



Action Initiative Business Plan Template

<i>Cluster Work Group:</i>	<i>Aerospace</i>
<i>Prepared by:</i>	<i>SME Working Group</i>
<i>Date:</i>	<i>March 15, 2005</i>

Title or Name of the Initiative: *Develop a name for the effort that communicates action and positive outcomes. This initiative will be known as:*

Aerospace Initiative #2: Small and Medium Aerospace Enterprise Consortium Development.

Initiative Champion/Implementation Team Members: *Name and contact information for each person working on this initiative.*

Rosemary Brester -425-432-3440 Elaine King -206-283-8499 Doug Roulstone -360-794-4448 Mike Hudson – 1-800-521-9325 Cyndi Schaeffer -425-640-1183 Ralph Ibarra -253-653-4645 Joan Davies – 206-694-4536 Mike Smoody -425-290-2849 Chair PNAA	rosemary@hobartmachined.com formfactorinc@comcast.net droulstone@tji-holdings.com mikeH@awb.org Cyndi.schaeffer@edcc.edu Ralph@mbeworld.com Joan.davies@eds.com esmoody@convergentalliance.com
--	--

Description & Motivation: *What is the nature of the cluster challenge the initiative will address?*

To support the development of consortiums of SME aerospace manufacturers and partners to bid on larger projects within the aerospace sector worldwide. To establish a powerful base of manufacturers and partners.

Objective: *What is the objective of the initiative? How will it impact economic or cluster development in the region? Describe how it relates to the Prosperity Partnership's goal of job creation?*

The consortiums of Aerospace SME's will be able to maintain and grow by adding jobs and increasing payrolls. The newly formed consortiums will increase the ability to work on larger projects and will integrate the world aerospace market to Washington State and PNW region -- With expertise developed locally and our contacts with the global manufacturers made more affordable for the SME's. Initially focusing on the top 15-20 A&D manufacturers with the objective to gain maximum value for the SME's. The value statement needs to be clear for the SMEs, the Tier 1 / 2 Manufacturers and their customers (be that a manufacturer, airline or defense company).

Obstacles and Impediments Likely to Affect Implementation: *What do you expect to be the most significant obstacles to implementation? How can/will they be overcome? What resources will be required (e.g., political support, lobbying efforts)*

Obstacles and impediments likely to affect implementation will be financing, risk sharing, marrying the right companies to form the consortiums. Who will act as the physical agent for the Aerospace SME cluster group? Communication of timely information between OEM's and consortium members. Having a place at the table.

Sub-1st Tier suppliers (i.e. 2nd Tier, 3rd Tier, etc.) lack in-depth knowledge and understanding of the new "rules of engagement" being put into play by the major aerospace corporations. The Boeing Company has made it clear that it is transforming itself into an assembler of airplanes, and that its reconfigured supply chain for the 787 relies on 1st Tier "partners" that in turn are responsible for aligning the right combination of suppliers. This monumental paradigm shift demands that information and details be readily available about what a potential sub-tier supplier must do to access contacts from the 1st Tier/Partners (with many located in other states as well as other countries). Moreover, a systematic approach to continually keeping existing aerospace suppliers informed is warranted, along with the distribution of relevant and critical knowledge in a timely manner. The Boeing company has historically collaborated with its suppliers to help them adjust to dramatic changes in its business operations and requirements. Now more than ever, it is essential for all Washington aerospace suppliers to have the information and knowledge they need to sustain their businesses so they can contribute to achieving the goal of 100,000 additional jobs.

The need to collaborate as a cohesive group of SMEs.

Lack of resources – the labor, tooling including software to compete profitably.

SME's should consider hiring a lobbyist to represent their interests in Olympia, and SME's should be willing to testify when needed.

Who and how will the Aerospace Cluster Group keep itself funded for the long term?

Funding: *What is the estimated cost of this initiative, in phases beginning with design, the "ramping up" phase, and then for ongoing annual costs? Note alternative sources of funding for each phase.*

Funding the initiative phase of the project would require a minimum of \$ 1,000,000. The ramping up phase will also require \$500,000. On going costs will need to be determined. Funds may come from various sources; Workforce training funds, DOL, Washington Manufacturing Services, Institute for Workforce Development and Sustainability, Foundations, OSPI – Job Skills Program. Port Job.

Outcome/Results: *How will know that we have achieved our objective? How will we evaluate whether or not we have been successful?*

1. Outcome/Results: We will know that we have achieved our objective when the first SME consortium is developed and operational and has success in securing contracts with tier 1 & 2 suppliers or becoming a tier 1 or tier 2 supplier dealing directly with the OEM. We will have a list of top companies we will target, both for the consortium (SME) membership and companies to do business with.

2. We are successful when we are known worldwide as a region of choice by OEM's for our expertise in

Outcome/Results: *How will know that we have achieved our objective? How will we evaluate whether or not we have been successful?*

aerospace development and manufacturing.

Action Steps: *Describe the initiative in specific steps: Tasks (What, Who, When).*

1. Secure phase one funding
2. What do the tier 1 & 2 Aerospace companies and OEM's to need to fill their requirements
3. Develop a database on ALL aerospace companies and their supply chains within the State of Washington. (What do they list as their core competency)
4. Develop a model for consortium development using the tools developed by EDS. (This would be contractual) they are experts in this field.
5. Bring the prospective SME's together for collaboration and partnering.
6. Marketing our results with a Global Aerospace Manufacturing Conference
 Who: CTED, International Chambers of Commerce, International Business Councils, Aerospace OEM's

Timeline: *Provide a rough schedule of activity for each step above and the lead person for each task. (Example: Establish implementation team/Jones, Hold first planning meeting/Johnson, Prepare concept/funding proposal/Smith, dates).*

<i>Step</i>	<i>Key Person</i>	<i>Timeline</i>
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		

Other action steps/implementation timing issues: