

Attack Helicopter Program and Industrial Cooperation:

Perspectives for Romania

Integration in the Eastern European Defense Industry

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1. The lifecycle of a system

Lifecycle costs, MRO concepts

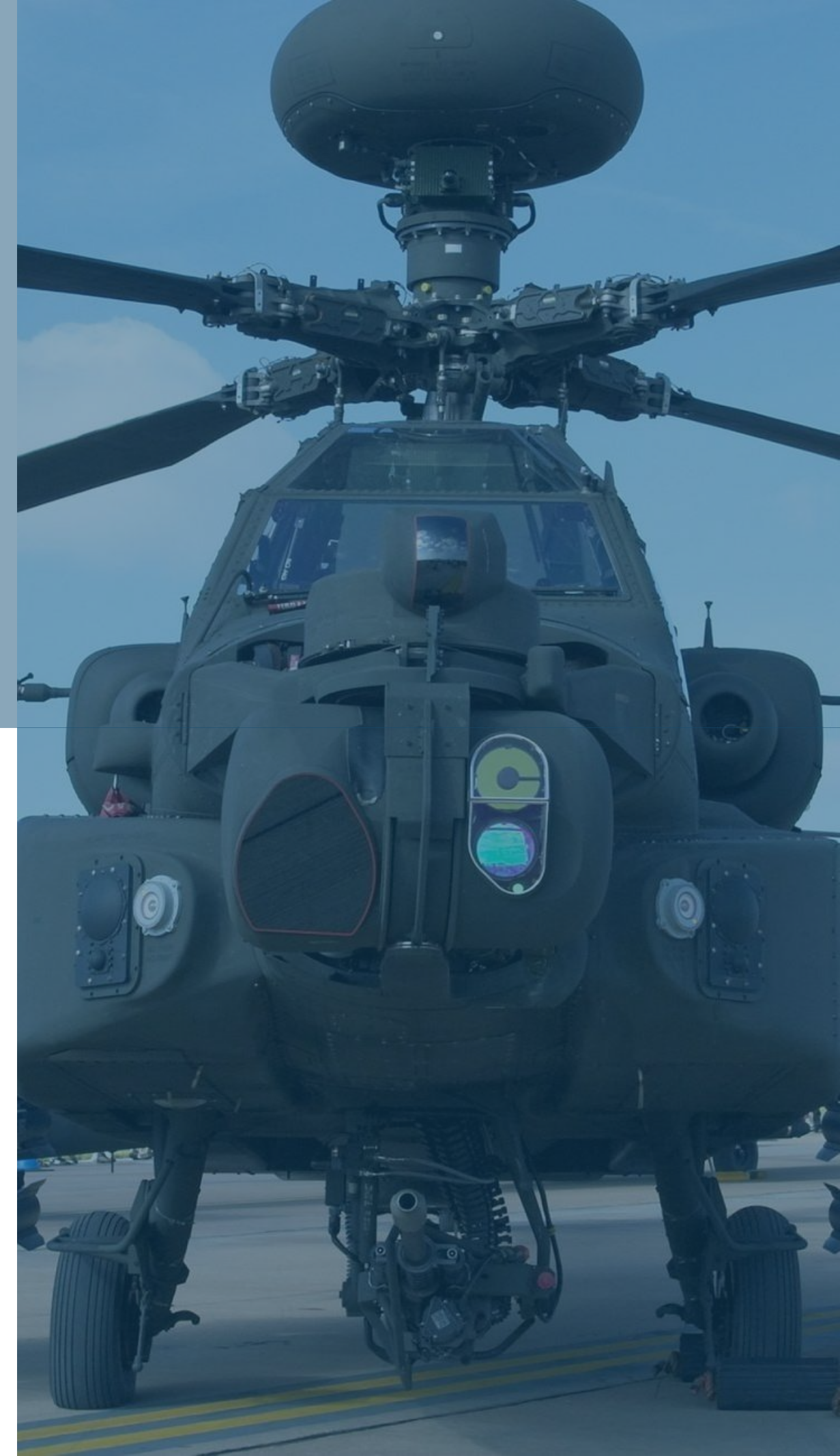
2. Local distribution for int'l suppliers

