

Creating a culture of cash and cost awareness

How did Eurocopter manage to get all employees to understand how they have a direct impact on the company's cash position, how they proactively contribute to and drive cash flow, and how generating cash is well within their scope of activities?

Until 2007, the executive team at Eurocopter, a division of EADS, was mainly focused on *profitability*. Earnings Before Interest and Taxes (EBIT) was a key driver and outweighed even the company's cash position. By early 2008, Lutz Bertling, Eurocopter President & CEO, had increased the weight of cash as a key performance indicator for Eurocopter Group worldwide. He also decided to launch at Group level a change towards a real *cash* culture.

"With the financial crisis that began in 2008, cash is now even more important than ever before," says Dieter John, the company's EVP of Finance. "Cash is king" and allows us to prepare and invest in our products, innovation, acquisitions, and to ensure our future success.

Understanding how daily actions impact the business financially



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— Bernard Prunet
 Vice President ESPRIT Project, Eurocopter

Cash is the best form of insurance at a time when money is becoming increasingly scarce and expensive. Known as the "Cash and Cost Culture," the strategy carried over to Eurocopter and represents a significant culture change.

To support the initiative, Bernard Prunet, VP ESPRIT Project, with a dedicated internal team, brought in Celemi Apples & Oranges™, a hands-on business simulation to demystify finance. "We have discovered that everybody understands what cash is, but when it comes to the real drivers - working capital, accounts receivable, inventories and the like - people don't share the same understanding," Mr. Prunet says. "They don't see where their individual actions have an impact on the cash they have."



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Mr. John has set a clear target: one third of the Eurocopter staff will be trained. “During 2008, we had already trained 2242 people from France, Germany, Spain, and Australia,” Mr. John notes, “with strong buy-in from the management — 100 executives have already participated! In 2009 we will train another 2000 people, including a third in our world-wide network of subsidiaries.”

Eurocopter cites several reasons for choosing Celemi Apples & Oranges:

- Critical financial information specific to Eurocopter is easily incorporated
- It is a fun and engaging way to promote the cash value message
- The session is short; just one day
- Celemi’s tools were already endorsed by other international corporations, including Daimler, Siemens and Schneider Electric, and with large-scale diffusion in these companies
- The sessions are cost effective because they are run locally, in the native language, and use Eurocopter’s internal facilitators, mostly from Finance

“With sessions of 40 to 80 people, from all Directorates and from all levels, mixed by tables of four, each participant can see that he or she has hand in the company’s cash position – it’s not just in the responsibility of Finance or top management,” describes Mr. Prunet.

“We have shown our people all the levers they have within the scope of their activities to proactively contribute and drive the cash generation of the company. And, they’ve thoroughly enjoyed the experience,” Mr. Prunet concludes. “Feedback forms indicate that 99 percent of the participants recommend the session, 85 percent have judged the training ‘Outstanding’ or ‘Very Good,’ which is important since they attend on a voluntary basis.”

About Eurocopter

Established in 1992, the Franco-German-Spanish Eurocopter Group is a Division of EADS, a world leader in aerospace, defense and related services. The Eurocopter Group employs approximately 15,600 people. In 2008, Eurocopter confirmed its position as the world’s number one helicopter manufacturer in the civil and parapublic market. Overall, the Group’s products account for 30 percent of the total world helicopter fleet.

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