SMEs in the Aeronautical supply chain:

Lessons learnt by SCRATCH in FP7 Aeronautics

SCRATCH achieved results in servicing aero SMEs

FP	Year	SCRATCH submitted proposals	SCRATCH accepted proposals	SCRATCH Rate of success	remarks
4	1998	13	7	0,54	Craft
5	99/00	16	7	0,44	CPs
5	2001	8	6	0,75	CPs*
6	2003	12	6	0,5	CPs*
6	2004	20	7	0,35	CPs**
6	2005	19	3	0,16	CPs***
7	2007	17	3	0,17	CPs***
7	2008	17	0	0	CPs***

*SME evaluation panel

** SME mixed evaluation panel

*** No SME evaluation panel

THE AERO SUPPLY CHAIN

➢ **Capacity supplier**

the supplier offers a supplement of working capacity to the AC manufacturer (in a speciality area of the AC manufacturer)

➢**Speciality supplier**

the supplier offers a technical know-how missing at the AC manufacturer (**global offer** from first design to final manufacturing with share of development cost)

Suppliers offer VS AC Manufacturers in the 80's

CAPACITY

SPECIALITY

- Aerodynamics (including propulsion integration)
- Structure (Structures, doors, fuselage nacelles/pylons, stabilisers, windows wings…)
- Prospective (and pre-projects)
- Safety
- Performance
- Certification
- Flight tests
- Manufacturing
- Integrating
- Airworthiness
- Product support
- Cabin arrangement

- Systems:
  - Air conditioning
  - Auto flight controls
  - Communications
  - Electricity
  - Fire
  - Flight controls
  - Fuel
  - Hydraulics
  - Ice and rain
  - Indicating/recording
  - Landing gears and brakes
  - Lights
  - Navigation
  - Oxygen
  - Pneumatics
  - Water and waste
  - Auxiliary power

Equipment

Power Plant

Suppliers offer VS AC Manufacturers in 2008

CAPACITY

- Aerodynamics (including propulsion integration)
- Structure (Structures, doors, fuselage, nacelles/pylons, stabilisers, windows, wings…)
- Prospective (and pre-projects)
- Safety
- Performance
- Certification
- Flight tests
- Manufacturing
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- Product support

- Cabin arrangement

Systems Architects

SPECIALITY

- Systems:
  - Air conditioning
  - Auto flight controls
  - Communications
  - Electricity
  - Fire
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Equipment

Power Plant

The trend for SPECIALITY SMEs versus EU Aeronautical RTD programmes

- **Up to FP5**, SPECIALITY sub-contracting SMEs could apply to ***100%*** of the EU offer
- **In FP6** SPECIALITY sub-contracting SMEs could apply to only ***50%*** of the offer (STREPS)
- **In FP7** the only part open to SPECIALITY sub-contracting SMEs is provided by Level 1, which corresponds to ***30%*** of the EU offer in Aeronautics.

ANALYSIS PERFORMED BY EURO INTER

On successful SMEs in the 32 CP L1 + L2
in FP7 call 2 Transports Aeronautics

Number of SMEs applications :
125 for 37,1 €M (18% of EU funding)

but speciality SMEs
amount to 4% of EU funding

Euro Inter remark: speciality SMEs have the smallest share even if in majority in the supply chain

Few at no support to Speciality RTD in Aeronautics: what is at risk now on ?

1- Delocalisation of speciality manufacturing

2- Delocalisation of innovative SMEs

3- Collapse of the European network between SMEs and Universities