



Harnessing PPM for A&D Excellence: Navigating Challenges, Seizing Opportunities

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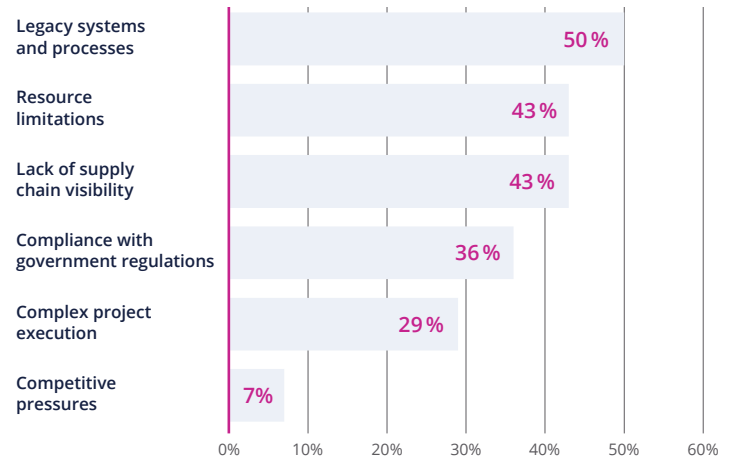
INTRODUCTION

Surveying the Aerospace and Defense Industry Landscape

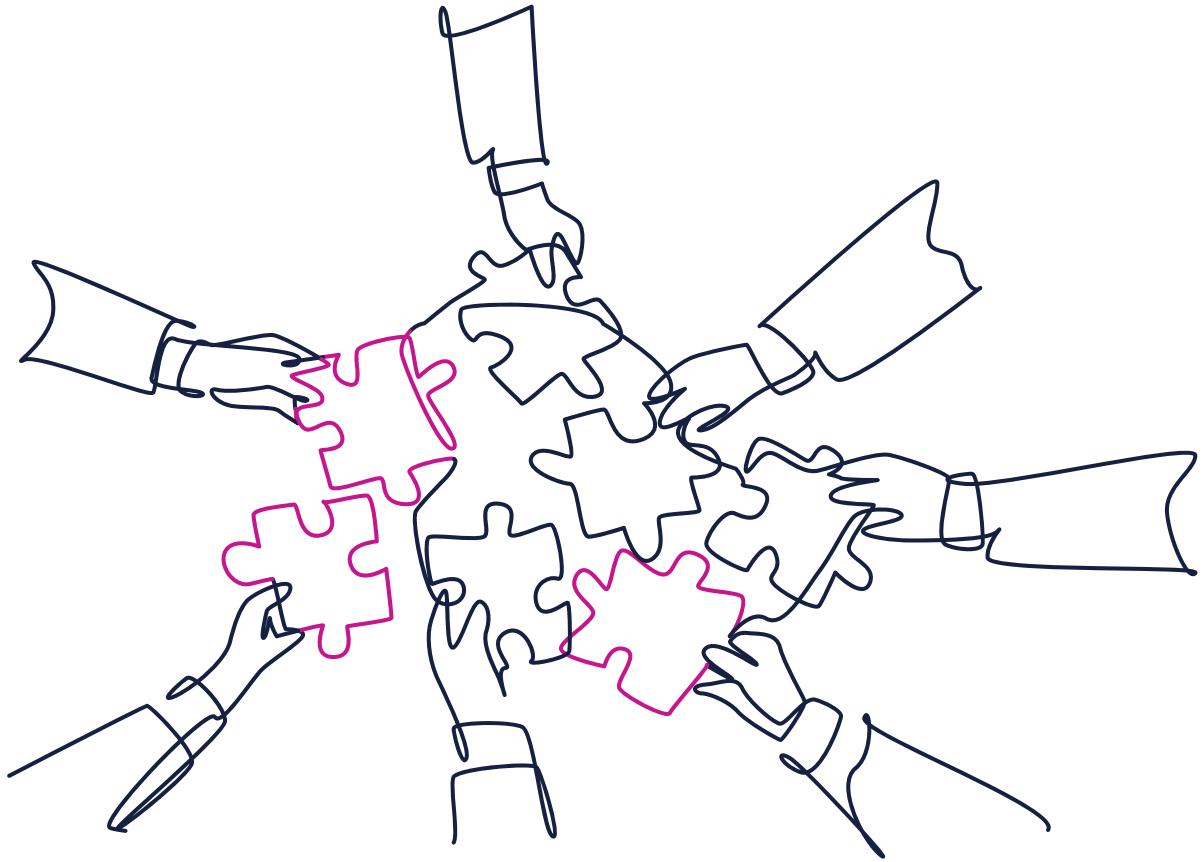
Aerospace and defense (A&D), companies face many complex challenges and opportunities spread across private and public sectors. There are new demands of environmental, social, and governance (ESG) compliance. Legacy IT systems need to be updated. Global economic fluctuations and regional skirmishes keep the industry balancing investments between long-term innovation aspirations versus short-term product development demands.