Global partnerships, market strategy, key factors

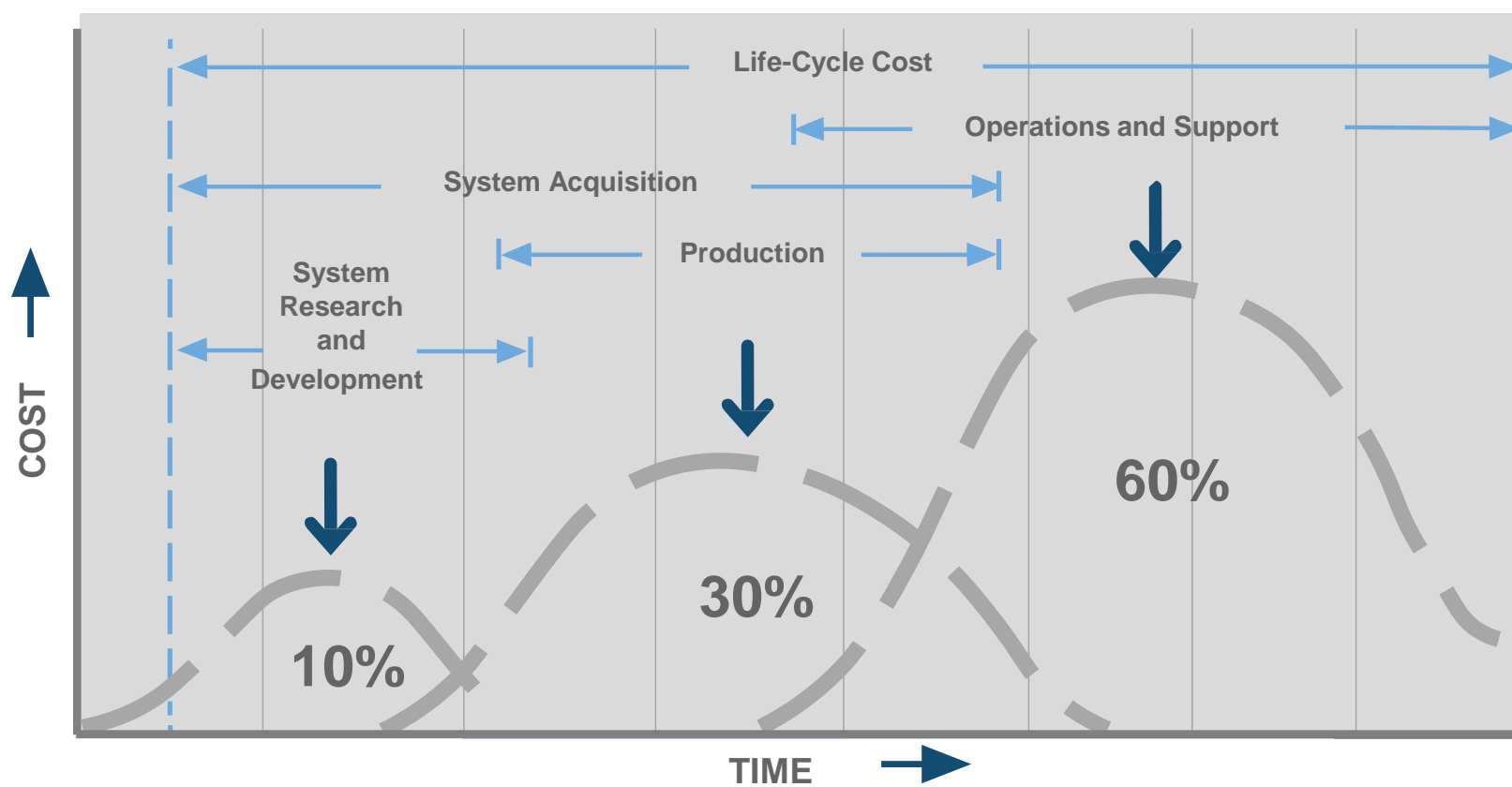
3. Integrator roles for best value proposition

Market knowledge, quality control, communication pipeline

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1. The lifecycle of a system



The cost of operating and supporting a system is, in most cases, significantly greater than the cost of acquiring it.

MRO is key in all phases of a system lifecycle

Deciding factors in a maintenance concept:

- | | |
|---------------------------------|---|
| 1. Operational scenario | 2. Available resources (funding, skilled personnel) |
| 3. Sources of supply | 4. Cooperative Logistics |
| 5. Applicability of maintenance | 6. Technology |

2. Local distribution for international suppliers

“A significant number of countries are investing in the development of their domestic military aviation MRO capabilities by establishing strategic alliances and technology transfer agreements with established global manufacturers. In addition to improving the indigenous capabilities of a domestic firm, this provides foreign companies with an opportunity to cater to a new market. This is especially true in today’s economic scenario when companies are looking to maximize efficiencies and cut costs.”

Global partnerships for international markets present a series of powerful **potential opportunities**:

1. appropriate market expansion

2. increased profitability

3. new ventures through which a firm can exploit its strategic advantages

Global Strategy Key Factors

The global strategic formulation process parallels the process followed in domestic companies. Several factors introduce a great level of **risk**.



