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FUTURE AVIATION

Airbus Faces Start Up Challengers

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A new generation of fast, agile and digital aerospace companies are forcing Airbus to modernize fast.

The airline industry is inherently cautious and slow-moving. In the museum hall at Le Bourget airport in Paris, Concorde is a stark reminder of just what happens when technological innovation moves too fast.

But this year, organizers at the Paris Air Show recognize that even their sector must change. They have given founders and innovators their own exhibition hall: the “Paris Air Lab” to point the way to the future of aviation. Here, the Slovakian firm Aeromobil is exhibiting a car that can turn into an aircraft in three minutes. The company plans a production run of 500, at \$1.2 million each.

Tom Enders, chief executive of the German-French aircraft manufacturers Airbus, is keeping a very close eye on the likes of Aeromobil. “We have

to move much faster, become more agile, react better to the market,” Mr. Enders told his team in Toulouse at the beginning of the month.

The Airbus boss can feel competitors closing in. The Canadian firm Bombardier is looking to make inroads into Airbus’s core medium-haul market, while arch-rival Boeing is working furiously on plans for a new 250-seater, provisionally called the 797. But Airbus’s real new competitors will not look like the old ones.

Mr. Enders and his team are well aware newcomers have shaken up several sectors, including banking,

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TOM ENDERS
CHIEF EXECUTIVE, AIRBUS

insurance, transportation and manufacturing and know their own industry will not escape upheaval.

But everyone has a different idea of what this change might look like. The buzzword is digitization but this seems to encompass everything - different supply chains, new products, new ways of working and of organization.

Airbus has reacted exactly as a huge corporation would, by creating a new management position: Marc Fontaine is the new Digital Transformation Officer.

His role seems to be to question all assumptions. “First of all, we asked ‘what if’ questions: what if we could reduce airworthiness faults to zero, what if airlines move from reactive to preemptive maintenance, what if

quality mistakes in production are zero, and our development time is cut in half?”

One of his big aims is to making better use of flight data. At the moment, he said, only two percent of all data generated by flights is used properly: “In future, we will use 100 percent - we will have the storage and processing capability.” Airbus has data going back years which can tell the strengths and weakness of each aircraft.

From these data-portraits, a new and lucrative business area is expected to open up. But Airbus is not alone: in Le Bourget, Siemens-Atos presented an almost identical project.

Consultants AlixPartners said in a report that aviation companies have to look deep into the digital future, to identify usable technologies, but also spot whole new business areas, far ahead of time.

Airbus poached Ukrainian-born American Paul Eremenko from Google to be its Chief Technology Officer, to address these issues.

“Earlier it took 30 years to double a civil aircraft’s efficiency, but in future it will be 18 months,” he said.

These new hires are brought in to put Airbus “ahead of the curve,” by predicting future changes. Not an easy task in a company where engineers are convinced they are the best in the world. “We have to be realistic digital transformation means more work with less people,” says one disgruntled Airbus manager.

But Pierre Bru from the Digital Transformation Team at Dassault Aviation thinks differently: “I do not think that digitization means less work, but I expect more support for production workers and more demanding tasks.”

There is no alternative. The exhibitors at Le Bourget are already breathing down Airbus’s neck. Some have even moved their head offices to Toulouse, directly neighboring the Airbus headquarters. Another start-up, the Belgian company Flightwatch, was demonstrating its IT solutions, which can help airlines to maintain their engines more proactively.

Airbus is not standing still. The company recently brought in Jana Rosenmann from South Africa to build up its drone division Airbus Aerial. This technology has hundreds of new uses and markets. After a tornado, for

example, an insurance company can send Airbus drones with super-high-resolution cameras to assess damage from a distance. Its a step in the right direction, but Europe’s largest aerospace company must now accept that digitization is a challenge and an opportunity, right across the board.

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