

TAKING FLIGHT

Making an Ontario Aerospace Cluster a Reality

Conference Summation and The Way Ahead

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Making an Ontario Aerospace Cluster a Reality



Current situation

- Large footprint: \$7 B in sales, 22,000 emp.
 - In good shape; solid growth; commercial plane focus
- One prime: Bombardier Prop planes + Global Xpress
- Numerous Tier One & Equipment suppliers
 - Many majors have significant operations
- Over 300 Tier 2 – 3 suppliers
 - An advanced manufacturing tradition
- Universities, tech schools: second to none

Collaboration: weakly organized

not a cluster

Ontario Aerospace Major Supply Clusters

Cluster	Tier 1	Tier 2	Tier 3	Tier 4	Employees
Aerostructures	2	13	42	29	12,400
Landing Gear and Flight Control Actuation	4	13	19	18	9,000
Avionics & Flight Management	2	24	12	3	5,500
Turbine Engines	1	6	17	12	2,900
Environmental Conditioning & Electric Power	2	2	3	2	1,900
MRO	7	10	11	2	7,200
Space	1	3	6	2	1,500
Total	19	71	110	68	38,400

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Common issues

- Human Resources
 - Aging work force (~ 53 year old at Bombardier)
 - Getting the best and brightest
- Supplier developments
 - Qualifications, experience
- Federal policies: Defence, R&D, exports
- Globalization (both supply and demand)
 - Adapting to changes in the industrial practices

A new environment

Weak Policy Support

- Fed: basically reactive
 - Defence and export oriented
- Provincial: no continuity and little investment
 - Liberals and Tories initiatives
 - Not much specific to aerospace
- Local : focused on attracting investments
- Labour: no sector-specific policies

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What could bring you together?

- Immediate issues
 - Defence procurement policies
 - Human resources: short and long term
- More fundamental issues
 - Suppliers development
 - A more competitive offering
 - Technological preparedness (tomorrow's planes)
 - Mastering collaboration
 - Ontario: getting a serious commitment

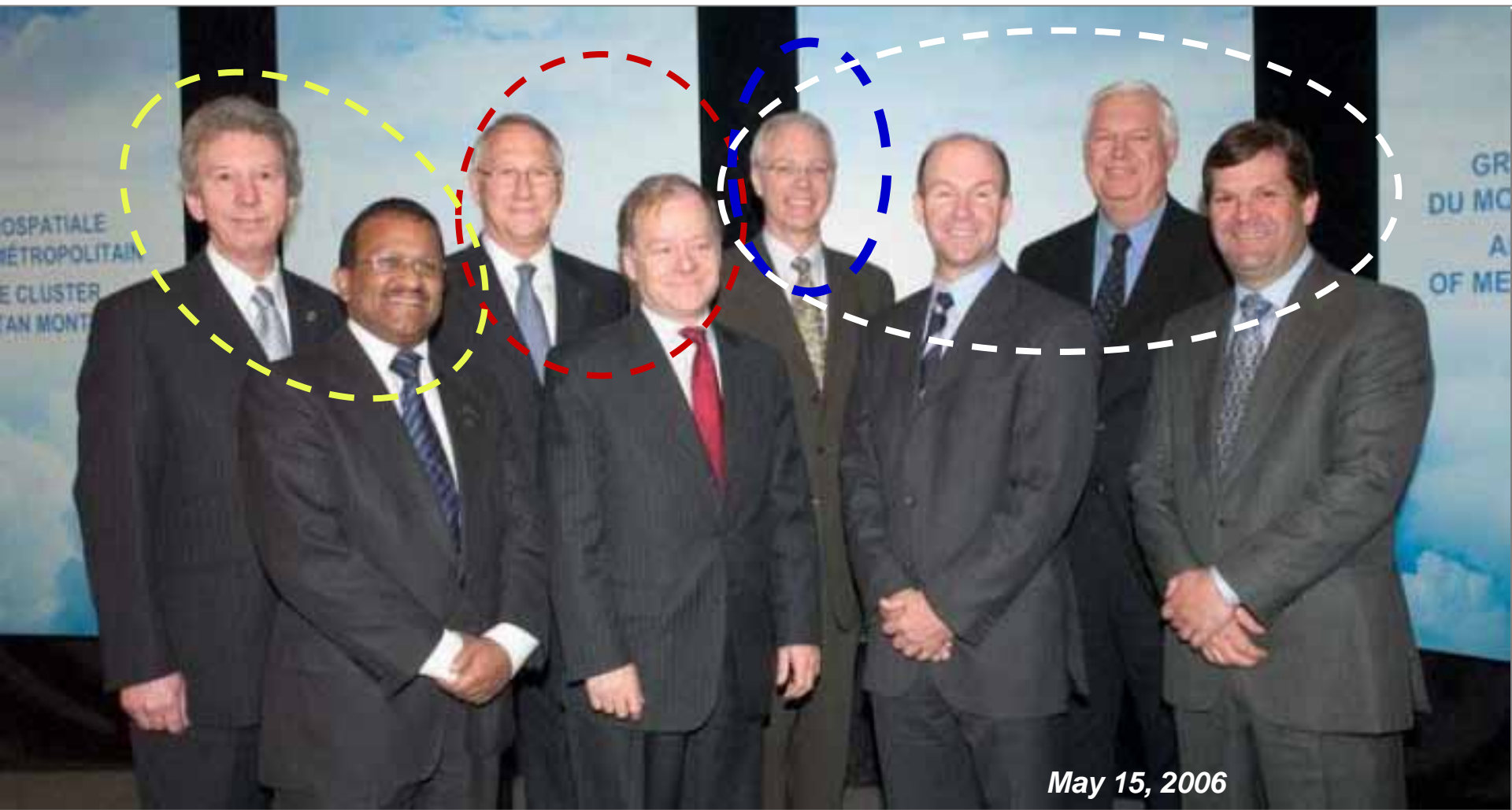
Significant externalities

The Québec experience

- A priority sector since the eighties
 - Along with Life Sciences, IT and culture
- Cluster policy implemented in the nineties
 - Focusing on value chain integration
 - Involvement of senior management
- Setting up the Montréal *grappes* in 2004-06



Aéro Montréal's Launch





Lessons Learned

- Business Leadership, especially at the outset
- Government support: respect and \$\$\$
- Sufficient resources (staff and volunteer)
- Addressing relevant issues, evolving over time
 - Talent, supplier qualifications, innovation, promotion
- Numerous programs in place: integration is key
- A long term approach to issues, commitment

The Way Ahead

- Commitments: Bombardier + 19 Tier I
 - Senior manager time + \$\$\$
 - Lining up other stakeholders
- Getting government on side : Ontario leadership
 - Base funding + continuity FOR decades
- A “leveraging” agenda (not a beggar’s one)
 - Human resources, innovation, suppliers
- The Corridor opportunity around MACH

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The magic bullet ...

Getting our act together

(Doing what we say we should do)

Where is the leadership?

Toronto Aero Launch

