

StandardAero's Safety Management System: Mapping the Future to Minimize Risk

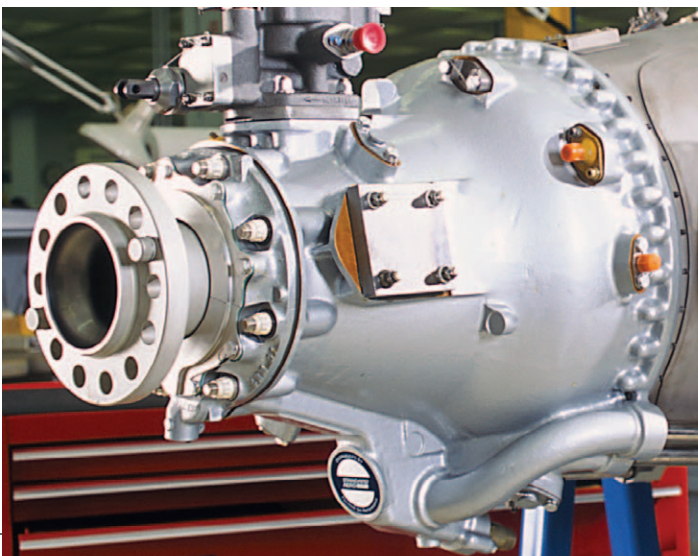
Our Customer's Challenge: Growing Demand – Growing Risk

Today, the aerospace industry is poised for significant growth as commercial air traffic increases nearly 50 percent by 2025. For many aerospace service and support companies, however, growth can be a double-edged sword. More flights mean more maintenance, with a parallel rise in potential product safety issues. Greater aircraft system complexity, expanding regulatory mandates and growing price and product competition are contributing factors that may compound risk for suppliers and customers. The bottom line – business as usual means more mistakes, more accidents, more worry and disruption for commercial airlines, operators and the flying public.

Solution: An Integrated Safety Management System

Fortunately, a proven integrated approach to safety management is ready to set the pace for the MRO industry with an exceptionally intelligent approach to risk mitigation. StandardAero Safety Management Systems (SMS) shape quality assurance, safety processes and decision-making for MRO alliances and competitors alike. SMS incorporates an uncompromising insistence on product safety and quality in the performance of all system tasks, as well as risk mitigation techniques that rely on advanced analytical methods. The goal, already realized in outcomes, is a measurable reduction in the probability of product quality escapes and the collateral incident rate.

SMS is the product of a disciplined study of MRO, technical, human and organizational factors contributing to product safety risk. It incorporates a risk management framework that includes a proactive strategy for the prevention of product safety problems and a reactive strategy for risk mitigation. In the period 2007 - 2009, StandardAero deployed initial SMS training throughout its operation centers and continues to fully implement the new approach in every company facility. Integrating SMS techniques into StandardAero's Quality Management System has demonstrated reduced cumulative safety risk by 30 percent in the last two years driven by SMS-focused continual improvement projects.



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SMS Builds Benefits

The benefits of the new strategy are numerous, considerable and direct. Everyone, from company employees to enterprise partners and suppliers, airlines and passengers, will experience these improvements. Safer aerospace products build confidence among all that rely on these products and services and reduce the potential for unplanned downtime. They save time, resources and money for customers and operators alike. Product safety is also the key element in building a solid reputation for excellent performance and it promotes positive brand identity for operators and their partners, adding to revenues and profits.

Safety begins at the foundation, with flawless MRO processes that ensure quality performance on demand. Voice of the Customer data collected by Ducker Worldwide agree. Nearly all StandardAero customers have assessed product quality performance at very high or excellent levels. This exceptional customer satisfaction is linked to service employee dedication, expert skill, disciplined process application, and rigorous analysis of well-grounded metrics to ensure outcomes attain or exceed rigid quality standards.

"As a nearly \$1.4 billion enterprise, StandardAero plays a strategic role in the industry, and our leadership can play a significant role in positively impacting industry safety performance."

Staff and Statistics: Keys to SMS Success

Commitment to SMS leadership is vital to system success. SMS provider leadership is demonstrated by positive employee perceptions of workplace safety, fair and honest appraisals, excellent compensation and benefits and frequent, enthusiastic appreciation for jobs well done. An expert SMS provider values its employees and encourages their full engagement in the tasks they perform. A successful system manager strives to ensure that workers appreciate the system and their jobs and share a broad understanding of the importance of their contributions to total operations and to the safety and efficiency of the entire aerospace industry.

The SMS also utilizes sophisticated analytical methodologies to evaluate performance outcomes, accumulate integrated risk data and establish clear, straightforward metrics to assess problems, and focus on corrective actions and results. This approach is designed to address urgent and long-term interests and reduce the costs of poor quality. For example, StandardAero sites have continually reduced cost of poor quality year over year by identifying and eliminating defect-producing factors, setting a company-wide benchmark with their continuous improvement and problem solving systems. SMS also conducts frequent management review reports to assess risk and has established several formal management councils, including a Flight

Safety Review Board and the Quality Management Group, to set policies that address issues and increase performance levels throughout the organization, from the shop floor to the executive office.



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Results Worth Replicating

SMS produces results, and just as important, documentation that serves as a guide for replication when similar problems arise in the future. Several industry users, among them WestJet, the Canadian Armed Forces and Det Norsk Veritas, have appreciated these approaches so much that they have requested information on program implementation. Some are emulating SMS best practices and are creating their own management systems to improve safety and quality in-house.

Factors for the Future: Leading the Way

In the future, StandardAero will continue to expand and improve SMS, using the risk management framework in other important performance areas for better outcomes and increase operational quality and safety. The system is so robust that industry, regulatory and audit agencies, including the FAA, ICAO and ISO, probably will incorporate its central concepts into the regulations and standards that guide aerospace industry practices, following European mandates already in place.

"The program is working. Performance trends indicate that StandardAero's product safety risks have been reduced by 30 percent in the last 24 months."

The company is sharing its SMS knowledge and experience to help all aerospace operators restructure their quality and safety programs. This SMS subject matter expertise can help operators anticipate safety and compliance issues and facilitate changes quickly and efficiently without excessive costs and service disruption. SMS will help airlines, manufacturers and operators ensure that high product quality and safety are primary factors in their business and service activities.

Conclusion: Shaping MRO with Strategic Leadership

StandardAero shares a rich heritage with aerospace and will lead the industry into the future. Founded at the dawn of the aviation age, the enterprise today combines the capabilities and resources of four leaders in comprehensive aviation support services for customers around the world. The company's expertise ranges from maintenance, repair and overhaul of airframes, propulsion and power systems, avionics and components, to exterior and interior design and fabrication, documentation, inventory management, quality assurance and training.

StandardAero's breadth of experience and extensive network of facilities generates nearly \$1.4 billion in annual revenue and places the company at the forefront of the MRO industry. The company is defining not only MRO services but also the scope and direction of industry strategy, bringing unparalleled insight and vision to the task of managing growth and maintaining the highest levels of quality and client satisfaction for global aerospace customers.

Few operators have focused more energy on the rationale for the MRO business to inform its day-to-day functions. Employees share a clear understanding of the linkages between their work and the company's reputation for excellence as both a service provider and trusted advisor on maintenance and support issues.