

35th IAA SYMPOSIUM ON SPACE POLICY, REGULATIONS AND ECONOMICS (E3)
Financial Viability and Supplier monitoring in times of economic vulnerability (6)

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Abstract

Customer commercial – recurring products - New ways of working: less and shorter meetings and reviews mainly digitally, very limited onsite meetings, delegation of inspections or virtual conduction of inspections using photo video - Force majeure contract adaptations e.g. relaxations on delivery schedule related penalties.

Customer ESA – development contracts - Significantly shortened payment process supported short-term liquidity - ESA audited and confirmed, but not yet covered, the extra cost impacting PL and therefore investment decisions e.g. in RD and CAPEX are still pending due to strict cost containment measures - New ways of working: delegation of inspections and shorter meetings and reviews mainly digitally, very limited onsite meetings; but on lower level compared to commercial customers

Suppliers - Research institutes, which are key suppliers in ESA development projects, implemented a stricter access and shot-down policy than commercial suppliers, impacting schedules and therefore cost on subprime and prime levels. - Other suppliers were similarly impacted as JOP e.g. by lock-downs, travel restrictions, as well as social distance measures and quarantines policies. Hardware delivery schedules impacted (partly heavily) as these activities cannot be performed in home office. - New ways of working: Delegation of inspections and shorter meetings and reviews mainly digitally, very limited onsite meetings - Anyhow additional effort @ JOP for increased supplier monitoring and schedule tracking management during pandemic

JOP - Due to lock-downs, travel restrictions, as well as social distance measures and quarantines policies new ways of working had to be set-up and implemented, resulted in additional effort and short term higher non-productive hours. - Covid has been an accelerator of change in digitalization, remote working, etc. - JOP indirectly benefited from US government support to US space industry (e.g. accelerated C-Band satellite procurement). Therefore, a business volume impact and e.g. partial employment measures could be prevented. - Further fostering a long-lead and advanced stock procurement strategy for recurring products prevented major gaps in supply chain during Covid, but additional impacts resulting from EEE market shortage Ukraine war are stressing the situation now to its limit