

Analysis of sia engineering company management essay



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The objective is to analyze how SIA Engineering Company managed to gain customers trust in term of the safety of the flight. It comprises of a SWOT analysis to evaluate the Company, their services and how it expands and becomes a successful company.

SIA Engineering Company

Profile

Together with its 22 joint ventures and subsidiaries across eight countries, SIA Engineering Company (SIAEC) forms the SIAEC Group.

The Group provides wide-ranging Maintenance, Repair and Overhaul (MRO) of aircraft to more than 85 international airlines worldwide.

With certifications from more than 20 airworthiness authorities, SIAEC's six hangars and 22 in-house workshops in Singapore provide complete MRO services in airframe, component, engine, aircraft conversions and modifications to major airlines from four continents. In addition, the company has 16 component, engine and modifications joint ventures forged with the world's leading engine and component manufacturers, thereby strengthening its MRO service offerings.

At Singapore Changi Airport, SIAEC provides line maintenance services to more than 60 airlines passing through Singapore. They ensure that customer flights will departure on time without delay. The company also has a growing network of line maintenance support which has extended to more than 40 airports in Australia, China, Indonesia and the Philippines.

History

SIA Engineering Company (SIAEC) was established in 1 April 1992, a subsidiary of Singapore Airlines. SIAEC started off from the Engineering Division of Singapore Airlines (SIA) which was established in 1972.

As the year goes by, the Engineering Company have been spending heavily in term of improving its capabilities (e. g. conversion of passengers to freighter aircraft), facilities (e. g. having the 6th hangar to accommodate the biggest aircraft, A380) and equipments (e. g. engine test cell up to 150, 000lb thrust) such that they will be able to handle the latest aircraft that SIA will be owning in the future. This helps to facilitate and develop Maintenance, Repair and Overhaul (MRO) capabilities and will be able to have hands-on experience on the latest aircraft in the market before other MRO companies.

In 1992, in the process of further increasing productivity, the Engineering Division was separated and was owned by another company of SIA - SIA Engineering Company Pte Ltd. The Company have gained greater independence and allows for a sharper focus on productivity, efficiency, quality and more value-added services for customers. Since then, their business has been growing very fast. In year 2000, the Company marked a new milestone in its history as they were listed on the Singapore Exchange.

Organization Hierarchy

Other than the Board of Directors, there is also an Executive Management team. In the Executive Management team, it consists of a Chief Executive Officer, an Executive Vice President and 6 Senior Vice-Presidents (SVP). Each SVP take care of different departments.

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The various departments are as follow:

Service & Clark Project

Aircraft and Component Services

Commercial

Human Resources

Line Maintenance and Business Development

Chairman

9 Directors

Deputy

Chairman

Board of Directors

Mission and Core Values

Mission

SIAEC is engaged in providing aviation engineering services of the highest quality, at competitive prices for customers and a profit to the Company.

Core Values

They try their best for the highest professional standards in their work and aspire to be the best in whatever things they do.

Pursuit of Excellence

They strive for equality in their business and working affairs.

Integrity

Safety is very crucial for all operations. They set rules and regulations and practice them to ensure that their customers and staff are well taken care of.

Safety

Employers treat all staffs with respect and dignity. Opportunity are given to all staffs by undergo training to upgrade their skill such that they can excel in their careers.

Concern for Staffs

The priority of their customers will always be ranked first and they do more than what they are expected to meet customers' expectations.

Customer First

Bonding is built within the team which enables them to be successful.

Teamwork

Culture

The continuous strive for excellence and high adaptability to changes are two key contributors towards sustaining the leadership role in the aircraft technology.

Striving for Excellence

There are 2 initiatives within the company. The first one is the ' Productivity initiative LEAN'. It is rolled out in the operational areas with an aim for better resource utilization. The other one is the ' Risk management initiative HIRA'. The objective is to prevent workplace accidents which will then create a safe working environment.

The company also invests heavily in upgrading the skill of their employee. Through training, it helps to ensure that the workforce is fully equipped with the knowledge on how to handle the latest range of aircraft technology, thus increases their capabilities to stay ahead of their competitors.

High Adaptability

To the company, change is constant and it is their mantra to thrive on it. Despite the huge changes in operating landscape, they have overcome the obstacles and continued to remain a leading company in MRO.

They are always ready to adapt to any changes in the surroundings and take on all challenges as an opportunity for them to stay forefront of the aerospace industry.

Services

Not only is SIAEC a one-stop MRO service provider in the aviation industry, the company has also achieved accomplishments in the following areas:

Being the first MRO provider to maintain the biggest aircraft, A380

One of the first in the world to convert passenger aircraft (B747-400) to freighters aircraft

One of the first in the region to provide initial cabin conceptual design and certification

Airframe Maintenance and Overhaul

Provide total support solutions to their growing portfolio of third party consumers.

*The 6th Hangar is completed in mid last year, 2009, to accommodate the biggest aircraft, A380 and B747 aircraft.

Base Maintenance Facilities

6

Hangars

8

Bays

Comprise Floor Area of 43, 200m²

Some of their capabilities are such as:

Prevent aircraft corrosion

Conversion of Passenger-to-Freighter (PTF) aircraft

Install/Modification to In-Flight Entertainment Systems

Modifications of Cabin

Paint-stripping and painting of aircraft exteriors

Given the massive maintenance facilities owned by SIAEC, the company is fully equipped to provide total support to the airline customers.

