EUROPEAN DEFENCE AGENCY

Brussels, 28 January 2012
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EDA

European defence-related Centres of Excellence - *an EDA perspective*

Centres of Excellence - Background

- EDTIB Strategy stresses the importance of Centres of Excellence (CoEs)
- Cross-cutting issue - SMEs, KIC, R&T, non dependencies, EU12
- Defence-related CoEs study
- Contractor - Roland Berger Strategy Consultants NV S.A.

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Centres of Excellence - Definition

- "a geographically proximate group of companies and associated institutions in a particular field, linked by commonalities and complementarities"

Michael E. Porter

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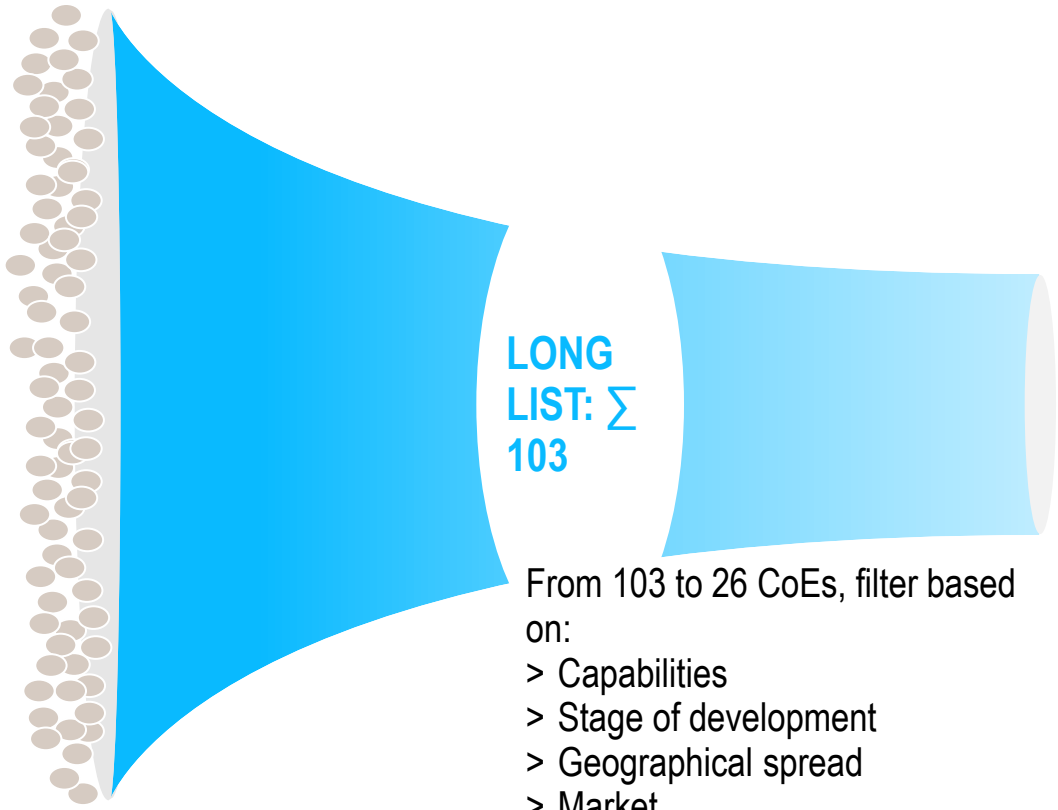
European defence-related centers of excellence

Anas Hanan, Senior Project Manager

Roland Berger
Strategy Consultants

Brussels, 28 January 2013

We started from a full list of 136 European defence-related CoEs and retained a short list of 26 CoEs for further analysis



From 136 to 103 CoEs, filter based on:
> Defence focus
> Still active
> Industrial activities

