

Worldwide production logistics for Airbus

In 2010 Airbus built around 500 aircraft in its factories in Hamburg, Toulouse and Tianjin – more than ever before in the history of this leading aircraft manufacturer. Kuehne + Nagel handles the delivery of production supplies to the component and final assembly plants, and since July 2010 has also been responsible for the production logistics of Airbus Military.

Kuehne + Nagel has already served Airbus for a number of years as the logistics provider at the aircraft manufacturer's plants at Hamburg and Bremen in Germany and Getafe in Spain. On the basis of this experience, following a comprehensive tendering process in 2008, it won the service contract for this customer's entire production logistics. Since then Kuehne + Nagel has entered into a strategic partnership with Airbus, and as Lead Logistics Provider (LLP) it is responsible for all production logistics at the locations in Germany (Bremen, Hamburg and Stade), France (Toulouse, St. Eloi, Nantes and Saint Nazaire), Spain (Getafe, Illescas, Puerto Real, Cadiz and Seville) and the United Kingdom (Broughton). A further logistics location is currently being established in China (Tianjin).

As part of a global cost optimisation programme, Airbus already decided in 2007 to radically transform its logistics management, and in Kuehne + Nagel it found an ideal partner for this ambitious project. The aim was and is to harmonise production logistics in all locations and to amalgamate the many small warehouse facilities into six regional logistics hubs. Processes, systems and code numbers are being uni-

fied in accordance with the best practice principle. For the past two years Airbus and Kuehne + Nagel have worked closely together on the implementation of this programme. The two companies have each established central organisation units in Toulouse to manage implementation projects and day-to-day operations across all locations.

As a strategic partner of Airbus, Kuehne + Nagel plays a significant role in the transformation of the logistics management and is directly involved in the continuous improvement of the processes. The company is playing a leading role in the development and implementation of the new logistics concept for the Airbus A350 XWB, which presents completely new challenges to production logistics as a result of its innovative materials and production processes. Under the direction of the central "Control Tower" of Kuehne + Nagel in Toulouse, a team of specialists is now working jointly with local experts to create a tailor-made supply concept for each location. These concepts are aligned to the special requirements of the A350 XWB production, and adapt the largely standardised processes and equipment to the specific needs of each location.

On the basis of the strategic partnership created by the LLP contract, since 2008 the volume of business has undergone a big expansion as a result of organic growth (additional services at existing locations) and new production plants and work packages. The Stade location and many new direct production supply functions in the Hamburg factory were added in 2010. Since July 2010, Kuehne + Nagel has also been responsible for all Airbus Military production logistics at locations in Spain, Portugal and Australia.

Kuehne + Nagel sees further substantial growth potentials in the expansion of the service spectrum at existing Airbus locations and in customer-specific added-value activities. The extension of the successful LLP concept to other EADS companies is a part of the medium-term strategy of the Airbus parent company. For Kuehne + Nagel the existing contract with this important customer not only generates growth opportunities within Airbus and EADS, but is a milestone project which promotes the further development of the aviation logistics business field and other industry-specific logistics solutions.

