

Frost & Sullivan Press Release

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Frost & Sullivan Recognizes CADES for Its Robust Growth in the Aviation Design Suppliers Market Based On Strong Domain Knowledge and a outstanding business model

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LONDON – 11th December – Based on its recent research on the Indian aviation design suppliers market, Frost & Sullivan presents its 2009 Frost & Sullivan Award for Emerging Company of the Year to CADES Digitech Pvt Ltd (CADES) for its outstanding business model, which leverages on the expertise of its highly qualified and experienced professionals. This leading engineering services firm offers projects, consulting and research and development (R&D) services to the aerospace, defence, and automotive industries in the areas of design, analysis, stimulation, virtual testing, digital manufacturing, product data management, and technical publication.

Headquartered in Bangalore with multiple delivery points, CADES has an experienced team working from concept to manufacturing with value addition through technological innovation. The management team of CADES has the right combination of relevant experience and the ability to make optimal decisions that leverage on their highly successful track record, ability to execute, as well as a rich industry experience.

CADES has grown at a compound annual growth rate (CAGR) of approximately 60 to 70 percent in the past three years. The revenue of CADES grew at approximately 65 to 70 percent during the period 2008-09. The company's export accounts for nearly 80 percent of the sales. Further it has a highly scalable business model. Besides two state-of-art engineering facilities in Bangalore, it has delivery centres across India, Asia Pacific, Europe and North America. In the design suppliers segment, the gestation period for the firm is significantly long. Designs of CADES have started gaining acceptance among the customers and hence, the revenue of CADES is expected to grow at a higher rate in the future.

"The Best Practices of CADES include skilled force with good domain knowledge, a wide array of services, high level of customer satisfaction and designs approved by Center for Military Airworthiness and Certification (CEMILAC) and Directorate General of Civil Aviation (DGCA) and Certified for ISO 9001:2000, ISO/IEC 27001 and AS 9100B," says Frost & Sullivan Research Analyst Madusudan Ramani. "As one satisfied customer put it – CADES is not an IT company trying to do engineering services, but clearly a focused engineering company – and therein lies its strength"

When CADES was established, it was catering only to Indian clients such as Hindustan Aeronautics Limited (HAL), Indian Space Research Organisation (ISRO), Defence Research and Development Organisation (DRDO), and the Ministry of Defence. It then expanded its operations to Europe and later to North America. Its clients include EADS, Airbus, Boeing, Fokker, Finmeccanica, Eurocopter and Embraer among others. In June 2008, CADES was selected as the preferred supplier for engineering services by EADS. Positive feedback from clients reflects the good quality of service offered by CADES, and the likelihood of repeat business opportunities.

Along with the delivery of projects and consulting assignments to customers, CADES also partners with aerospace industry participants to create new intellectual property rights for them. Some of the product design and development services provided by CADES are Engineering Design, Engineering Analysis, Multi-Body Dynamics, Virtual Prototyping and Testing, Digital Manufacturing, Product Data Management, and Technical Publication. In addition, CADES has domain expertise in Aeroelasticity, Structural Integrity, Life Extension and Design and Analysis of Advanced Composites, NVH, Durability, Crash, and Engine Thermal Management.

"CADES allocates a significant amount of its resources toward inventing new commercially viable designs that aid the customers in developing new products. The total R&D expense, including the expense on competency development, represents around 10 percent of the total cost," notes Ramani. "The R&D intends to maximize the existing technologies and investigating the future engineering requirements for the customer."

CADES is expected to register revenues of \$100 million by the end of 2013 with revenues from the long-term customers expected to grow substantially due to the Master Service Agreements (MSA) that is to be signed with the customers for a period of three to five years. CADES has been optimizing its cost structure, which is expected to improve the profitability marginally as well.

For all achievements, CADES is the deserving recipient of the 2009 Indian Aviation Design

Suppliers Emerging Company of the Year Award. Each year, Frost & Sullivan presents this award to a private company that has demonstrated excellence in managing its growth, attracting venture capital funding, maintaining a strong management team, and establishing a sustainable competitive advantage in an attractive market. The Award recipient must be well positioned in a growing market and have demonstrated the potential to obtain market leadership in the near-term. Finally, clear exit paths must exist, along with the potential for exceptional investment returns at an acceptable risk level for potential investors.

Frost & Sullivan Best Practices Awards recognize companies in a variety of regional and global markets for demonstrating outstanding achievement and superior performance in areas such as leadership, technological innovation, customer service, and strategic product development. Industry analysts compare market participants and measure performance through in-depth interviews, analysis, and extensive secondary research in order to identify best practices in the industry.

About CADES Digitech Private Limited

CADES is a leading, domain focused product design and engineering services company with a strong emphasis on innovation. CADES provides Projects, Consulting and R&D services to aerospace, defense and automotive industries. CADES is ISO 9001:2000, ISO/IEC 27001 & AS 9100B certified and also approved by CEMILAC and DGCA. CADES is approved by Airbus for providing Design Engineering Services.

Headquartered in Bangalore, CADES has multiple delivery centers in the city and has 15 offices in 10 countries across India, North America, Europe and Asia Pacific. CADES has core competencies in the areas of Design, Analysis, Simulation, Virtual testing, Digital manufacturing, Product Data Management & Technical Publication.

CADES is known for its team of professionals with rich domain expertise, industry processes, practices and applications. The team also has proven capabilities in working from concept to manufacturing with value addition of technology innovations. CADES has formed strategic partnerships with R&D, Manufacturing, Testing, Systems development organizations and Educational Institutions.

About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, enables clients to accelerate growth and achieve best in class positions in growth, innovation and leadership. The company's Growth Partnership Service provides the CEO and the CEO's Growth Team with disciplined research and best practice models to drive the generation, evaluation, and implementation of powerful growth strategies. Frost & Sullivan leverages over 45 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from 40 offices on six continents. To join our Growth Partnership, please visit <http://www.awards.frost.com>.

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