AgustaWestland's production stores, distributing helicopter components to global clients, handling an inventory of some 40,000 components ranging from nuts, bolts and washers to rotor blades and complex gearing and flight mechanism assemblies, change management was a key consideration.

With 150 AgustaWestland employees transferred to Wincanton under TUPE





(Transfer of Undertakings, Protection of Employees) regulations, it was vital that the staff were considered as an integral part of the transition programme to ensure operational performance was maintained throughout. Through a comprehensive transition and involvement programme the teams migrated seamlessly to the new working processes with minimal disruption.

A supply chain is only as good as the people who deliver it. Supply chain teams are an integral part of the solution and need to be developed and empowered to build partnerships with customers and suppliers.

### Supply chain partnerships

Through-life support solutions are possibly the most testing of all supply chain partnerships. For a number of defence customers – BAE Systems, General Dynamics and AgustaWestland – Wincanton delivers services to support their operations across the UK and globally. Incorporating inbound logistics, receipt, warehousing, transportation, specialist packaging, freight forwarding, on-base logistics and reverse logistics, these solutions touch every part of the equipment lifecycle. With such an in-depth involvement, to ensure a smooth running supply chain, the relationship between customer and supplier needs to be seamless and reliable, a partnership built on trust.

Alberto Mariani, Head of AgustaWestland Indirect Procurement said "We have a long and successful

business relationship with Wincanton and continue to be impressed by the company's professionalism and attention to detail".

### Supply chain effectiveness

International competition, together with the challenges posed by the Strategic Defence & Security Review, necessitates rapid improvement in the effectiveness of our supply chains. At the same time, industry must ensure that it delivers competitive solutions for customers whilst maintaining profitable business growth. The leading supply chains are those which never sit still. Your supply chain is a moving beast, constantly striving to move forward and proactively anticipate the demands which are around the corner, both within the UK and globally.

### Wincanton defence and security

Wincanton is at the forefront of delivering supply chain solutions. We have over 60 years experience in supporting the domestic and overseas armed forces, ensuring that equipment availability is maximised to support the execution of military operations. We leverage expertise and capability from a broad base of European supply chain solutions, and tailor them to deliver against the stringent and complex demands of the defence supply chain in the most efficient and cost effective manner.

In testament to our expertise Wincanton is the first company to achieve the coveted SC21 Gold Award. SC21 is a change programme designed to

accelerate the competitiveness of the aerospace & defence industry by raising the performance of its supply chains. Wincanton's Gold award has been awarded to our Houndstone site, supporting the AgustaWestland IOS programmes. Along with our additional five SC21 Silver Awards across our 26 sites, these demonstrate our leading-edge capability in delivering best-in-class supply chain excellence to the defence sector.



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