Line Maintenance and Technical Handling

In Singapore Changi Airport, SIAEC provides line maintenance and ground handling services. They will ensure that they must not cause any flight delay, therefore, they must react to situations.

SIAEC has been performing line maintenance with other countries airport. They also have a specialized Quick-Action-Team (QAT) which is on 24/7 (24 hours daily, 7 days weekly) on standby. In the event of situation such that aircraft faced any problems (e. g. problem with the engine, broken windscreen and etc), QAT will solve the problems immediately without causing the flight to delay.

This shows that SIAEC is dedicated to providing customer support to the clients.

Component Maintenance and Overhaul

SIAEC has a total of 22 workshops situated within their hangar which test, repair and overhaul components including those that were removed from the

aircraft in the hangars. In the workshops, they are well equipped with up-to-date test stations.

One of the workshops has the highest in-house component overhaul capabilities in the world. They have also built an extensive component overhaul capabilities for the B777, by supporting Singapore Airlines, which is currently operating the world's largest fleet of B777. In order to be able to service A380, the workshops has started to focus more in areas such as flight controls, landing gear, simulators and etc. From these examples, SIAEC has shown high adaptability to changes in the landscape of their airline industry.

Fleet Management Programme

The main function of the Fleet Management Programme is to provide complete and customized engineering and component support programmes to airline customers.

Fleet Management Programme provides complete engineering and part support programmes that can be customised to provide full support to their customers.

Engine Overhaul

Engine support is the most important process when an aircraft is being sent for maintenance repair. They will provide services such as repairing of engine parts and with their joint ventures, they are able to service high performance engines up to 150, 000lb thrust.

Passenger-to-Freighter (PTF) Conversion

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SIAEC is among the first in the world to develop the capability and skills to convert a B747-400 which is a passenger aircraft into a freighter aircraft.

PTF conversion is the newest services that offer conversion services. From this, it clearly indicates how the company has benefited from continuous learning with their staffs acquiring new skill sets, thereby enhancing their MRO services.

The benefits of converting a passenger aircraft to cargo aircraft, is that it extends the economic life of the aircraft. With the good payload, B747-400 passenger aircraft is a wise choice for conversion. Given that the payload performance of B747-400 passenger aircraft and production freighter B747-400F is similar, this translates into savings for cargo airline customers. This opens another window of opportunity for the company.

Cabin Modifications

Again, SIAEC is able to leverage on the joint venture with Singapore JAMCO to become a one-stop centre for aircraft interior modifications.

Training

For the past four decades, SIAEC Engineering Training Department has been conducting courses for their staffs to meet the constant and demanding training that is needed for the aerospace industry. They have a team of experienced instructors and trainers who provides training for both internal and external maintenance engineers and technicians. Their trainings are conducted in the fully equipped workshops which contains all the necessary

equipments. This makes the content of the courses more beneficial as staffs are able to have hands-on experiences that are related to their job scope.

SWOT Analysis

Strength

Position the company in the premium market space.

Provides one-stop end to end life cycle fleet maintenance solutions to the international airlines.

Forges 23 strategic joint ventures with renovated original equipment manufacturer across 8 countries.

SIAEC staffs undergo continuous training to upgrade their skills and knowledge.

Huge investments in infrastructure with many first-mover advantages.

Able to adapt to changes directly as company takes on changes as a challenge and also give them opportunities to stand out of the crowd.

Weakness

Budget Airline (e. g. Tiger Airway), passengers need to pay (S\$15) for in-flight entertainment system unlike SIA flights which is free, therefore the possibilities for SIAEC to repair faulty entertainment system is very slim thus, it reduces the revenue of SIAEC.

Opportunities

Continues to explore new joint venture.

Stay innovated by adopting new technology and implementing it to improve customer flight experience.

Expand the PTF conversion service by tapping on the global market.

Threats

Viruses (e. g. H1N1, SARS and etc) and economic downturn would be major threats as this reduces the flight services, thus lesser airplanes will be sent for maintenance services.

Conclusion

Based on the research, I come to a conclusion that SIAEC has been putting lots of effort in term of effort and money in getting the latest infrastructure and training for the workforce. With these investments, it allows the company to provide an excellent service to the airline customers which has a chain effect. For instance modifying the In-Flight Entertainment System enable the in-flight customers can enjoy themselves when they are on board. If the experience is good, the customers will likely to choose the same airline again. And this will increase the flight service of the airline, thus more opportunities for MRO services for SIAEC. In additional, the Company emphasizes on the safety of the flights (e. g. corrosion prevention).

SIAEC has also been working together with other well known companies through joint ventures. It will enable SIAEC staffs to enhance their knowledge about newest aircraft or aircraft that SIAEC have not dealt with before. It will also help SIAEC in increasing their businesses, retaining its leading position.

SIAEC is committed in upgrading the skills of the staff as they went for trainings to upgrade their knowledge and skills and give the best to their customers. They will take every opportunity as a challenge for themselves and this is one of the reason why they are able to develop as a team and not as an individual.

The company has also shown various progresses and whatever problems that they faced, it will just show that they are just left with a few more miles to success as they take the opportunities that they have as a form of learning despite making mistakes regardless of whether it is minor or major.