

Example only

Decision Matrix for: Should Airbus invest in A220-500 or develop an all-new plane?

There may be additional alternatives and criteria;

The Decision Matrix below is an example only and should not be construed as an exhaustive solution.

Criteria	Alternative 1: Invest in A220-500	Alternative 2: Develop all-new plane
1. Competitive advantage in the relative short term – fuel efficiency	++ A key selling point due to lower operational costs	+ Assume new engines will be efficient, but this offering will take time
2. Investment required	+++ Considerably lower, if no significant redesign needed	--- Much larger (up to \$15 billion)
3. Risk due to redesign required (pylon, wings, etc.)	-- Considerable; could increase costs & time	+ Part of the new development process
4. Window of opportunity (Boeing not planning a new jet this decade)	+ Can take advantage, but also puts time pressure	-- Doubtful due to longer development time
5. Interest from existing customers and possibly others	+++ Yes	+ Not known; assume some interest
6. Cannibalization of A320 (cash cow) and profit impact	--- High	- May be some; Possibly avoidable
7. Risk from engine supplier (PW)	-- High risk (PW supply chain issues)	- May be some; Possibly avoidable
8. Impact on commonality if Airbus goes with a 2 nd engine supplier	-- High; increases airline logistics cost; may require pilot retraining to maintain license	- May be some; Possibly avoidable
9.		
10.		