At the 2023 American Aerospace and Defense Summit, Planisware surveyed attendees to discover their top challenges. Half of them declared that managing antiquated systems was a challenge. 43% each agreed that resource limitations and lack of supply chain visibility were a hindrance while government regulation compliance and complex project execution were also top challenges they faced.

Planisware survey, Dec. 2023 Aerospace and Defense Summit



Amidst these challenges and others, Project Portfolio Management (PPM) has emerged as a strategic ally. PPM helps organizations transform challenges into opportunities, streamline operations, and drive sustainable growth.



ESG COMPLIANCE

Aerospace and defense companies face enormous pressure from multiple stakeholders to decarbonize, meet environmental goals and produce products more sustainably. Customer and employee health and safety are paramount. Complying with ESG goals raises issues that impact demand and revenue. The shift will not be easy, nor will it be a short term fix. The focus on developing and manufacturing sustainable products and services influences the direction towards innovation and environmental responsibility. The industry will be navigating these challenges for at least the next 25 years.

“ *The biggest challenge is the wide gap between the cost of a decarbonization strategy and the value created for stakeholders.*”

Mike Hayes,
Climate Change and Decarbonization Leader,
Global Head of Renewable Energy,
KPMG International

[Learn more →](#)

Enhancing ESG Governance Through PPM - Track, Comply, Sustain & Innovate

It is crucial when an ESG strategy gets implemented, that a PPM tool aligns with the broader organizational goals. It tracks the progress and impact of initiatives aimed at enhancing customer safety, promotes sustainable innovation, and mitigates environmental risks. With PPM, companies can better manage the complexities of ESG compliance and deliver on stakeholder expectations and long-term business objectives.



Strategic Alignment with Business Objectives:

As your strategic partner, PPM tools help you line up your ESG goals neatly with what your company aims to achieve overall. They help integrate ESG into the heartbeat of your business.



Data-Driven Decision Making:

Imagine having a crystal ball that gives you clear insights into your ESG projects. PPM tools are like that. They crunch the numbers and give you the lowdown on what's working and what's not, helping you decide where to put your money and efforts, now and in the future.



Risk Assessment and Mitigation:

Here's where PPM tools help you spot and sort out potential ESG issues before they become headaches. Whether it is keeping up with environmental rules or making sure you are on top of social and governance criteria.



Resource Optimization:

Managing resources for ESG can be tricky. PPM tools make it a whole lot easier. They give you a complete, top-down view of what you have got and what you need, ensuring people, finances, and materials are used in the smartest way possible for your ESG projects.

Think of PPM tools like the Swiss Army knife for A&D execs who have ESG responsibility under their domain. They have a tool for every challenge and make your job easier and more effective. Here are several ways they provide value.



Performance Tracking and Reporting:

With PPM tools, tracking how your ESG initiatives perform becomes much easier. They track your progress and let you share your wins (and lessons learned) with teams and other stakeholders. It's all about staying transparent and on top of things.



Facilitate Regulatory Compliance:

PPM tools are like regulatory radar, helping you stay in line with environmental and social regulations. They keep an eye on the rules, so you can make sure your ESG projects stay on the right side of them.



Enhancing Stakeholder Engagement:

PPM tools keep everyone in the loop. The best solutions provide alerts and information on ESG initiatives in real-time and in a clear, transparent way. You can chat more effectively with your investors, customers, your team, and regulatory agencies. They help build trust and reputation by showing your stakeholders that you're on top of things and open about your ESG journey.

