

Bristol MBA - Information for Postgraduate Education

Airbus: Leading across Boundaries

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In a joint event of the Bristol Business School, Center for European Studies and Bristol University, a selected audience of staff and postgraduate students had the pleasure of attending a high profile event on the first Thursday of March.

Iain G.Gray, Managing Director and General Manager of Airbus, gave a lecture on multinational leadership: "Leading across Boundaries: Airbus and the Challenge of European Co-operation".

The western regions of England and Wales have profited heavily from the success of Airbus. It is not surprising that in the light of the recent presentation of their latest super jet A380 Airbus is in the classrooms of business schools. Although Airbus counts 12000 employees in Britain, an estimated 80000 jobs depend on the success of the world's most popular passenger plane manufacturer.

The market for commercial airliners may not be fast paced. In fact there is only one competitor for Airbus: Boeing from the United States. But for Airbus the challenges lie elsewhere. The company is spread out across four European countries: Great Britain, France, Germany and Spain. Every plane is assembled in France but parts are built in all participating countries. This results in a variety of problems:

- Transportation
- Coordination
- Investment
- Working Culture
- Language

The development cycles for planes stretch over decades, and changing political influence adds to difficulties in planning new products. Cost saving requirements had pushed Airbus into a cooperation with Chinese suppliers. Could our new European neighbours profit from the next outsourcing? Nothing was mentioned in the speech. And maybe further adventures in new cultures and languages would require more energy than Airbus is currently willing to invest. According to Mr.Gray the process of integration was long and not always smooth.

Eventually Airbus has become a true European symbol of unity, with high loyalty and support among employees and a company culture that runs through all four countries.

While the company has sought unity in their culture it has given up its equal shares in engineering. Instead of producing similar parts with similar processes

in all countries Airbus defined "Centres of Excellence". Each country is responsible for the production of one or two components of each plane. Britain specialises in the wings. With equal shares of 6000 workers in Wales and Bristol Airbus wing and engine production dominate the engineering landscape in the West of the UK.

For their latest model, the giant A380, Airbus had to invest in new technology and new manufacturing sites. With investments in the billions it is not surprising that Prime Minister Tony Blair himself rushed to speak at the opening ceremony for Airbus's latest plant.

And while Europeans happily celebrate their new number one position in the market for commercial airliners, one might wonder what happened to their competitor, Boeing. Says Gray: "Analysing the Airbus concept of production they didn't seem to be able to understand our Centres of Excellence. They cannot understand how we coordinate across four countries."