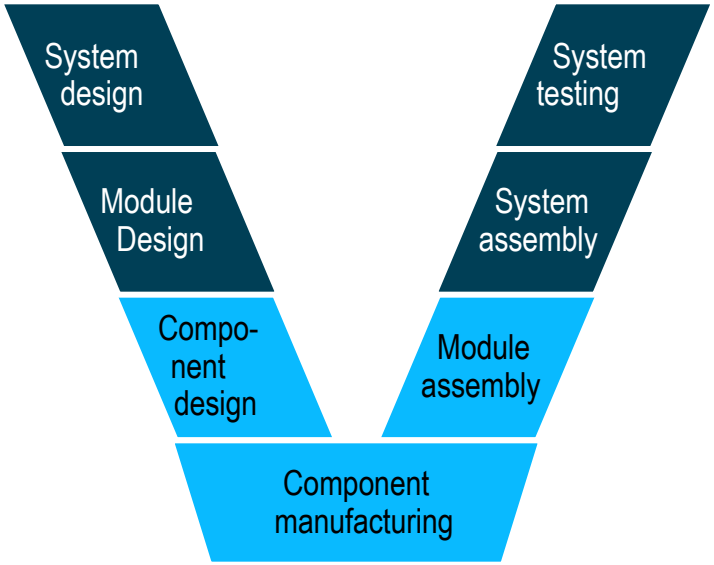
From 103 to 26 CoEs, filter based on:
> Capabilities
> Stage of development
> Geographical spread
> Market

Aircraft Original Equipment Manufacturers are becoming large system integrators, leaving lower tier activities to their suppliers

