

Supply chain to go digital for frigates

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TWO Adelaide-based engineering companies have been selected by BAE Systems Australia to help digitise its supply chain for the \$45bn Hunterclass frigates program.

Century Engineering and MG Engineering will sit on BAE's "strategic supplier panel", working with the prime contractor to develop a "digital thread" that will track and trace components from conception through to manufacture and installation on the frigates at the Osborne shipyard.

The pilot program will be formally announced on Wednesday when BAE meets with suppliers at the Indo Pacific International Maritime Exposition in Sydney.

BAE Systems Maritime Australia global combat ship manufacturing director Alastair Bacon said the digital strategy was in part modelled on the high degree of supply chain integration found in automotive manufacturing.

"Historically in shipbuilding it's a very transactional, mechanical, almost mechatronic process, where there's a lot of manual handling of paperwork and phone calls to and from suppliers," he said.

"There are some elements of the way you interact (in the automotive sector), the way you operate with suppliers within a really tightly connected way, that I'm trying to bring to life through this strategic move we're making.

"Basically what we're trying to do is bring these suppliers into our digital shipbuilding environment."

Century Engineering and MG Engineering, which have been involved in the prototyping phase of the frigates program, will initially pilot the program before being joined by other companies on the supplier panel.

Mr Bacon said closer digital integration with suppliers would deliver efficiencies and flexibility across the supply chain, and would not require major changes to IT systems used by supplier companies.

"The vast majority of these suppliers are small, medium enterprises – they don't have the wherewithal to invest in huge IT system changes," he said.

"But what we want to be able to do is insert some technologies that are common to them and allow some connectivity with us.

"We're aspiring to issue all the information they need to manufacture the part digitally, we'll track how they're progressing with the manufacture and scheduling of the build, back into being ready to ship it back to us, and that will all be done electronically.

“Our vision is to be able to see live supply chain status information, enabling improved productivity through less supplier follow-up, and improved production co-ordination in the shipyard.”

Century Engineering managing director David Heaslip said the program offered his company and others an opportunity to further develop their capabilities in the defence sector.

“Being a part of the Hunterclass frigate program presents Century Engineering and all stakeholders with enormous opportunities and will advance the supplier ecosystem,” he said. “It means we will be part of a digital thread from conception to installed product on the Hunter-class frigates, and we look forward to providing an agile and responsive service to BAE Systems and ultimately to defence.”