

Case Study on:



European
Business
Awards™
Sponsored by
HSBC
The world's local bank

Ruban
D'Honneur
2011

Ruban D'Honneur Recipient *European Business Awards 2011*

**The Infosys Business of the Year Award
(T/O 150 Million+ Euros)**
Turkish Aerospace Industries, Inc.

European
Business
Awards™

Turkish Aerospace Industries

The Sky's The Limit

Words from the Judges

"TAI has created Turkey's aerospace industry and expanded it to world class levels."



Turkish Aerospace Industries (TAI) is a centre for technology in Turkey and is a well-deserved recipient of the European Business Awards Ruban D'Honneur for the Infosys Business of the Year Award (T/O 150 million+ Euros). The accolade has been given in recognition of the fact that TAI has single-handedly shaped Turkey's aerospace industry, taking it to world class levels.

Established in 1984 as a production based company with no design responsibilities, TAI is now involved in the complete lifecycle of integrated aerospace systems including design, development, manufacturing and support for fixed and rotary wing air platforms, unmanned aerial vehicles and satellites. Today, as a reliable partner in a number of international aerospace programmes, TAI provides extensive manufacturing capabilities ranging from parts manufacturing and assembly to flight tests and delivery to the customer in both military and commercial markets as well as participating as a capable design partner.

There is an increasing demand for new aircraft with the world market for commercial aeroplanes expected to double in the next 20 years. The industry has a long product development cycle, taking on average 10 -15 years from preliminary design to maiden flight of any new aircraft. Given the huge costs involved, most aircraft development and production programmes involve a large-scale collaboration with numerous domestic and international partners. As an internationally renowned 'Centre of Excellence' for "aerostructure" and "systems integration", TAI is increasingly a partner of choice for many production programmes.

In 2005, TAI made significant changes to its structure which has led to its huge growth. There was a change in ownership, making TAI 100% Turkish and a new President and CEO was named as Mr Muharrem Dörtkaşlı. Mr Dörtkaşlı believed that, as the leading aerospace company in Turkey, TAI had to be the engine of its own destiny and as such he set up the company's corporate growth strategy which included defining a new

business model, new markets, developing indigenous products, creating new jobs and building value through innovation. The company grew significantly by the end of 2009 and in 2010 saw a huge increase in profits.

"We have seen enormous growth in recent years due to our diversification into other areas including the space and satellite industries. Our design and engineering projects have increased from 8% to 65% of our total business in the past five years and we have seen signed-contract values increase by over 40% since 2009." Mr Muharrem Dörtkaşlı, President & CEO, TAI

Innovation is central to the successful growth of TAI. Since its foundation, 80% of the R&D investments made by TAI have been funded by its own resources, ensuring that external debt is kept to a minimum. The company's R&D teams work across all areas of the business including indigenous design, production, integration, flight & ground tests and logistics support.

During the past three years, TAI has made independent R&D investments of 5% of net profits. TAI is currently supporting 24 independent R&D projects with its own resources.

With expertise in all areas, TAI has been able to progress highly specialised projects including the development of communications satellites and unmanned aerial vehicles (UAVs) which are produced by very few countries in the world.

"ANKA" Turkish Unmanned Air Vehicle: UAVs are the latest generation of pilot-less aircraft and are used for military as well as civil patrol missions. UAV technology is considered to be the future of aerospace development, with UAVs expected to replace the manned aircraft in the future. TAI has developed an indigenous MALE (Medium Altitude Long endurance) class UAV, "ANKA" (named after the legendary Phoenix), this is one of only a few MALE class UAVs developed in the world. It is currently performing its test flight programme with strong and very promising results.



"What is particularly impressive is that TAI has not only moved from manufacturing the designs of others to designing and building its own aircraft, but has done so with a very young team who now have the skills and experience to take the company forward to even greater success in the future."

Phil Forrest, Chairman of Judges, European Business Awards 2011

Looking to the Future...

TAI aims to develop a domestic aerospace supply industry. In order to achieve this, it has been out sourcing increasing work each year to small and medium scale suppliers, as well as providing technical support and training opportunities to local sub-contractors. To further support this, TAI gives particular importance to the development of employee belonging. Employees at TAI are given continuous training to develop their skills and abilities. On average each person receives 40 training hours per year, in an industry where the average is approximately 25 hours per person. TAI has a very stable 4000-strong workforce, with an annual turnover ratio of less than 4%. By extending its support to its partners, TAI is creating a well-trained and highly-skilled workforce base in Turkey.

