

# *Florida's Aerospace Industry*

## *Aviation Defense Space*

*Bidding, Contracting and Partnering*  
*Madrid, Spain Aerospace Cluster*  
*Strategic Perspectives*

*Oscar S. Garcia, Chairman and CEO*  
*InterFlight Global Corporation*  
*Miami, Florida*

**“US aerospace vehicles and equipment manufacturers, including defense and space, imported \$37 Billion in products and services from foreign countries”**



## **U.S. Aerospace Manufacturing: Industry Overview and Prospects**

**Michaela D. Platzer**  
Specialist in Industrial Organization and Business

December 3, 2009

# Agenda

- Opportunities
- Florida Focus
  - Volumes
  - Regions
- Trends
- Strategies to bid, contract and partner
- Recommendations
- Q&A
- Contact

# Opportunities

- **General: Americas** **World's Largest Market**
  - Prime: USA
  - Secondary: Canada, Brazil, Mexico, Chile
  - Tertiary: Others, Central, South America
- **Focus: Florida-Miami** **Strategic Hub**
  - Top 5 large Aerospace Clusters in USA and Top 8 in the Americas, “relative” sector size:
    - **Space (missiles, satellites, etc)** **Very Large**
    - **Commercial Aviation/Air Transport/MRO** **Very Large**
    - **Aerospace/Defense** **Medium**
    - **General Aviation** **Small - Medium**

# Opportunities

- **Focus: Florida-Miami Strategic Hub**
  - Air connectivity, IT and labor pool
  - State GDP/Direct foreign investing/Government Incentives
  - Legal, financial, tax support infrastructure
  - Strategic Decision:
    - Import or U.S. presence
  - Tactical decision
    - Where in USA- Florida
    - How to execute

# Florida Focus- Volumes

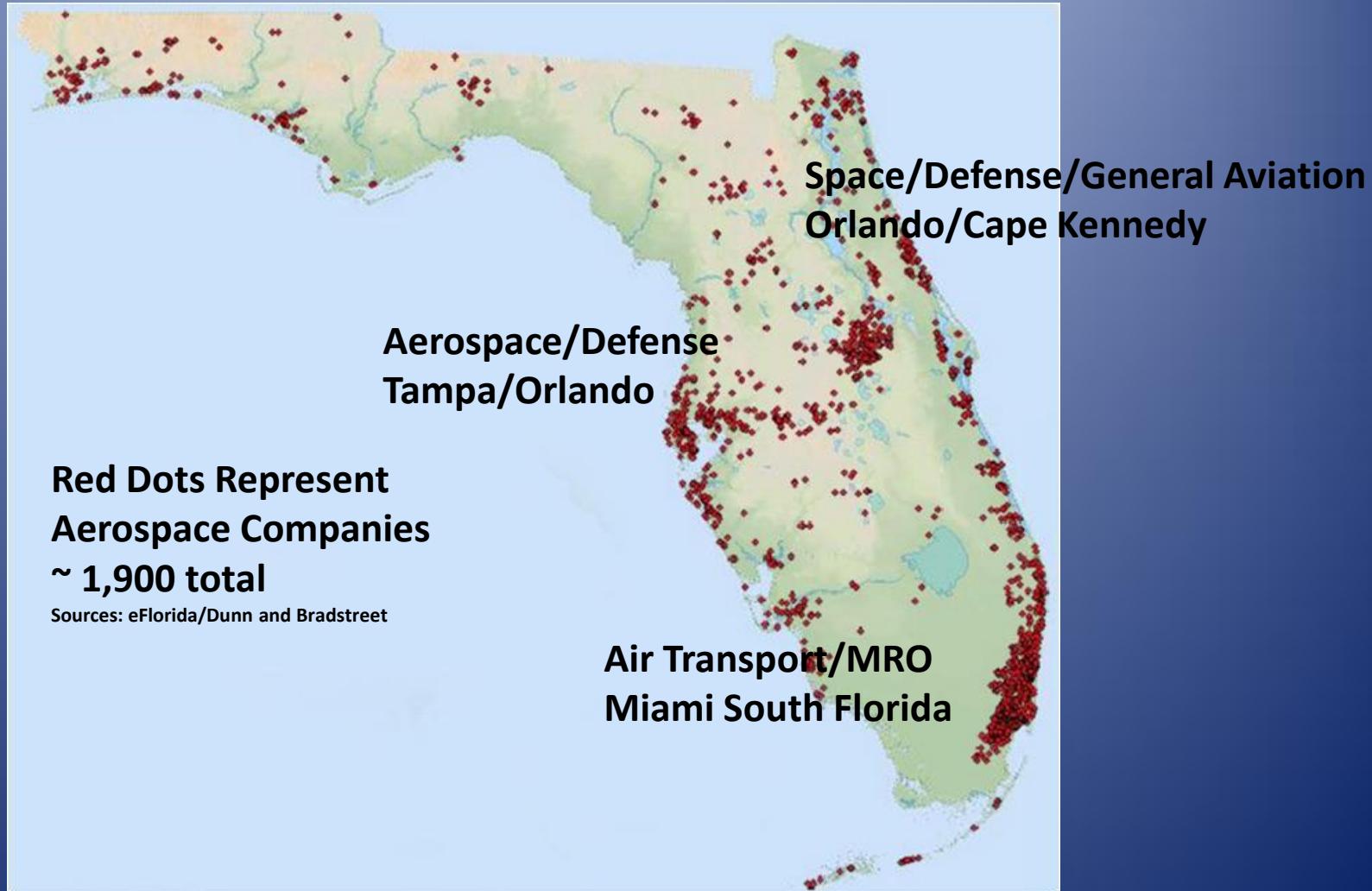
- Aerospace manufacturing and services ~US\$ 27.0 Billion
  - Exports ~US\$ 2.7 Billion
  - Imports and foreign subcontracting ~US\$ 2.0 Billion
- Sample leading aerospace firms, potential contractors, partners