MODERNIZING LEGACY TECHNOLOGY AND EMBRACING DIGITAL TRANSFORMATION

A&D has its fair share of fragmented data systems and manual operations. It's essential to overcome these challenges to realize the full potential of modern digital transformation. This balancing act is more than an upgrade; it's a strategic realignment.

Digital transformation represents a fundamental change in how A&D companies operate and deliver value. Estimated to be [worth over \\$20B in annual EBITDA](#), it encompasses everything from leveraging big data and analytics to adopting cloud computing and IoT solutions.

Leadership wants the move to digital to match up with target goals and keep things running smoothly and efficiently. The key lies in educating and engaging users to get various teams on board. It's about easing concerns and providing incentives to encourage the adoption and learning of new tools and methodologies.

This is where PPM tools give decision-makers the power to see the full picture of their tech world. It's effectively a map which shows how legacy and new tech fit together. They help figure out how to blend the old with the new without causing a revolt. Leaders can make smart decisions based on real data and make sure tech upgrades makes total business sense.



ENHANCE SUPPLY CHAIN RESILIENCE AND VISIBILITY

Companies are beefing up their supply chains and getting a better picture of everything, especially with the chaos caused by COVID and situations like the Ukraine crisis. A [Deloitte study says that 78%](#) of manufacturers are betting on digital tools to make things clearer and more transparent. These tools are extremely important now, with supply chains getting disrupted because of the pandemic and political turbulence.

Eliminating Russia for key materials still causes plenty of headaches as [90% of companies](#) feel the brunt of supply chain hiccups regularly. Not standing still, these companies are figuring out how to dodge these risks and make their supply chains tougher.

A big part of this fix is for leaders to get a more granular understanding of how risks, including trade grievances and sanctions, affect their supply chain partners. Most firms are spreading the risk by finding different suppliers and pulling some of their supply chains closer to home. Leaders want to know which suppliers make the chain stronger.

IoT and AI are becoming indispensable as they act like eyes and ears on the ground, tracking what happens in real-time. When you add PPM tools into the mix, it's like seeing the whole picture in HD; you can see what's happening now, understand how everything connects and make sense of it all.

PPM help to give you a bird's-eye view that shows how each part of your project and process fits together. This big-picture perspective means you can react to changes as they occur and stay two steps ahead, making smart moves based on a clear understanding of your entire supply chain. It's about making informed, strategic decisions so that everything runs smoothly.

SIMPLIFY COMPLEX PROJECT EXECUTION

Regulations for A&D firms are tight, and the tech demands are also high. Each project is like a complex puzzle which needs a bunch of different skills to fit everything together exactly right. There's a lot of focus on the practical details, sticking to safety and quality rules. It's all about finding the right people who can juggle these complex challenges like pros.

More than technology and skills, it's about making sure these projects are tied into the big-picture business goals. It's important to make sure that project management is coordinated with what the company wants to achieve. When you get a team that brings diverse skills to the table, you're not just hitting technical targets; you're also helping the whole organization nail its product delivery, financial goals, innovation, and market aims.

More and more, A&D project management means working with [Agile and Lean](#) ways of doing things. These methods are all about being flexible, efficient, and getting better – just what you need for managing the up and down nature of A&D projects.

For example, Agile lets you adjust quickly to changes in your project scope, new tech, or those ever-changing regulations. Lean Six Sigma? It's been a significant change in making quality control and operations run smoother. And let's not forget the magic of integrated project management software. It's been a huge help to make teams work better together and keeps an eye on different project stages. This leads to getting stuff done more efficiently and launching products faster.

PPM tools are like a command center, aligning every project detail with your big business goals. More than meeting technical specs; you're also hitting your financial and market targets head-on. They keep a keen eye on everything from timelines to budgets, ensuring you're on top of regulations and managing your talent efficiently. PPM tools are your strategic guide through the complex landscape of A&D projects, leading you to efficiency, innovation, and business success.

DEVELOP, MANAGE AND OPTIMIZE TALENT

The search for top-notch talent is fierce. What's needed is a skilled and versatile workforce with a solid grip on digital knowledge and the technical smarts to match. It's about assembling a team with a big focus on areas like automation to keep up with the growing demand for talent.