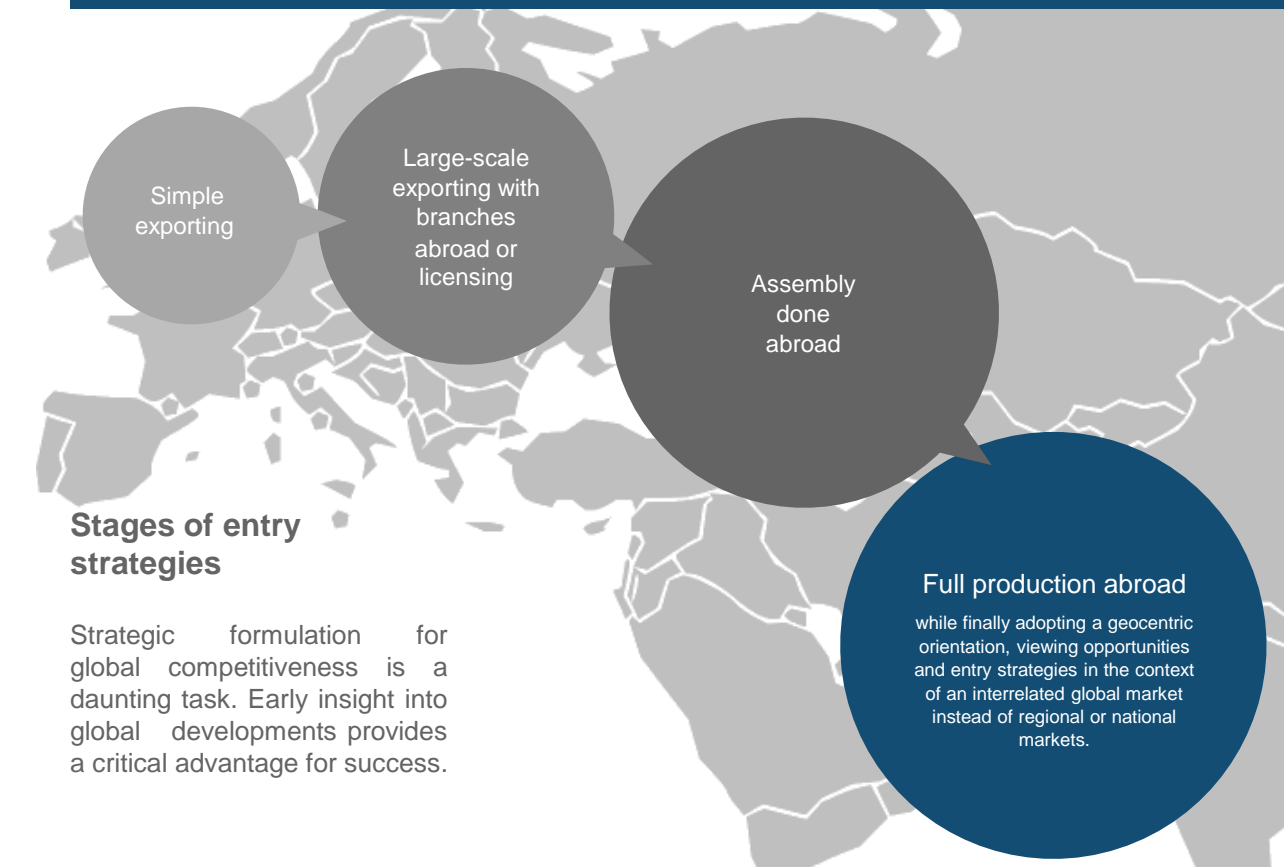
Geographic location



Political, Legal and Cultural information



Local Market and Financial processes



3. Integrator roles for best value proposition

Market

- Partnering with a well established local entity with intimate knowledge of the local market.
- Conducting local market research, bringing together regional capabilities from local partners in accordance to prior knowledge of the market, while also satisfying the foreign supplier's requirements.

Quality Control

- Formulating the best value proposition according to a program's characteristics while adhering to the strategy agreed upon between end users and the foreign supplier.
- Bringing together capabilities that maximize local industrial participation without raising costs, delivering on quality and on time.

Communication

- Local industrial partner acting as integrator of local capabilities towards best value proposition, in collaboration with foreign suppliers.
- Directly interacting with global supplier regarding MRO and available resources.

ROMAERO



The only Romanian Defense company with almost 20 years experience in dealing directly with the US market.



Has a good understanding of industrial best practices and regulation compliancy.



Is endorsed by specific technology end users, both commercial and military.