Illustration – Aerospace sector

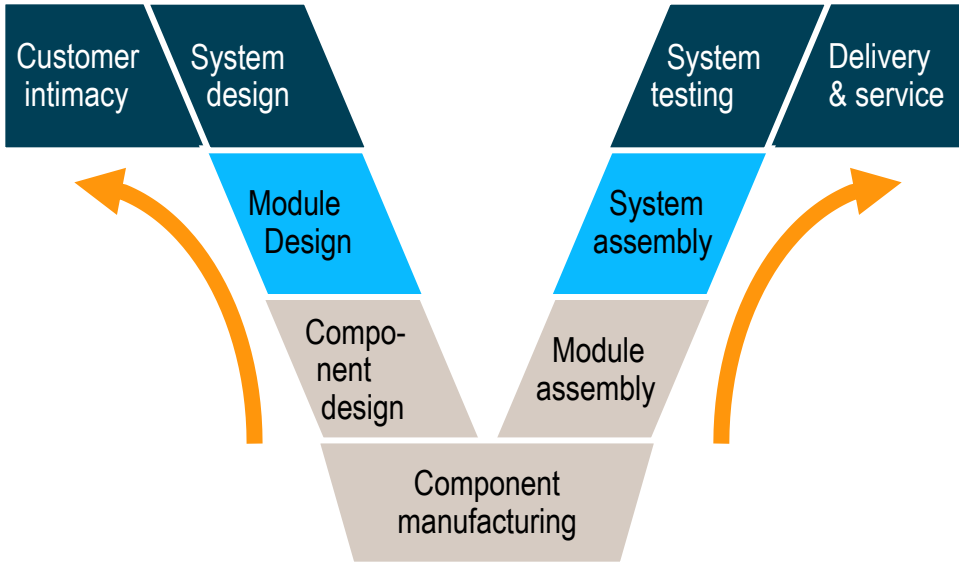
HISTORICAL AIRCRAFT OEM POSITION

Designer – Manufacturer – Integrator



FUTURE AIRCRAFT OEM POSITION

Large System Integrator

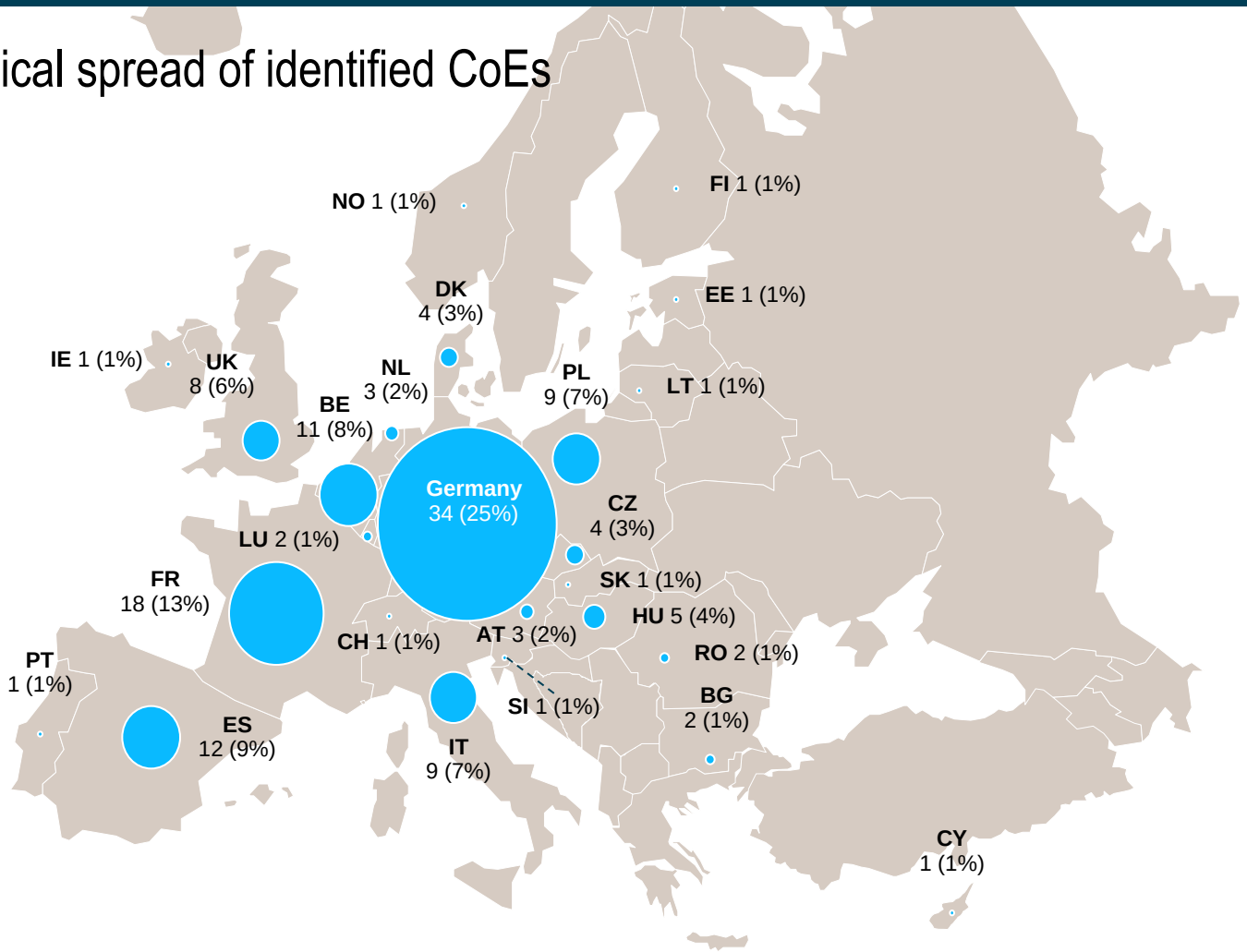


OEM: Heavy presence | Focused presence | Mostly outsourced

Source: Roland Berger analysis

75% of the identified CoEs are located in 7 countries: Germany, France, Spain, Belgium, Italy, Poland and the UK

Geographical spread of identified CoEs



Several lessons learned have been identified through interviews with CoE managers and major OEMs

STRENGTHS

> Defence-related CoEs **have emerged:** 103 identified

> Some **major EU instruments** to promote CoEs have been put in place (INNOVA, CIP,…)

> Guidelines and policies are being implemented to **facilitate access** for SMEs to **Defence Procurements**

WEAKNESSES

> There are very **few Defence-specific CoE policies** at national level

> **Single point of entry for Defence-related CoEs** at EU level is **lacking**

> **CoEs are reluctant to invest** in projects without clear commercial benefits

OPPORTUNITIES

> **Dual nature of emerging technologies** allows involvement of civilian enterprises

