

SAP Customer Success Story



NATO Helicopter Industries (NHI), a joint venture between four industrial enterprises in the aerospace and defence sectors, chose **mySAP™ Product Lifecycle Management (mySAP™ PLM)** to manage the process, from concept to serial production, of its **NH90 helicopter**.

“Only a tool as structured and functionally rich as mySAP™ PLM could have enabled us to carry out the tasks set by France, Germany, Italy, and the Netherlands,” says **Jean-Michel Poulrier**, operations manager at **NHI**. **“Only SAP was able to guarantee us assistance in implementing and hosting the solution.”**



NATO Helicopter Industries

BUILDING HELICOPTERS WITH mySAP™ PRODUCT LIFECYCLE MANAGEMENT

NATO Helicopter Industries (NHI) was formed at the beginning of the 1990s when four NATO member countries – France, Germany, Italy, and the Netherlands – decided to join forces to design and build a new military helicopter, the NH90. In February 1992, the four member nations set up the NATO Helicopter Management Agency (NAHEMA). The purpose of NAHEMA was to manage the product development project and engage four industrial enterprises to carry it out: Eurocopter France, Eurocopter Deutschland (Germany), Fokker (the Netherlands), and Italy's Agusta. As part of its first mission in 1992, NHI designed five prototypes that, with more than 1,000 hours of flying time to their credit, are now used as development and testing tools. In June 2000, NHI, which by then had more than 60 partners, signed its second contract with NAHEMA for the serial production of the helicopter.

“We already have an order book of 300 firm orders and an organized industrial outfit. The NH90 will be assembled at three production facilities – Milan, Marignane, and Munich – and each of the four industrial partners will be responsible for buying or manufacturing the various components of the helicopters,” says Jean-Michel Poulrier, operations manager at NHI. “We also decided to centralize two strategic functions within NHI: helicopter configuration and production plan management. That was why we decided we needed a flexible management system.”

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EXTREMELY DEMANDING REQUIREMENTS

NHI organized a tender among software developers and presented them with extremely demanding terms: the system had to be integrated and structure-defining in order to optimize the internal decision-making process. In addition – due to NHI's limited IT resources – customization of the system had to be easy and fast.

“We also wanted it to be one of the standard systems used in the aerospace industry, so that we could benefit from upgrades resulting from advances in the sector,” says Poulrier. “Finally, we weren't just seeking a software developer. What we needed was a partner who would be prepared to help us set up the system and look after hosting and operating it. SAP was the only company that met our long list of criteria. The mySAP™ Product Lifecycle Management (mySAP™ PLM) solution is the perfect solution to meet our functional requirements.”

OPTIMAL CONFIGURATION MANAGEMENT

NHI and SAP signed a deal in December 2000. By May 2001, the configuration management function was up and running, followed by the configuration change tracking capabilities, and the integration to production planning. “The deadlines and budgets were totally respected, thanks to four factors: a rigorous investigation of our processes and objectives before the project – which enabled us to get started with a clear set of ideas; the hands-on experience of the SAP consultants, their excellent knowledge of the aerospace industry, and their efficiency; the fact that we placed the implementation of the solution in the hands of professionals with a track record; and finally, our decision to stick to the mySAP PLM standards,” says Poulrier.

NHI began serial production of two models of the NH90 in the summer of 2001: one for troop transportation and one for coastal surveillance work. The configurations requested by the project's clients (the four original member nations, recently joined by the Scandinavian countries) are managed in SAP,

which automatically generates component requirements and production plans to be submitted to the four industrial partners. “The SAP solution is an excellent tool for enhancing productivity,” said Poulrier. “It enables us to manage our two complex activities, multisite configuration and planning, on very limited resources: only three people for configuration and two for production planning.” NHI calculated that the savings realized with respect to these two functions alone, which are normally highly resource intensive, meant that the solution would pay for itself in less than two years, with operating costs kept under control, thanks to hosting. Moreover, the flexibility of mySAP PLM meant that NHI could modify configurations right up to the last minute. This enables NHI to offer a tailored approach to its clients' evolving needs and constraints, while keeping track of the product structures for the 16 years already covered by its order book.

A STRONG ADVANTAGE

NHI opened up its system to its clients at the beginning of 2002, so they can now review their orders and monitor how their configuration data is changing in real time. “Our clients are very impressed at the structure and stability that mySAP PLM injects into our production programs,” says Poulrier. “The SAP solution is a real sales advantage for us, as it gives our clients confidence in our ability via our industrial partners to deliver the configurations they require – on time.”

mySAP PLM is only the first stage, however. NHI has already begun implementing other mySAP.com® solutions, for example to improve pricing procedures as it prepares to expand its client base. NHI also has long-term plans to implement collaboration tools based on the integration of NHI's system with those of its industrial partners. Eurocopter France and Eurocopter Deutschland run SAP® R/3®, and Agusta runs SAP® R/2®. Fokker is the only one to run a non-SAP system. As Poulrier says, “Our objective is to arrive gradually at a situation where we are making full use of the potential offered by mySAP.com.”