Interview: Vicente Nazario – ISC Director & Puerto Rico Site Leader, Honeywell Aerospace



06.11.2015

Tags: Puerto Rico, Aerospace, Vicente Nazario, Honeywell, Engineering, Executive Insight, Interview

With a recent investment of $35 million in a new R&D site in Puerto Rico, Honeywell Aerospace continues to demonstrate its solid commitment to the country in its key role as part of the country's aerospace sector. Site Leader Vicente Nazario outlines the growth of this division in Puerto Rico and current projects on the field.

How do you see the evolution of Puerto Rico's aerospace industry today?

If you had asked me that question ten years ago, I might have responded, "What is aerospace?" There was only one company manufacturing aerospace technology plus a couple of startups at that time. Today we have the major players within this industry in Puerto Rico; while it is still in its infancy; aerospace has grown tremendously over the last few years. There are both Original Equipment Manufacturers and major suppliers here now, including United Technologies, Lufthansa, Honeywell, and Lockheed Martin among many others. We are developing a great number of aerospace professionals in Puerto Rico, about 5,000 throughout the island at the moment, which is a huge improvement from a decade ago.

What are the best incentives offered for investing in aerospace in Puerto Rico?

Puerto Rico has some great incentives for aerospace, the biggest being talent. Even when Honeywell Aerospace started in Puerto Rico in 2007, there was not much aerospace talent on the

island. Honeywell had been in Puerto Rico for many decades through other divisions. When the aerospace division was established, the charter of this project was to become an Information Technology or IT development center because Puerto Rico graduates many software engineers and IT professionals through its universities. As soon as we started recruiting in Puerto Rico and knowing more about the country, we noticed there was a lot more talent than IT in Puerto Rico, and other functions within Honeywell Aerospace started to tap into that talent. We started with 12 people in 2007; today we are over 900, and this speaks to the country's talent. Even when we did not have lots of aerospace talent due to the lack of exposure to this industry, we still had people with great transferable skills coming from decades of working with manufacturing and working with large global companies, many of whom came from the pharmaceutical, medical device and electronics industries. Many of those transferable skills were used in the startup of our operation after lots of training. Everywhere we have looked for talent, be it engineering, supply chain, finance, marketing, we have found it. We have great engineering schools in Puerto Rico, and it is growing in the west side of the island because of UPR Mayaguez and other good schools in engineering and business across the island. The universities are now actively designing curriculum and programs for aerospace, working with companies to continue developing this industry.

The government also offers economic incentives, and we believe that the Research & Design (R&D) incentives within the law of Puerto Rico are some of the best in the world. That has been very important for us.

Do you think these transferable skills of engineering students can allow Puerto Rico to become a master of any engineering industry?

It is a recognized asset. A big portion of our new lab in Moca will be devoted to R&D for electromagnetic interference and compatibility. That is a new field for Puerto Rico. It is an old phenomenon but has become increasingly more important in the aerospace field. There is also an increase in communications in recent decades, which produce electromagnetic interference. The bombarding of waves did not used to be present in aviation; nowadays we want our phones and computers connected with us when we travel. The amount of information equipment for pilots for guidance and navigation within airplanes is increasing exponentially. We did not have that knowledge in Puerto Rico, so our first question upon building this new site was whether we would find the necessary talent. This new laboratory will have unique and state-of-the-art technology to test and develop Honeywell's future products. But the product cannot run alone; it needs technical talent to run it. This investment was a bet based on the fact that we had been in Puerto Rico for years and that we had been able to recruit some great engineers here. We made it work; we have

the whole staff needed to run the whole new building already hired, mostly Puerto Ricans. This lab will be completely manned by roughly 250 engineers. Thus, our engineering talent is well-prepared for anything.

What are the main operations in this facility?

Honeywell Aerospace Puerto Rico is a service center. We provide services here for Honeywell sites and customers, mostly in the Americas, but some of our functions cover the world. About half of the workforce in this site is comprised of engineers, actively engaged in design. Most of them work on design; but besides engineering we also have supply chain, including everything from the buyers to commodity leaders to material engineers to negotiations to obsolescence management and planning. This site also has manufacturing engineers that work here and support sites in the US. This facility also has employees from the Finance function that support the company across the world. We have Legal and Marketing functions too. We have a large group of Program Management, as well as Customer and Product Support. With people representing all the functions within Honeywell Aerospace, this site is unique and strategically important, as Honeywell has manufacturing operations and service centers throughout the world, but not quite with the diversity and depth of resources. There are more functions represented here than in any of our other 100 aerospace facilities of Honeywell worldwide.

Could you comment on any of your most recent and exciting projects in operation here?

Four or five months ago, we ran a test flight for NASA’s Orion spacecraft here in Puerto Rico. Orion is NASA’s new exploration spacecraft and is designed to carry astronauts to destinations in deep space. Some of the key components of Orion were designed right here in Puerto Rico.

What is your expectation of increased investments in aerospace in Puerto Rico?

We do not give projections into future growth of people; however I do believe it will continue to grow here. Historically, there has been a lack of brand recognition. If you mention Puerto Rico in the context of pharmaceuticals, there is recognition. If you had mentioned aerospace in Puerto Rico a few years ago, it would have barely been recognized as a place to do business. That is changing, perhaps not so rapidly, but it is being demonstrated by the number of companies coming here to do business. There is also human infrastructure; the amount of quality professionals that are now being developed and have some experience in the aerospace industry was not available in the past. Furthermore, Puerto Rican academia now has aerospace programs that were not present some time ago. If I am an aerospace investor or company, and I am looking for a place to do business, I want those elements to be there before I commit to that place; these elements are

being developed as we speak. We continue to grow our talent, expanding our value proposition in aerospace. There was just one manufacturing site ten years ago, now there are design centers here. Today Lufthansa runs an MRO at Aguadilla's airport, and as previously mentioned we have a brand-new R&D lab in Moca, so we continue expanding within the areas of aerospace. We have a huge hub of supply chain here in Aguadilla, so we continue to expose Puerto Rico's aerospace capacity.

How do you see the aerospace industry acting as an engine of economic recovery and growth?

It could potentially be a very important factor in Puerto Rico's recovery. As long as the industry continues to grow, which is my perception, it will play a major role every day in the Puerto Rican economy, and growth will therefore be an important factor.

What is left for you to achieve?

We have higher targets every year. Serving our customer is our main goal. We must continue to continually invest in improvement. We have a great culture in Puerto Rico and in Honeywell, and our culture is important. There are many people working at Honeywell Aerospace Puerto Rico, and while we invest in very exciting technology here, our key asset is our people. We invest in people, continually developing them, taking them to the next level. That is our biggest priority to provide customers everything they need. We do not put goals in terms of growth. Our goal five years ago was not to have an R&D center; it has come about as a result of our emphasis in growing and developing our talent.

Click here to read more articles and interviews from Puerto Rico, and to download the latest free pharma report on the country.

See more interviews