• BAE Systems	• Embraer	• L-3 Communications	• Raytheon
• Boeing	• General Dynamics	• Lockheed Martin	• SpaceX
• B/E Aerospace	• Harris Corporation	• Northrop Grumman	• Sikorsky
• Bombardier	• Honeywell International	• Piaggio	• Thales
• DRS Technologies	• Indra Systems	• Piper Aircraft	• United Space Alliance
• EADS/Airbus	• Jacobs Engineering	• Pratt & Whitney	• United Launch Alliance

– Not listed\*: HEICO, Kellstrom, AAXICO, Commercial Jet, Liberty Aircraft, Space X, Astrotech and others

\* Relationships require local assistance, advisory and knowledge, especially for civilian private clients

# Florida Focus- Regions



# Trends for Foreign Companies

- Foreign outsourcing growing, given fiscal 2011 budgets **trend for tier 1's and OEM's is buy vs. build**
  - Example: Mexican Cluster-Queretaro, manufacturing for Cessna, Bombardier and Raytheon
- Strong Euro might be handicap –Latin American competition and opportunity for capital investments
- **Commercial space sector, UAV's and aero-cyber security**, high growth, very profitable and well funded
  - Private, public and mixed contracting opportunities

## Bids, Contracts and Partnering

- IFG Recommends:
  - Identify sector: commercial, defense, space for security, regulatory and compliance barriers to entry
    - Commercial/private Low
    - Defense/public High
  - Strategy- Country of origin in all cases
    - Compliance, market fit-potential cost benefit
    - Investment and ROI Export vs. USA presence

***“Research local presence impact on formal vs. informal contract and bid dynamics”***

## Sales and Contract Growth

- **Tactics-Execution**

- For contracts **< ~ US\$5 Million**
- Local affiliate and representative, OK
- Contract and delivery on country of origin

***“Product and service capabilities growth through local mergers and joint ventures rather than organically”***

## Sales and Contract Growth

- **Tactics-Execution**

- **For contracts**

**> ~US\$ 5 Million**

- **Requires robust local presence for seamless commerce chain integration**
    - **Proven capabilities and regulatory approvals**
    - **local USA (Florida)**
      - **Quality control**
      - **Sales presence**
      - **Investment 5-10% of contract revenues to generate sales**
    - **Job in sourcing= economic development agencies support**
      - **Aerospace is a target sector in Florida and USA overall**

# Recommendations

- **Research** industry segment and local market for local, formal and informal contract-bid dynamics
  - Research by:
    - Industry tier/chain segment
    - Capabilities/contract size/length
- Evaluate **competition** and learn from others
  - Use Florida similar size companies, case examples, as strategic reference; Sabena Technics, Daher-Socata, Groupe Latecoere, Indra, ITP
- Use **local support** from early on:
  - Consulting/advisory/compliance
  - Legal/financial/fiscal
  - Economic development: eFlorida, Space Florida
  - Sector associations: AIA

# Questions and Answers



# IFG Follow Up and Contact

## Aerospace Business Development and Relocation Advisors and Consultants



Oscar S. Garcia: +1-305-400-6789/6749

[oscargarcia@interflightglobal.com](mailto:oscargarcia@interflightglobal.com)

201 S. Biscayne Blvd 28<sup>th</sup> floor,  
Miami, Florida 33131 USA

[www.interflightglobal.com](http://www.interflightglobal.com)