> **Increasing involvement of** major European defence **OEMs** in several CoEs

THREATS

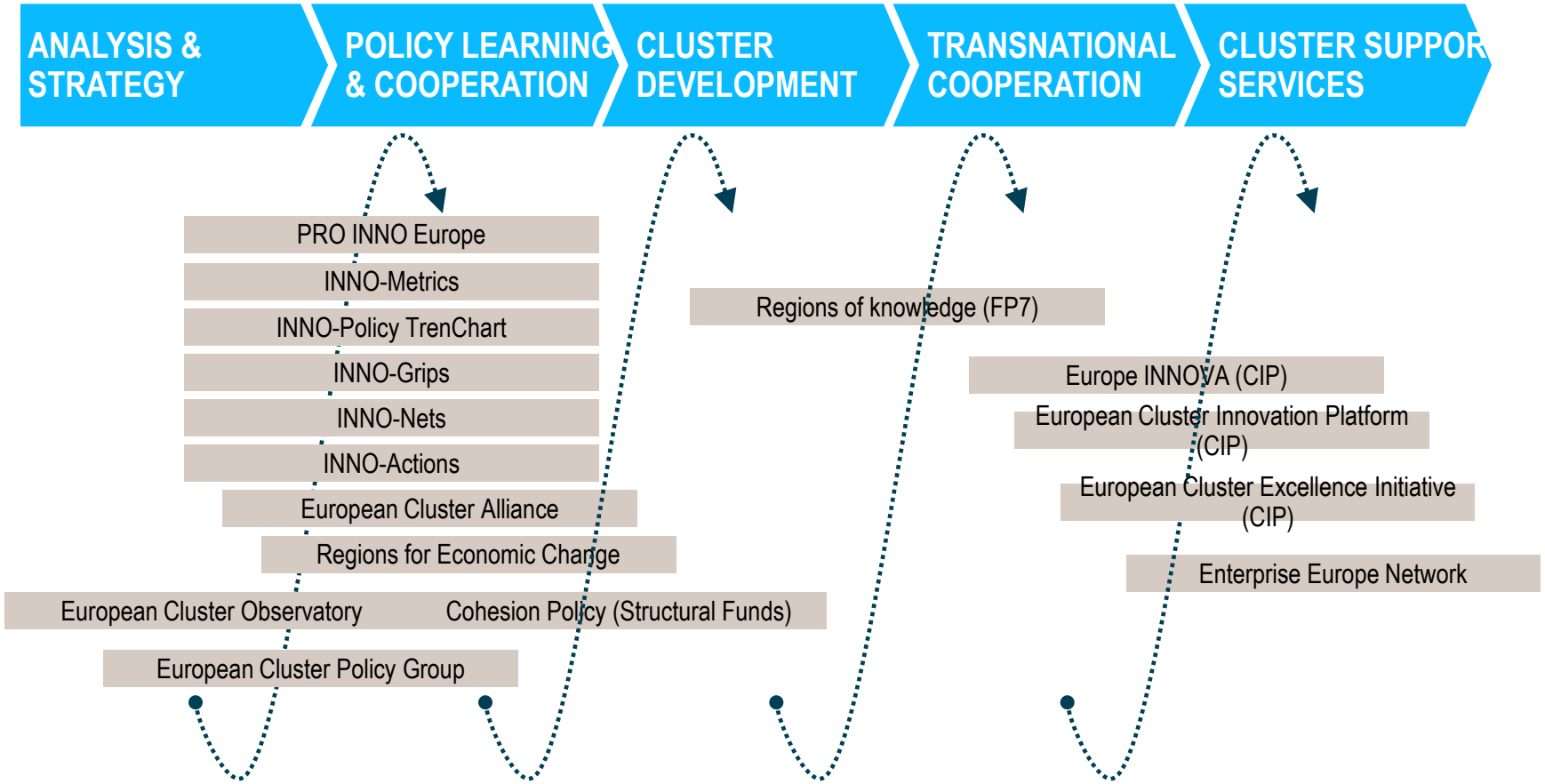
> **Dispersion of policy initiatives** creates complexity and poor visibility

