

Case Study: Australian Army Aviation

Aligning Supply Chains

- The ARH Tiger helicopter is a major Defence capability investment for Australia. At around \$50M each, it provides the Army with one of the most sophisticated armed reconnaissance capabilities in the world.
- We were engaged to support the Commonwealth and Airbus Helicopters to improve the utilisation and cost of ownership of the ARH Fleet.
- The Commonwealth was dissatisfied with the performance of the existing ARH sustainment system and were seeking achieve significant improvement in the system while also halving the cost per flying hour.

What were the challenges?

- On commencement, it was **unclear what levers and constraints** needed to be addressed in order to achieve these ambitious targets.
- **A challenging multi-national vendor relationship** with competing political, cultural and financial dynamics.
- An unbalanced and **unclear set of performance metrics** and performance incentives.
- A highly sophisticated aircraft whose technical and support **systems have not yet reached maturity**.
- **Low level of trust** between the parties in relation to individual motivations and performance.

What changes were proposed?

- **Alignment established** across Industry, DMO & Army executives up to C-level on what success looks like, and identify the 3-4 critical impediments.
- **All parties committed to a cross-organisational enterprise agreement** to address it. The agreement to share risk, motivating all to remove barriers to achieve target performance.
- **Clear responsibilities & measures** linked directly to the required outcome.

What was achieved?

- Doubled the flying rate and halved the cost per flying hour of Australia's Tiger Helicopters.