The company has an ambitious diversification strategy and is actively looking to expand its space related activities in the future. Having initially launched a conceptual design for a Low Earth Orbit satellite, TAI is now the prime local contractor for Turkey's military satellite projects. By the end of 2012, there will be a National Satellite Assembly, Integration and Test Facility (AI&T) operating within TAI's premises. TAI is continuously improving its capability in space technologies with the aim of becoming the centre for national and international satellite development, testing and manufacturing.

TAI seeks to increase profitability through increased sales obtained from indigenous

products and new markets. An emerging area is aircraft cabin interiors which are a completely new area of the civilian aerospace industry for TAI. Shown to be a lucrative business area, TAI has entered into discussions with Turkish Technic and Turkish Airlines to form a Joint Venture company which will operate in this field. Operations commenced in 2011, with aircraft interiors galleys scheduled for Turkish Airlines inventory from the beginning of 2012. The aim here is to become one of the major players in the global marketplace.

This year, TAI has a planned investment of over \$40 million in new manufacturing technologies including advanced composites manufacturing technology and test equipment. In addition, the company is investing heavily in new high-tech facilities for additional assembly, systems integration, aerial vehicles modification, modernization and flight operations amongst other infrastructure.

Social responsibility is something that TAI takes very seriously. The company has established strong ties with Turkey's universities, supports educational activities in schools located in poorer areas, sponsors student organisations to increase awareness and interest in the Turkish aerospace industry and sponsors a number of different sporting activities. TAI fully supports trainee programmes and is working with over 900 trainees this year. TAI is expected to expand its CSR programme further in future years along with its impressive environmental policies.





"This accolade provides us with a real sense of achievement and recognises our hard work and performance. We are always striving for excellence and it is a privilege that we are being celebrated as one of the best businesses in our industry, in our country and in Europe as a whole."



Mr Muharrem Dörtkaşı,
President & CEO, TAI

About TAI

Until 1984, Turkey had no aviation infrastructure and no capability to produce indigenous vehicles of any kind (not even cars or trucks). It was then that TAI was established and built up Turkey's aerospace industry from nothing into the successful, thriving modern industry it is today.

TAI is the only company in Turkey designing, manufacturing and assembling aircraft, helicopter, satellite and major structural components for the aerospace industry.

Working with major OEM's (Original Equipment Manufacturers), TAI has become, in its 27 year history, a world renowned centre of excellence for 'aerostructure' products. It is a sole supplier of various metallic and composite airframe structures and components and is well respected for its design and manufacturing capability, infrastructure, experienced workforce, customer service and competitiveness in the market.

In 2010, the company was recognised by Turkey's Ministry of National Defence as the country's market leader in terms of 'net exports'. In the Istanbul Chamber of Industry's "Turkey's Top 500" polls, TAI was ranked in the top 50 and in Capital magazine's "Turkey's Top 500 Private Companies", TAI was awarded third place in the "companies that achieved the most increase in profit" category.

TAI's Mission statement is, "Leading the development of Turkey's aerospace industry" and its Vision statement is "Becoming a World Brand Aerospace Company with indigenous products and global competitive power."

The company sees its shareholders not only as the organisations which are its main stakeholders, but also its customers, suppliers, employees and the whole Turkish Nation. The company strives to achieve utmost customer satisfaction by developing indigenous products, cost efficient measures and just-in-time delivery schedules.

About the European Business Awards

Since 2007, the European Business Awards programme has been shining a light on the most pioneering businesses on the continent by promoting excellence, best practice and innovation in the European business community. The awards programme recognises excellence in all disciplines of business including individual business functions. Last year entrants ranged from fish farming organisations to renewable energy firms. Together they had a combined turnover greater than €766 billion Euros (6% of EU GDP) and employed over three and a half million people between them.

Businesses from each of the 28 European territories are invited to enter the Awards. The competition for finalist places is fierce with many of the Europe's most established brands being represented.

The judging panel is comprised of experts in their fields who each bring experience, business acumen and understanding to the board. The overall winners in each of the categories will be announced at the Awards ceremony in Barcelona on 22nd November 2011.

Turkish Aerospace Industries, Inc.
Fethiye Mahallesi
Havacılık Bulvarı No: 17 Kazan
ANKARA 06980
Turkey
Tel: +90 312 811 1800
Email: info@tai.com.tr
Website: www.tai.com.tr

www.businessawardseurope.com

TAI

**European
Business
Awards™**