> **Complex administrative procedures** lead to inefficiencies and lower impact

> **Market and cultural barriers** hamper international cooperation

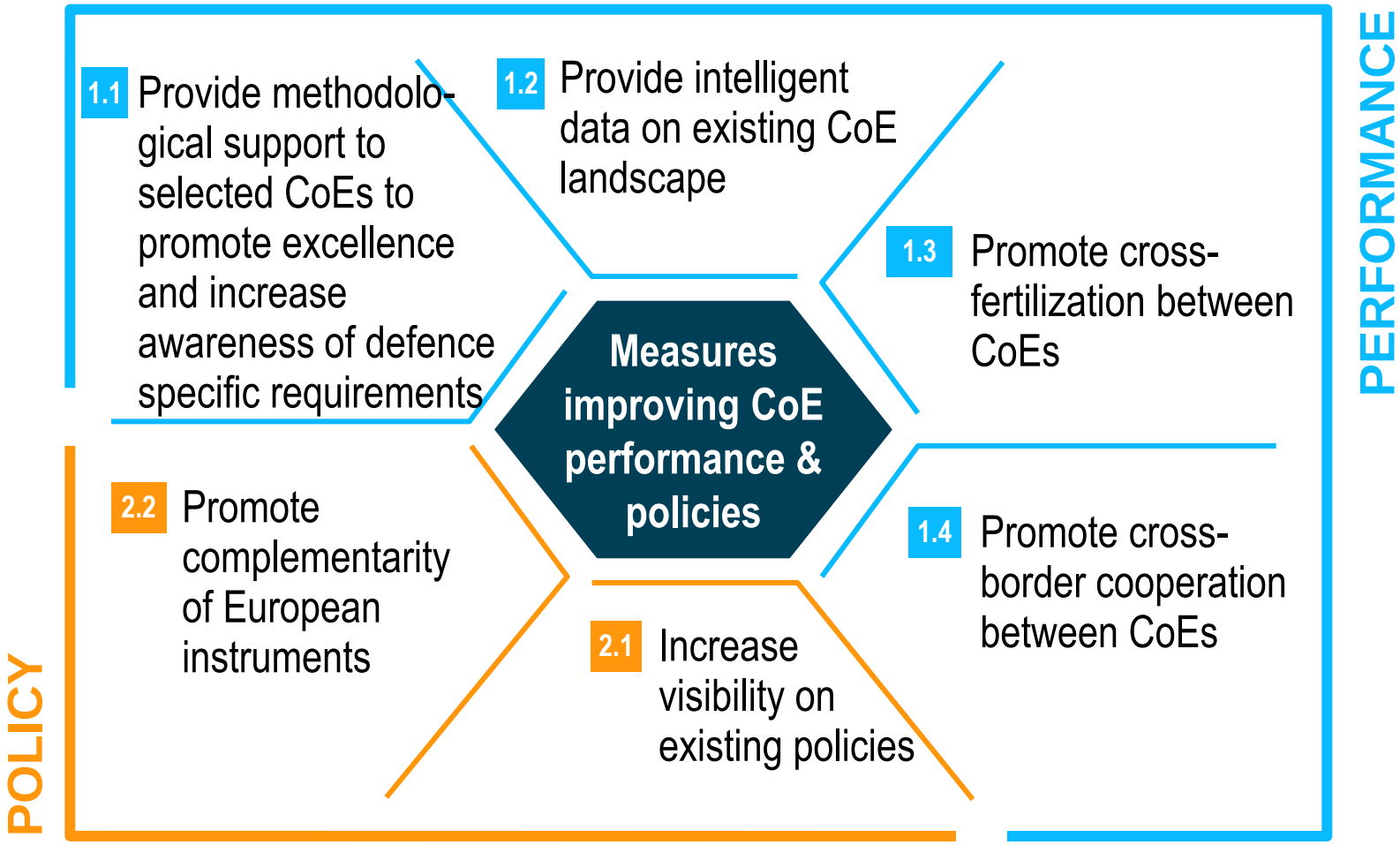
Stronger bridges between the different instruments need to be created to exploit synergies and strengthen project results

Overview of EU initiatives in support of clusters



Source: Europe INNOVA / PRO INNO Europe paper N°9

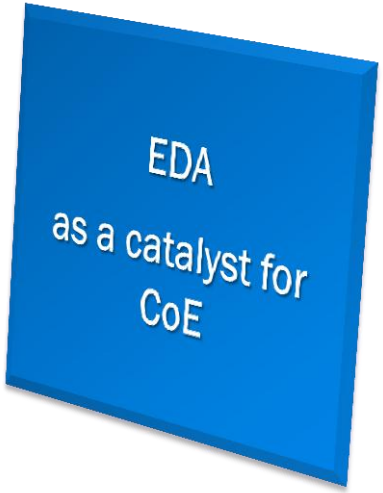
To start developing European defence-related CoEs, two sets of measures should be put in place



Source: Roland Berger analysis

Conclusions and Way Ahead

- Strategic role of Centres of Excellence in EDTIB - EC (TFD)
- Key issue - identifying and developing existing CoE
- Improving more synergies between the defence and civil economy
- Important means of supporting defence SMEs
- Potential way ahead:
  - regional specialisation
  - improve access to information (EDA forum / portal)
  - develop CoE European networks



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