Now, A&D companies are getting creative in balancing the need for specialized skills with being flexible. They're upping their game with Employee Value Propositions (EVPs) that look at the whole picture – things like mental well-being, leadership development, and tech training programs. They're also putting a lot of effort into making their workplaces more attractive with recognition, career growth opportunities, competitive pay, and flexible work setups.

When we talk about resource allocation in A&D, it's not just about moving pieces around on a board. It's about adapting to different working styles and needs. Sure, not everyone can work remotely given the nature of the job, but [there's a shift towards more flexible hours](#) and even four-day work weeks. Plus, there's a push towards partnering with universities for STEM education and running mentorship and job shadowing programs.

And let's not forget about the big reskilling drive. The industry is doubling down on teaching new skills like data analytics, AI, cybersecurity, engineering, and leadership. More than filling gaps, this is about prepping the workforce for the industry's next big leaps and tackling things like employee turnover head-on. The good news is, A&D is on the move, adapting and gearing up to meet future demands.

This is where PPM tools integrate with HR tools like Workday and Peoplesoft to work like the ultimate talent management partner, aligning your team's skills and availability with your projects' needs. You want to have a clear view of your talent pool – who's available, what they're good at, and how they fit into your project timelines and budgets. PPM tools pave the way for a work environment where collaboration, continuous learning, and innovation are part of the daily grind.

MASTERING STRATEGIC ALIGNMENT TO DRIVE BUSINESS SUCCESS

Companies need to quickly adapt their game plans to keep up with what's happening in the market and the wider world, all while keeping an eye on what's coming down the road. It's a balancing act – juggling the day-to-day stuff with the big-picture goals like growing your market, cooking up new innovations, and being more sustainable.

Strategies need to be flexible enough to oversee the difficulties of the market but also strong enough to keep pushing towards big goals and plans.

Lots of A&D companies are catching on. They're [teaming up with others in their field](#) for research and development, testing, and evaluation. For example, Boeing is leaning into its [sustainable aviation R&D tech](#) and making moves to become a big name in eco-friendly air travel. You want to make smart, strategic choices that line up with what's needed today and what's going to push you further tomorrow.

PPM tools provide clarity and direction, ensuring that every project decision contributes to the larger goals of market expansion, innovation, and sustainability. By aligning daily operations with long-term strategies, PPM tools help leaders make informed, impactful decisions. They are pivotal in transforming strategic vision into tangible outcomes, fostering sustainable growth and a competitive edge in the industry.



UNLEASH EFFICIENCY WITH PPM IN ACTION – CAE CASE STUDY

CAE, or Canadian Aviation Electronics, is a company that makes simulation training and support solutions for the high-stakes worlds of aviation and defense. Their big mission? To make these industries safer, more efficient, and super effective.

Flashback to 1947, CAE was born as this super innovative tech company. But roll forward to the mid-2010s, they were stuck with clunky data management. They had all these mismatched systems and processes that were labor-heavy – sound familiar?

Every month, they'd go through this headache called the EAC Review. This was all about keeping forecasts and budgets in check while projects were rolling. They had to export all this data to Excel and then do some serious spreadsheet gymnastics, which took a lot of time and was prone to errors.

“*It was like running a never-ending race. We'd finish one cycle, and bam – onto the next, always racing against the clock to fix errors and meet deadlines.*”

Daniel Normand,
CAE's Senior Project Manager

CAE knew they needed to switch things up. They were already implementing an ERP system from Oracle, adding a project accounting module.

“*We needed something more, a tool that would make it easier for our team to manage projects, something that wouldn't make them dread data entry and analysis.*”

Daniel Normand,
CAE's Senior Project Manager

By bringing in Planisware's PPM tools, CAE said goodbye to their jumbled data systems and manual headaches. They also integrated with Oracle E-Business and Workday, a significant boost for data accuracy and trust. This gives them a single, reliable source for all their project info and resource management – super important for a company like CAE.

They stepped into a more unified, efficient, and effective way of managing projects. It's a perfect example of how PPM can really turn things around, making operations smoother, decision-making sharper, and driving innovation in the A&D industry.

[Click here to read a long-form CAE case study](#) →