THOMPSON
AERO SEATING

# SiG HELPS THOMPSON AERO SEATING PREPARE FOR FINANCIAL TAKE-OFF

**5**
Business partners deployed

**£1.2m**
MPV improvement (2023)

**100%**
Financial support across all functions

SHARING IN
**GROWTH**
Results driven. **Results proven.**

## COMPANY OVERVIEW

Thompson Aero Seating is a leading supplier of business and first-class aircraft seating, trusted by top global airlines such as Delta, Lufthansa, and Singapore Airlines. With a growing market share and expanding product portfolio, Thompson's seats are installed on all major aircraft types, including the Airbus A350 and Boeing B787 Dreamliner.

Now under the ownership of AVIC (Aviation Industry Corporation of China), a major global aerospace company, Thompson is one of Northern Ireland's fastest-growing businesses. Employing around 800 staff across four sites in Portadown and Banbridge, the company offers comprehensive design, engineering, manufacturing, and R&D capabilities.

# THE CHALLENGE

Thompson Aero Seating faced significant hurdles as it navigated a period of steep commercial volume growth coupled with rapid product development. These challenges put immense pressure on their supply chain, requiring the development of suppliers and expediting deliveries to meet demand. Freight costs soared, and the company faced the risk of contractual penalties due to tight delivery schedules.

To support the growing business, Thompson Aero Seating had to ramp up its headcount and implement organisational changes. However, this rapid expansion exposed the need for robust financial and analytical support to guide critical business decisions. With many fast decisions required, the capacity and capability of their finance team became a key concern.

Addressing these challenges was vital to ensuring sustainable growth and maintaining Thompson Aero Seating's reputation for quality and innovation. This was when they turned to Sharing in Growth (SiG) for support.

The COVID-19 pandemic significantly impacted Thompson Aero Seating, leading to a sharp contraction in business. Revenue dropped from £181m (2017-19) to £55m in 2021, and the workforce reduced from around 1,700 to around 550 heads over the same period. Despite these challenges, the business shifted focus, with 50% of the team now engaged in business partnering and strategic activities. This marks a departure from 2017-19, when efforts were primarily directed at transactional processing, cash management, and developing basic reporting, with limited and disconnected business partnering.

# THE SiG SOLUTION

SiG played a pivotal role in shaping Thompson Aero Seating's transformation. From the outset, SiG contributed to Business Partnering discussions, advising on the optimal team structure to support the company's evolving needs.

Once the structure was agreed upon, SiG collaborated closely with the CFO and Senior Finance Business Partner to define key elements, including:

- Job descriptions and roles and responsibilities
- Metrics for each team member to ensure accountability
- A comprehensive RACI matrix to clarify responsibilities across the team

As new team members were recruited, SiG facilitated introductions and scoped opportunities for tailored support. This included:

- Enhancing material cost visibility for the cost of goods sold
- Developing a cost model to calculate labour and overhead costs per hour for each cost centre
- Driving material cost reduction initiatives

SiG's guidance and practical tools equipped Thompson Aero Seating's Finance team to better support business decisions and achieve their strategic goals.

## THE SiG RESULTS

With Sharing in Growth's support, Thompson Aero Seating developed a more forward-looking Material Price Variance (MPV) reporting tool. By analysing open purchase orders and planned purchase orders against an agreed target, the company was able to identify gaps and create recovery plans. This process revealed several key issues, including unreliable on-dock dates for supplier parts, price discrepancies between purchase orders and invoices, and challenges in maintaining team continuity. Despite these hurdles, the MPV system has proven extremely useful, with plans to refine and enhance it further.

SiG also facilitated the establishment of detailed actual-versus-budget reporting by commodity. This provided valuable insights into overspending within specific programs and spending categories, enabling the team to develop targeted recovery plans. These advancements have equipped Thompson Aero Seating with greater financial visibility and control, supporting their ongoing efforts to achieve operational excellence.

*"The Finance Business Partner structure that was implemented in Thompson Aero Seating since 2020 has driven significant value to functional leaders as a result of the sustained and close involvement of the team of finance professionals with our business, linking the financial performance to specific decisions and actions on a day-to-day basis."*

**NEIL TAGGART**
CEO, THOMPSON AERO SEATING


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# RESULTS DRIVEN. **RESULTS PROVEN.**

**We are the complete business transformation experts.**

Our passionate team of growth and productivity specialists work with you to develop, inspire and improve every aspect of your organisation.
The Sharing in Growth challenge and purpose is to accelerate your business growth and ultimately your bottom line.

To learn more about how Sharing in Growth can help your business thrive, contact our team today. We are committed to providing the knowledge, tools, and support you need to unlock your business's potential and drive sustainable growth.


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